

Management and accountability

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Departmental corporate governance overview

Corporate governance practices

The Department's corporate governance framework is based on accountability, transparency and integrity. It provides for clear corporate direction and leadership, effective corporate planning and performance management, a culture of accepting personal responsibility, effective internal communication and appropriate corporate control.

The governance framework allows us to achieve our policy, programme and regulatory objectives efficiently, effectively and ethically, and to deal with emerging strategic governance issues and risks. It also ensures that we meet all our statutory requirements, especially those under the *Financial Management and Accountability Act 1997* (FMA Act) and the *Public Service Act 1999*.

The governance framework encompasses interlinking executive committees (described below), allowing a structured and integrated approach to decision making.

The framework is supported by arrangements to embed risk management into planning processes and ensure critical function continuity and recovery; an internal audit programme to improve business processes and mitigate risk; and a Fraud Control Plan and an active Security Programme Plan, to provide a safe and secure work environment, protect the Department's physical and intellectual assets, and drive a culture that promotes staff compliance.

We continually review and refine our governance framework to take account of emerging needs and better practice governance models.



Senior management committees and their roles

Executive Management Team

The Executive Management Team (EMT) is the Department's main executive committee for making decisions on management policy and strategy, budget allocation and performance reporting. The team comprises the Secretary and the three deputy secretaries—one of whom is the Executive Director, Australian Quarantine and Inspection Service (AQIS)—the executive directors of the Australian Bureau of Agricultural and Resource Economics (ABARE) and the Bureau of Rural Sciences (BRS), the Chief Operating Officer and the

Executive Manager, Corporate Policy Division. During 2006–07, the EMT met 12 times in scheduled meetings (see Table 25).

The EMT oversees the Department's finances, operational performance and business and is responsible for business and strategic planning. It considers and decides on departmental strategies and policies in such areas as human resource management, communications, planning, information technology (IT), information management, security and governance. It also has the important role of identifying emerging strategic issues and corporate risks. The EMT is responsible for collegiate leadership and the achievement of shared departmental performance targets.



Profiles of Executive Management Team at 30 June 2007



Dr Conall O'Connell Secretary, Chair

Dr Conall O'Connell was appointed Secretary of the Department on 7 May 2007. Before his appointment, Conall was Deputy Secretary of the Department of the Environment and Water Resources (DEW). His responsibilities there included overseeing policies and programmes relating to natural resource management, biodiversity conservation, the marine environment and protected areas. From 1991 until he joined DEW in 1997, Conall held various positions in the Department of the Prime Minister and Cabinet, where he handled Australian federal–state relations, primary industries and environment policy. He has a PhD and a Bachelor of Arts (Hons 1) from the Queen's University, Belfast.



Dr Cliff Samson Deputy Secretary

Dr Cliff Samson is a Deputy Secretary of the Department. He has considerable experience in rural policy, and has been a member of the National Rural Advisory Council, the Wheat Export Authority and the board of the Grains Research and Development Corporation. Cliff has worked for the Department and its predecessors since 1995, and has held the positions of Executive Director, BRS; Executive Manager, Rural Policy and Innovation; and General Manager of the Field Crops commodity area. He previously worked in the departments of Administrative Services and Aboriginal Affairs and for the Public Service Board, after joining the Australian Public Service (APS) in 1984 as a graduate research officer.

Before joining the APS, Cliff worked at the University of Sydney and the University of Sheffield in the United Kingdom. He has a BA (Hons) in Archaeology, an MA in Archaeological Science, and a PhD in Palaeopathology.



Mr Stephen Hunter Deputy Secretary, Executive Director AQIS

Stephen Hunter is a Deputy Secretary of the Department and Executive Director of AQIS. Before Stephen joined us in November 2006, he was a Deputy Secretary of the Department of Families, Community Services and Indigenous Affairs (FaCSIA) for three and a half years. His responsibilities included disability, housing, community development and programmes in disaster recovery issues, corporate management, finance, audit and the FaCSIA state and territory network. Before joining FaCSIA, Stephen spent five years as a Deputy Secretary with the Department of the Environment and Heritage, with responsibility for natural resource management and conservation. Before that, he was the Director of the Bureau of Transport and Communications

Economics and First Assistant Secretary with responsibility for Regional Development in the Department of Transport and Regional Development.

He also spent more than 10 years in the administration of the Australian Capital Territory before and after self-government. He joined the APS in 1983, after tentative careers in the mining industry, photojournalism and music. Stephen holds a BA (Hons) in Political Science and Sociology from the Australian National University.



Mr Daryl Quinlivan Deputy Secretary

Daryl Quinlivan is a Deputy Secretary of the Department, with oversight responsibility for the Fisheries and Forestry and Natural Resource Management divisions and coordination of our policy work, including work on biosecurity policy. He represents the portfolio's interests through various Commonwealth–state bodies, including the Natural Resource Management Standing Committee, the Primary Industries Standing Committee and the Murray–Darling Basin Commission, and as a director of the Australian Fisheries Management Authority.

Daryl joined the Department in 2000 as Executive Manager, Fisheries and Forestry Division. His career in the APS has included policy and corporate positions in several departments,

including Transport and Regional Services and the Prime Minister and Cabinet. Daryl has Bachelor of Arts (Hons) and Bachelor of Economics degrees.

Mr Phillip Glyde Executive Director, ABARE

Phillip Glyde is a career public servant who has worked on natural resource management, environment and industry issues in a number of Australian government departments and overseas organisations for the past 26 years.

At the national level, he has worked in the departments of the Prime Minister and Cabinet; the Environment and Heritage; and Resources and Energy.

He also worked at the Resource Assessment Commission and the CSIRO. He has spent two periods working overseas: first at the Environment Directorate of the OECD in Paris and then on secondment to the Cabinet Office and the Department of Environment, Food and Rural Affairs in the United Kingdom.

Phillip has an Honours degree in Natural Resource Management from the University of New England and a Bachelor of Economics degree from the Australian National University.



Dr Colin Grant Executive Director, BRS

Dr Colin Grant is the Executive Director of the Bureau of Rural Sciences, and is a member of the Commonwealth's Coordination Committee on Science and Technology, the International Science Standing Committee, and the advisory board of the Australian Centre of Excellence for Risk Analysis. He has been a CSIRO research scientist and an academic at two universities, and has worked for the governments of New South Wales, the United Kingdom and the United States.

Colin was raised and educated in Kenya, and has undertaken university studies in science in Ethiopia at the former Haile Selassie University, in Tasmania and in Queensland, achieving BSc (Hons) and PhD qualifications.

He has held many board and statutory appointments and has represented Australia at meetings and conferences of the Organisation for Economic Co-operation and Development, the International Labour Organization, the World Bank, the United Nations Environment Programme and the International Programme on Chemical Safety.



Mr Bill Pahl Chief Operating Officer

Bill Pahl is the Chief Operating Officer of the Department.

He has over 30 years experience in the delivery of corporate services to a wide range of Australian Government agencies, including both central coordinating agencies and service delivery agencies.

Bill has worked in a wide range of Australian Government agencies, both in Canberra and in regional Australia.



Mr David Williamson A/g Executive Manager, Corporate Policy Division

David Williamson joined the Department in 2000 and is acting Executive Manager of Corporate Policy Division. He advises the EMT on departmental policy.

He has a background in policy advice and programme delivery across a range of portfolio areas, and has held General Manager positions in our International Division and Rural Policy and Innovation Division.

David has served on a number of portfolio secretariats, including the 2005 Reference Group which reported on future directions in Australian agriculture and food policy, the 2002 Independent Assessment of the Sugar Industry, and wheat marketing reviews in 2000 and 2004. He was Government Director on the Sugar Research and Development Corporation from 2003 to 2007.

David has a Bachelor of Arts (Combined Honours) degree from the University of Melbourne.



Table 25 Attendance at Executive Management Team meetings, 2006–07

Member	Role	Membership period	Meetings attended	Possible attendance at meetings
Ms Joanna Hewitt	Secretary (chair)	1 July 2006 to 4 May 2007	10	10
Dr Conall O'Connell	Secretary (chair)	7 May 2007 to 30 June 2007	2	2
Mr Daryl Quinlivan	Deputy Secretary	Full year	10	12
Mr Donald Banfield	Deputy Secretary	1 July 2006 to 1 February 2007	4	6
Mr Craig Burns	Acting Deputy Secretary	31 July 2006 to 25 August 2007	1	1
Dr Cliff Samson	Executive Director, BRS	1 July 2006 to 11 October 2006	4	4
	Deputy Secretary	12 October 2006 to 30 June 2007	6	8
Mr Peter Yuile	Deputy Secretary Executive Director, AQIS	1 July 2006 to 9 April 2007	8	8
Mr Stephen Hunter	Executive Director, BRS	31 December 2006 to 9 April 2007	4	4
		Deputy Secretary	4	4
	Executive Director, AQIS	10 April 2007 to 30 June 2007		
Dr Brian Fisher	Executive Director, ABARE	1 July 2006 to 17 September 2006	2	2
Ms Karen Schneider	Acting Executive Director, ABARE	18 September 2006 to 19 November 2006	2	2
Mr Phillip Glyde	Executive Director, ABARE	20 November 2006 to 30 June 2007	7	8
Dr Colin Grant	Executive Director, BRS	10 April 2007 to 30 June 2007	4	4
Mr Bill Pahl	Chief Operating Officer	Full year	12	12
Mr Allen Grant	Executive Manager, Corporate Policy	1 July 2006 to 27 May 2007	9	11
Mr David Williamson	Acting Executive Manager, Corporate Policy	28 May 2007 to 30 June 2007	1	1

Secretary and Deputy Secretaries meetings

Regular meetings of the Secretary and deputy secretaries consider urgent operational and policy matters, and monitor and discuss responsive management options.

Weekly Business Meeting

The Weekly Business Meeting of the executive managers and directors ensures effective communication with the divisions on key matters and executive decisions, and identifies priorities and high-profile issues for the coming week. The meeting gives the Secretary and deputy secretaries an opportunity to provide feedback from the Portfolio Business Meeting, Cabinet and Ministerial Council meetings, and to advise members of outcomes from the meetings of the EMT and other senior management committees.

Departmental Audit Committee

The Departmental Audit Committee, which is established under the requirements of the FMA Act, assists the Secretary by providing independent assurance on departmental governance, risk, control, compliance and financial reporting. The committee:

- approves the strategic internal audit plan
- approves the risk-based annual internal audit work programme
- guides and reviews internal auditing
- receives and reviews reports from the Australian National Audit Office (ANAO), internal auditors and management
- monitors the effectiveness of departmental controls in mitigating risks
- promotes improvements to underpin the achievement of departmental objectives.



Departmental Audit Committee: L to R: Tom Aldred, Michael Harris, Mary Boydell, Stephen Hunter, Jenni Gordon

The committee consists of a Band 3 senior executive (chair), two Band 2 senior executives from the Department appointed by the Secretary, and two external non-government members approved by the Secretary. The Chief Operating Officer, Chief Finance Officer, General Manager Governance and Planning, Director Internal Audit and senior representatives of the ANAO have observer status at committee meetings.

The committee met seven times during 2006–07 (Table 26 shows attendance at meetings). One meeting in late August was reserved for consideration of the Department's financial statements. A major activity during the year was the development of a process by which the committee could advise the Secretary on the newly instituted Certificate of Compliance reporting requirement.

At 30 June 2007, the members of the Departmental Audit Committee who were not also members of the EMT were:

Ms Mary Boydell

Mary Boydell has been an external member of the Audit Committee since March 2006. She is a chartered accountant with more than 30 years experience in professional services firms, private businesses and commerce, including more recently as a non-executive director. Mary is currently chair of the Gladstone Area Water Board and the Rural Industries Research and Development Corporation; a director of BSES Limited and Energex Limited; and deputy chairman of the Queensland Regional Council of the Institute of Chartered Accountants.

Mary also undertakes consulting roles and is an external member of the Maroochy Shire Council Audit Committee. She is a former director of Austrade and Burnett Water Pty Ltd, and a former external audit committee member for Airservices Australia and Betta Stores. Mary holds a Bachelor of Commerce degree from the University of Queensland and is a Fellow of the Institute of Chartered Accountants.

Mr Michael Harris

Michael Harris has been a member of the Audit Committee since October 2004. He has more than 40 years experience in IT and auditing, with an emphasis on the public sector. Until seven years ago, he was a partner in one of the 'big four' accounting firms, in charge of its IT and internal auditing practice in Canberra. Michael currently chairs the Audit Committee's Finance Subcommittee. He is also a member of four other public sector audit committees, and chairs another two.

Michael holds an Accountancy Certificate (CIT); is a Certified Practising Accountant and a Fellow of the Australian Society of Certified Practising Accountants; is a Certified Information Systems Auditor (Information Systems Audit and Control Association); and is a member of the Institute of Internal Auditors, Australia.

Ms Jenni Gordon

Jenni Gordon is the Executive Manager, Quarantine, in AQIS and has been a member of the Audit Committee since March 2006. She oversees the development and management of programmes to provide quarantine inspection services for passengers, cargo, mail, animals, plants and animal and plant products arriving in Australia; and for the early detection and containment of exotic animal and plant pests and diseases across northern Australia.

Jenni has Bachelor of Legal Studies, Bachelor of Social Studies (Hons) and Masters in Law degrees.

Mr Tom Aldred

Tom Aldred was appointed Executive Manager of the Natural Resource Management Division in late 2005, and has been a senior executive in the Department for six years. In that time, he worked on the policy taskforce that designed the National Action Plan for Salinity and Water Quality, and then for almost two years establishing the interdepartmental joint

team responsible for implementing the plan. He has managed the Department's rural support and adjustment, including the Agriculture Advancing Australia package, has been a liaison officer in offices of the Minister for Agriculture, Fisheries and Forestry, and has worked on secondment with Land & Water Australia.

Tom holds a BSc in Forestry from the Australian National University and an MBA from Deakin University.

Finance Subcommittee of the Audit Committee

The Finance Subcommittee is appointed by and reports to the Audit Committee. The subcommittee meets as required to

monitor the production of our annual financial statements. The subcommittee met seven times during 2006–07.

At 30 June 2007, the Finance Subcommittee comprised:

- Mr Michael Harris, chair, member of Audit Committee
- Ms Mary Boydell, member of Audit Committee
- Mr John Bridge, Chief Finance Officer
- Mr Peter Moore, Senior Finance Officer, AQIS.

Observers to the subcommittee are the Director Internal Audit and the ANAO officer responsible for the external audit of the financial statements.

Table 26 Attendance at Audit Committee meetings, 2006–07

Member	Role	Membership period	Meetings attended	Possible attendance at meetings
Dr Cliff Samson	Chair, Deputy Secretary	1 July 2006 to 5 December 2006	3	4
Mr Stephen Hunter	Chair, Deputy Secretary	6 December 2006 to 30 June 2007	3	3
Mr Paul Morris	Senior executive	1 July 2006 to 5 December 2006	1	3
Ms Jenni Gordon	Senior executive	Full year	6	7
Mr Tom Aldred	Senior executive	5 December 2006 to 30 June 2007	3	4
Mr Michael Harris	External non-government member	Full year	7	7
Ms Mary Boydell	External non-government member	Full year	7	7

Senior executives' responsibilities

Table 27 lists the Department's senior executives and their responsibilities.

Table 27 Senior executives of the Department at 30 June 2007

Position	Person	Responsibilities
Secretary	Dr Conall O'Connell	Efficient and effective operation of the Department Director of Animal and Plant Quarantine Chair of the EMT Chair of the Primary Industries Standing Committee Co-chair of the Natural Resource Management Standing Committee Member of the Food Regulation Standing Committee of the Australia and New Zealand Food Regulation Ministerial Council Chair of the National Emergency Animal Disease Management Group Chair of the National Emergency Plant Pest Management Group Ex-officio member of the Quarantine and Exports Advisory Council Departmental representative on Food Regulation Standing Committee
Deputy secretaries	Dr Cliff Samson	Assistance to the Secretary across a broad range of issues and functions Member of the EMT Oversight responsibility for the work of the Rural Policy and Innovation, Food and Agriculture, and International divisions Chair of the Risk Committee
	Mr Daryl Quinlivan	Assistance to the Secretary across a broad range of issues and functions Member of the EMT Oversight responsibility for the work of the Fisheries and Forestry, Natural Resource Management, and Corporate Policy divisions Deputy Commissioner on the Murray–Darling Basin Commission Government Director on the Australian Fisheries Management Authority
	Mr Stephen Hunter	Assistance to the Secretary across a broad range of issues, particularly the Department's biosecurity functions Member of the EMT Executive Director of AQIS Chair of the Audit Committee Ex-officio member of the Quarantine and Exports Advisory Council
Chief Veterinary Officer (Acting)	Dr Bob Biddle	Adviser to the Secretary on a range of animal health issues Australian Government Chief Veterinary Officer Departmental representative on: <ul style="list-style-type: none"> • the animal health quadrilateral group • the Australian Animal Welfare Strategy Advisory Committee • Animal Health Committee Member of the Australian Animal Health Laboratory Strategic Policy Group Chair of the Primary Industries Standing Committee / Primary Industries Ministerial Council Consultative Committee on Emergency Animal Diseases Member SAFEMEAT Partnership Chair of the Aquatic Animal Health Committee

Table 27 Senior executives of the Department at 30 June 2007 (continued)

Position	Person	Responsibilities
Executive directors	Mr Phillip Glyde, ABARE	Efficient and effective operation of ABARE Provision of timely and relevant briefing and advice to the Department and government on economic issues affecting portfolio industries Member of the EMT
	Dr Colin Grant, BRS	Efficient and effective operation of BRS Provision of timely and relevant briefing and advice to the Department and government on scientific issues affecting portfolio industries Member of the EMT Member of the BRS Executive Committee Member for the Coordination Committee on Science and Technology Member of the International Science Standing Committee Member of the advisory board of the Australian Centre of Excellence for Risk Analysis
Chief Operating Officer	Mr Bill Pahl	Assistance to the Secretary across a broad range of issues and functions Efficient and effective operation of the Management Services Division Member of the EMT Member of the Implementation and Monitoring Forum Committee for the Departmental Collective Agreement 2006–09
Executive managers and deputy executive directors	Mr David Williamson, Corporate Policy Division (Acting)	Efficient and effective operation of the Corporate Policy Division Member of the EMT
	Mr Tom Aldred, Natural Resource Management Division	Efficient and effective operation of the Natural Resource Management (NRM) Division Development and implementation of NRM policies and programmes Management of NRM programmes, including the Natural Heritage Trust, the National Action Plan for Salinity and Water Quality, the National Landcare Programme, Defeating the Weed Menace, and Healthy Soils Member of the Audit Committee
	Mr Ian Thompson, Rural Policy and Innovation Division	Efficient and effective operation of the Rural Policy and Innovation Division Development and implementation of policies and programmes for rural industries; drought and exceptional circumstances; research and innovation; biotechnology; and rural industries leadership Government member of the National Rural Advisory Council
	Mr Allen Grant, Fisheries and Forestry Division	Efficient and effective operation of the Fisheries and Forestry Division Development and implementation of policies and programmes for the fisheries and forestry industries
	Mr David Mortimer, Food and Agriculture Division	Efficient and effective operation of the Food and Agriculture Division Development and implementation of policies and programmes for the agricultural, food and beverage industries, as well as food safety regulation Government member of the Wheat Export Authority

Table 27 Senior executives of the Department at 30 June 2007 (continued)

Position	Person	Responsibilities
	Mr Craig Burns, International Division	Efficient and effective management of the International Division Development and implementation of international agricultural policies Management of the Department's international operations and representation
	Mr Paul Morris, Technical market Access	Advancing Australia's key technical market access issues for the agriculture, fisheries, forestry and food industries Oversighting technical market access issues across relevant areas of the Department Member of the Audit Committee
	Mr Steve McCutcheon, Product Integrity, Animal and Plant Health Division	Efficient and effective operation of the Product Integrity, Animal and Plant Health Division Provision of national and international leadership in the areas of animal health, animal welfare, plant health, food safety, agricultural and veterinary chemicals, residue management and emergency management Chair of the Australian Plague Locust Commission Board director of the Australian Pesticides and Veterinary Medicines Authority since October 2005
	Mr Greg Read, Export Programmes, AQIS	Efficient and effective operation of AQIS Export Services and animal programmes and delivery of AQIS business strategies Chair of the Export Meat Industry Advisory Committee Chair of the Codex Committee on Food Import and Export Inspection and Certification Systems
	Ms Jenni Gordon, Quarantine Programmes, AQIS	Efficient and effective operation of AQIS quarantine programmes and delivery of AQIS business strategies Chair of Legislation and Regulatory Policy Subcommittee Member of Audit Committee
	Ms Karen Schneider, Deputy Executive Director, ABARE	Leadership of ABARE research and corporate programmes
	Mr Don Gunasekera, Chief Economist, ABARE	Leadership of ABARE research programmes

Senior executive remuneration policy

The Department's remuneration policy allows variation between individual jobs, based on market and work value considerations. This is critical to our ability to compete effectively in the employment market.

Further information on senior executive remuneration is in the financial statements in this annual report.

Ethical standards

In 2006–07, the Department advanced several initiatives to establish and maintain appropriate ethical standards.

We continued the implementation of the revised fraud control plan prepared to meet the requirements of the Commonwealth Fraud Control Policy and the FMA Act. This work included the drafting of an outside employment policy and the preparation of asset disposal procedures.

We continued to train staff in fraud control, governance, ethics and security, particularly through the induction process. The training promotes the Australian Public Service (APS) Values (<http://www.apsc.gov.au/values>) and Code of Conduct (<http://www.apsc.gov.au/conduct>).

The Department maintained procedures for reporting and investigating fraud and serious misconduct. We developed our governance framework by updating information on and training in new and revised Chief Executive Instructions, and by refreshing the delegations database. We improved communication to all staff on governance matters and the APS Values, and used our internal audit function to monitor business practices.

In September 2006, the Department became aware that a number of departmental employees located with

AQIS New South Wales had allegedly been using the Department's electronic mail system to receive, retain and distribute to others a range of extremely inappropriate and offensive material.

The Department retained a specialist IT investigator to assist in an investigation of this activity. Early in the investigation, it became clear that there had possibly been criminal behaviour by a small number of employees, and the matter was passed to the Australian Federal Police. The internal departmental investigation was suspended until the police cleared it for reactivation in January 2007.

The then Secretary appointed the Department's Chief Operating Officer, Mr Bill Pahl, as her delegate to determine whether departmental employees had breached the APS Code of Conduct in this matter and, if they had breached the code, to determine what, if any, sanction would be imposed under section 15 of the *Public Service Act 1999*.

All investigations have been carried out in accordance with the Department's *Procedures for Determining Breaches of the APS Code of Conduct*.

At the time of publication of this annual report, the investigation was still underway. At 30 June 2007, 5 departmental employees had had their employment terminated, 10 had resigned from the APS before a determination was made, 3 had had a reduction in salary, 11 had been fined, and 3 had been reprimanded.

On 9 July 2007, the Secretary advised all departmental staff that there is zero tolerance for the distribution of inappropriate or offensive material. We have taken early steps to ensure that even our most recently arrived employees and contractors are fully aware of departmental policy and the Secretary's expectations about the use of our IT resources:

- It is no longer permissible to send or store any photographs, videos or other images that are not work related.
- A new log-on message appears when an employee starts up their computer, requiring unconditional agreement to the conditions of use of the system before access is granted.
- Training focused specifically on the APS Code of Conduct will start in September 2007 for all AQIS employees and be delivered to other departmental staff by the end of 2007.

While these events have been regrettable, they provide the Department with an incentive to reinforce our commitment, as an organisation, to uphold the APS Code of Conduct.

Risk management

During the year, we made significant advances in integrating risk management into all decision-making and planning activities.

In late 2006, we established the Risk Management Committee, a senior-level committee chaired by Deputy Secretary Dr Cliff Samson. One of the committee's initial tasks was to finalise the Department's Pandemic Influenza Contingency Plan, which was completed in October 2006. The plan will be reviewed annually.

In February 2007, the Secretary issued a revised Chief Executive Instruction (No. 24) setting the policy framework for risk management and business continuity arrangements.

The EMT agreed on a revised set of corporate risks to be managed through divisional risk management plans. The Risk Management Committee will receive periodic reports on divisional monitoring of the management of operational and corporate risks.

The 2007 Comcover Risk Management Benchmarking Survey found that our overall performance was comparable with that of other large agencies. We are now rated in the top group for our business continuity arrangements. This achievement is the result of our work to remedy a deficiency noted in the 2006 benchmarking survey and highlighted by the ANAO.

Each division has developed detailed procedural instructions to complement the Departmental Business Continuity Plan, which outlines how we would deliver our critical functions in the event of a significant disruption to business. In such circumstances, we will use the Department's Critical Incident Response Plan to provide the command and control framework for response and recovery.

We tested elements of the plan during 2006–07 and undertook a live exercise in August 2007; further tests are planned for 2007–08.

Corporate performance planning and reporting

Our 2006–07 corporate and performance planning and reporting framework included the following components.

The Portfolio Budget Statements (PBS), Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Estimates Statements (<http://www.daff.gov.au/about/budget>) stated the portfolio's planned Outcome, appropriations and revenue, and the purpose of the portfolio budget measures.

The 2007–2010 Corporate Plan (<http://www.daff.gov.au/about/publications/corporate-plan>) set out our plans for four calendar years.

Divisional business plans built on the PBS to document how each division would deliver individual outputs through projects. The business plans contain information on divisional priorities and



Secretary Conall O'Connell at launch of DAFF Corporate Plan 2007–10 and Client Service Charter

major programmes, and list all projects in the division with their risk management plans. All project risks subject to division-level monitoring are captured in a divisional risk register.

Individual work plans and learning agreements documented the work that staff agreed to undertake to contribute to their projects, the work level standards they agreed to meet, the skills they needed, and how they would improve those skills through agreed learning and development activities.

The Communications Strategy provided a guide to internal organisational communication.

The Governance Framework outlined our operating rules, internal audit, risk management, business ethics, fraud risk management and control, and security issues. We made separate risk assessments for fraud and security, and the Audit Committee oversaw the development of resulting plans.

The Departmental Business Continuity Plan outlined how we would deliver our critical

functions in the event of a significant disruption to business. The plan is supported by detailed divisional procedures and contingency plans (for example, the pandemic contingency plan), as required.

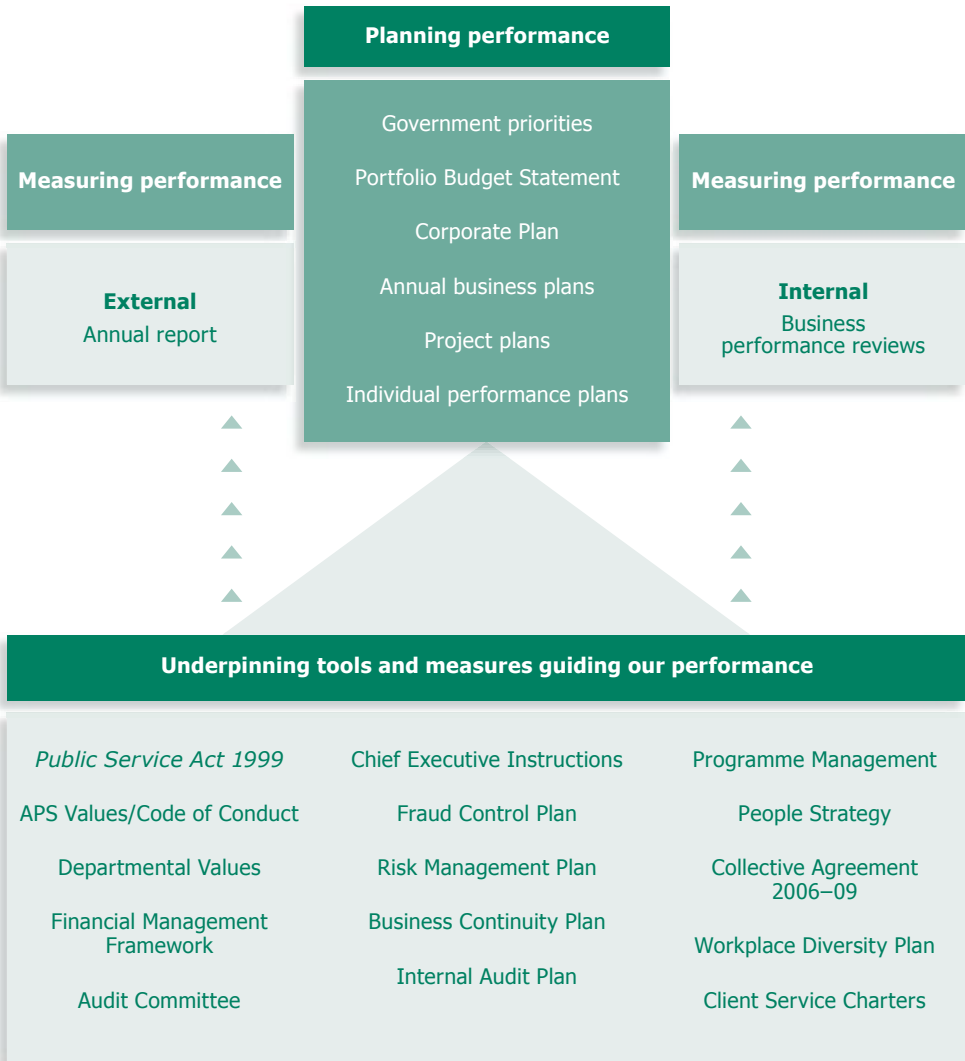
Financial reports reported on year-to-date and end-of-year projections against budget. The Executive reviewed the financial reports each month.

Two performance reviews were conducted for each division.

The Department's 2005–06 annual report provided an overview of our organisational structure, methods of operation, key achievements and corporate directions. The report assessed our achievement of the performance indicators in the PBS, including our performance in relation to our output objectives and corporate management and accountability.

Other documents supporting our operations in 2006–07 included the Internal Audit Plan, the Fraud Risk Management and Control Plan, Chief Executive Instructions and the Strategic Security Plan (see Figure 12).

Figure 12 Accountability and performance framework



Assets management

The Department manages some 2,000 assets around Australia and has 5,000 IT-related assets under a leasing arrangement, with a total asset value of \$42 million. We hold several classes of assets: land and buildings, plant and equipment, intangibles (software) and leased IT equipment. Our major investments in assets are in land, buildings and intangibles. Third parties manage our land, buildings and leased assets under outsourcing contracts.

To achieve departmental objectives and business requirements, the Department controls acquisitions and enhancements to the existing asset base through a capital budgeting process, which is approved by the EMT. As part of the annual budget process, divisions prepare and submit capital budget proposals for consideration and approval.

During 2006–07, we improved our procedures for and education about the disposal of property, and began to give operational staff more responsibility for estimating when assets should be replaced. There was an independent revaluation of significant assets to fair value.

Response to the Uhrig Report

The Department made substantial progress during 2006–07 in implementing Uhrig Report assessments of portfolio agencies.

Legislative amendments to the *Primary Industries and Energy Research and Development Act 1989* to remove the government director positions from boards

of the eight statutory rural Research and Development Corporations (RDCs), and to improve board expertise, experience and management arrangements, were put into effect from 28 May 2007. Parliamentary Secretary Ley provided Statements of Expectation to the RDCs on 1 March 2007. In response, the RDCs provided Statements of Intent.

Similar improvements to the governance of the Australian Wine and Brandy Corporation were made through legislative amendments to the *Australian Wine and Brandy Corporation Act 1980* put into effect from 22 June 2007. A Statement of Expectations and a Statement of Intent were exchanged between the government and the corporation.

Substantial changes to the governance framework of the Australian Pesticides and Veterinary Medicines Authority took effect from 1 July 2007. The changes, which replace the previous board model with an executive management model, were finalised after extensive discussions with the authority, state and territory governments and other Australian Government departments.

The Uhrig assessment of the Australian Fisheries Management Authority recommended a change of governance from a board to a commission. The government has decided that the change is to take effect by 1 July 2008, and we have continued work to develop appropriate legislation and other arrangements.

Implementation of the assessment for the Wheat Export Authority, which would require a similar change of governance arrangements, will be completed by 1 October 2007.

Biosecurity Australia corporate governance overview

Corporate governance practices

Under the *Financial Management and Accountability Act 1997* (FMA Act), the Chief Executive of Biosecurity Australia is responsible for the efficient, effective and ethical use of Commonwealth resources. Three key committees help the Chief Executive meet his responsibilities: the Biosecurity Australia Governance Committee, the Audit Committee and the Systems Committee.

Senior management committees and their roles

Biosecurity Australia Governance Committee

The Governance Committee supports the Chief Executive in the leadership and management of Biosecurity Australia. The committee comprises the Chief Executive (chair), two Principal Scientists (one for animal biosecurity and the other for plant biosecurity), the general managers of the Animal Biosecurity, Biosecurity Development and Communications, and Plant Biosecurity branches, and the Chief Finance Officer. The managers of the Animal and Plant Biosecurity secretariats also attend as ex-officio members. During 2006–07, the Governance Committee met six times in regular meetings (see Table 28).

At 30 June 2007, the members of the Biosecurity Australia Governance Committee were as follows.

Mr John Cahill, Chief Executive (chair)

John Cahill commenced as Chief Executive of Biosecurity Australia on 1 December 2004. He was previously with AQIS, where he managed Australia's

quarantine border operations and corporate management. In his current role, John has been responsible for implementing government decisions that the independence of Biosecurity Australia be strengthened and that it become a prescribed agency with financial autonomy under the FMA Act. John has led and managed significant change and reform within Biosecurity Australia to enable it to better deliver on its responsibilities to provide science-based quarantine risk assessments and policy advice in relation to the importation of goods into Australia, as well as to support Australia's market access requests to other countries.

Dr Bill Roberts, Principal Scientist, Plant Biosecurity

Bill Roberts was formerly the Chief Plant Protection Officer. He has worked in a range of organisations in Australia and overseas, including for a time as the Coordinator of the International Plant Protection Convention.

Dr Mike Nunn, Principal Scientist, Animal Biosecurity

Mike Nunn is a veterinary epidemiologist with Australian and international experience in the detection, reporting, diagnosis, control and eradication of emergency animal diseases. He has particular interests in risk analysis and the ecology of emerging infectious diseases.

Ms Louise van Meurs, General Manager, Plant Biosecurity

Louise van Meurs has extensive experience in the operational and policy areas of the Department, having held management positions in Biosecurity Australia and in AQIS, where she was responsible for AQIS's airports, mail and plant programme areas. She has also represented the Department in international and bilateral negotiations.

Dr Robyn Martin, General Manager, Animal Biosecurity

Robyn Martin has considerable experience in policy development, having worked in AQIS and then Biosecurity Australia for the past 10 years. She has previously worked in veterinary research, state government agriculture departments and private veterinary practice.

Dr Ann McDonald, General Manager, Biosecurity Development and Communications Branch

Ann McDonald is responsible for the development of policies and strategies relating to biosecurity systems, communications, and business planning, monitoring and review.

Ann spent over a year as senior adviser to the Minister on technical matters, including biosecurity and quarantine. That position followed 10 years with AQIS, where she worked on quarantine and export matters, including biological imports and exports of live animals and food derived from animal products.

Mr Robert Gehrig, Chief Finance Officer

Robert Gehrig has been the Chief Finance Officer of Biosecurity Australia since June 2007. He previously worked in a number of financial roles within the Department. Robert is a member of the Society of Certified Practising Accountants (CPA Australia).

Table 28 Attendance at Biosecurity Australia Governance Committee meetings, 2006–07

Member	Role	Membership period	Meetings attended	Possible attendance at meetings
Mr John Cahill	Chief Executive (chair)	Full year	6	6
Dr Bill Roberts	Principal Scientist Plant Biosecurity	Since September 2005	6	6
Dr Mike Nunn	Principal Scientist Animal Biosecurity	Since November 2005	3	6
Ms Louise van Meurs	General Manager Plant Biosecurity	Since June 2005	4	6
Dr Robyn Martin	General Manager Animal Biosecurity	Since June 2005	4	6
Mr Stephen Prothero	General Manager, Biosecurity Development and Communications	Until December 2006	3	3
Dr Ann McDonald	General Manager, Biosecurity Development and Communications	From January 2007	3	3
Mr David Perrott	Chief Finance Officer	Until February 2007	4	4
Walter Turnbull contractor	Acting Chief Finance Officer	February–June 2007	1	1
Mr Robert Gehrig	Chief Finance Officer	Since June 2007	1	1

Biosecurity Australia internal audit function and Audit Committee

Biosecurity Australia continues to commission internal audits, based on its risk management plan, and considers the outcomes of relevant Department-wide internal audits. In May 2007, an internal audit of Biosecurity Australia’s financial control framework was undertaken. The recommendations from the report concerned low or medium risks, and have been accepted and acted on by management.

Internal audits of the agency’s administrative arrangements, the implementation of improvements to the import risk analysis process and the recruitment of scientific expertise are scheduled for 2007–08.

Biosecurity Australia’s Audit Committee has oversight of financial reporting, the internal control structure, risk management, fraud control systems and internal and external audit functions.

The committee comprises the General Manager of Biosecurity Development and Communications Branch (chair), the General Manager of Animal Biosecurity, and an external independent member.

The Biosecurity Australia Chief Finance Officer, the Department’s Chief Finance Officer and representatives from the Department’s Internal Audit and the Australian National Audit Office also attend meetings as advisers and observers. The committee met six times during 2006–07 (see Table 29).

At 30 June 2007, the members of the Biosecurity Australia Audit Committee were:

- Dr Ann McDonald, General Manager, Biosecurity Development and Communications Branch (see ‘Biosecurity Australia Governance Committee’)
- Dr Robyn Martin, General Manager, Animal Biosecurity (see ‘Biosecurity Australia Governance Committee’)
- Ms Glenys Roper.

Glenys Roper has held a range of senior executive positions in the Australian Government. She was Controller of the Royal Australian Mint and later the Chief Executive of the government’s Information and Communications Technology Office. She is now a non-executive director on a number of boards, principally in the finance sector. She also chairs or is a member of various boards and committees, including a number of audit committees, in the Australian, New South Wales and Australian Capital Territory governments.

Glenys is active in the not-for-profit sector, and was chair of the Canberra Symphony Orchestra until recently. She is currently deputy chair of the Australian Capital Territory Cultural Facilities Corporation. She has been awarded the Channel 9 – Louis Vuitton Award for leadership and achievement.



Biosecurity Australia Audit Committee:
L to R: Dr Robyn Martin, Dr Ann McDonald,
Ms Glenys Roper

Biosecurity Australia Systems Committee

Biosecurity Australia’s Systems Committee oversees and steers activities to develop, improve and maintain the agency’s business systems, particularly information technology systems.

The committee comprises the General Manager of Biosecurity Development

and Communications Branch (chair), the Principal Scientists, and the general managers of the Animal Biosecurity and Plant Biosecurity branches. The committee has a working group to provide input, deliver projects and work with internal and external resources to deal with priority matters raised by the committee. The Systems Committee met three times during 2006–07 (see Table 30).

Table 29 Attendance at Biosecurity Australia Audit Committee meetings, 2006–07

Member	Role	Membership period	Meetings attended	Possible attendance at meetings
Mr Stephen Prothero	General Manager, Biosecurity Development and Communications (chair)	Until December 2006	3	3
Dr Ann McDonald	General Manager, Biosecurity Development and Communications (chair)	From January 2007	3	3
Dr Robyn Martin	General Manager, Animal Biosecurity	Full year	5	6
Ms Glenys Roper	Independent member	Full year	6	6

Table 30 Attendance at Biosecurity Australia Systems Committee meetings, 2006–07

Member	Role	Membership period	Meetings attended	Possible attendance at meetings
Mr Stephen Prothero	General Manager, Biosecurity Development and Communications (chair)	Until December 2006	1	1
Dr Ann McDonald	General Manager, Biosecurity Development and Communications (chair)	From January 2007	2	2
Dr Bill Roberts	Principal Scientist, Plant Biosecurity	Full year	2	3
Dr Mike Nunn	Principal Scientist, Animal Biosecurity	Full year	3	3
Dr Robyn Martin	General Manager, Animal Biosecurity	Full year	2	3
Ms Louise van Meurs	General Manager, Plant Biosecurity	Full year	2	3

Senior executives' responsibilities

Table 31 lists the senior executives of Biosecurity Australia and their responsibilities.

Table 31 Senior executives of Biosecurity Australia at 30 June 2007

Position	Person	Responsibilities
Chief Executive	Mr John Cahill	Management of Biosecurity Australia
General managers	Dr Robyn Martin , Animal Biosecurity	Management of biosecurity policy relating to the import and export of animals and their products
	Ms Louise van Meurs , Plant Biosecurity	Management of biosecurity policy relating to the import and export of plants and their products
	Dr Ann McDonald , Biosecurity Development and Communications	Management of governance, systems, biosecurity development and communications
Principal Scientists	Dr Bill Roberts , Plant Biosecurity	Provision of expert advice to the Chief Executive on complex plant biosecurity matters
	Dr Mike Nunn , Animal Biosecurity	Provision of expert advice to the Chief Executive on complex animal biosecurity matters

Senior executive remuneration policy

Senior executive remuneration is consistent with the remuneration arrangements for senior executives within the Department.

induction process for new recruits, which includes training in the APS Values and Code of Conduct, as well as fraud control and security.

Biosecurity Australia has a detailed and effective governance structure to guide and account for this process.

Ethical standards

As a prescribed agency, Biosecurity Australia has Chief Executive Instructions covering such areas as fraud control, official conduct and hospitality. Where it has not been necessary to develop a separate instruction, the agency maintains standards identical to those of the Department.

Biosecurity Australia maintains its own Fraud Control Plan, which complements and is integrated with the Department's plan.

The Department provides fraud, ethics and security training for Biosecurity Australia staff. The Department also manages the

Risk management

Biosecurity Australia has adopted the Department's risk management framework.

Corporate performance planning and reporting

Biosecurity Australia set planning directions for 2006–07 based on government policy initiatives in biosecurity and outcomes from 2005–06. The agency's branches prepared detailed work plans in line with those directions

and the Department's Corporate Plan. Biosecurity Australia uses this approach to deliver its responsibilities, including those stemming from the new Regulations under the Quarantine Act covering the conduct of import risk assessments.

The agency's 2006–07 performance planning and reporting framework included the following components.

The Portfolio Budget Statements (PBS; <http://www.daff.gov.au/about/budget>) stated Biosecurity Australia's Outcome goals and appropriations, and the purpose of the portfolio budget measures.

The Biosecurity Australia Plan provided a framework by which the agency intended to achieve its Outcome goals.

Biosecurity Australia Branch Plans stated how each branch would deliver individual outputs.

The Communications Strategy set principles for communication with stakeholders at all levels.

The Governance Strategy provided for a Governance Committee to oversee Biosecurity Australia's operating rules, review processes, risk management, ethics, fraud risk assessment and control, and security.

The Business Continuity Plan (covered by the Department's strategy) protected Biosecurity Australia against a breakdown in function or activity.

Financial reporting provided year-to-date expenditure against the approved budget. The Governance Committee reviewed financial reports each month.

Performance reviews were conducted for each branch, and incorporated sub-branches.



AQIS BA Social Club gathering

Management of human resources

Overview

The Department's new collective agreement came into force on 29 June 2006, after employees approved it in a postal ballot. The agreement, which was one of the first to be approved under the WorkChoices legislation, promotes flexible employment practices and remuneration arrangements. Further details of the agreement are provided in this section.

Important human resources work during the year included the establishment of a specialist workforce planning section, the full implementation of our Management Programme, and the development of a pilot Skills Development Programme to fill training gaps.

Appendix 1 of this report contains workforce statistics for the year.

Workforce planning and structure

During 2006–07, the Department established a specialist workforce planning section. The unit is now developing key human resources strategies and integrating them into a flexible framework to meet our internal and external priorities. For example, after compiling a baseline profile of employees, the unit identified mature age employees, succession management, and recruitment and retention as critical areas. Strategies developed for those areas will be linked by an overarching workforce plan.

After preparatory work in 2006–07, we are in the final stages of development of a whole-of-department employee survey and an employee exit survey to be implemented in 2007–08. We will use the results to guide work on tailored strategies, procedures and workplace improvements that will benefit all staff.

The Department continues to respond to the Management Advisory Committee's report, *Managing and sustaining the APS workforce*, through increased recruitment and selection for our graduate, finance cadetship and traineeship programmes.

Recruiting people

The Department's high-profile entry-level recruitment programmes continued to attract many quality candidates. The Graduate Development Programme and the Traineeship Programme provide structured training and development to prepare graduates and trainees for careers in the Department and the wider Australian Public Service (APS).

The 58 graduates recruited from a range of disciplines for the 2007 Graduate Development Programme began work in Canberra in January 2007. They are now well into their development year, during which they undertake a structured vocational programme (leading to a Diploma of Government), agency-specific training sessions, and rotations to give them experience in programme, policy and corporate management fields. An additional 12 graduates began work with the Australian Bureau of Agricultural and Resource Economics (ABARE) during the year.

Following the success of the pilot Traineeship Programme in 2006, when nine trainees graduated in December, we expanded the intake to 15 trainees this year. The programme is a base-level recruitment pathway into the Department for school leavers and people who have not completed tertiary studies. During the development year, trainees study for a Certificate III in Government while they attend agency-specific training sessions and gain experience across the Department. The recruits began work in February 2007 in most of our divisions, the Bureau of Rural Sciences (BRS) and ABARE.

An evaluation during 2006–07 confirmed that our graduate and trainee recruitment methods continued to meet our operational requirements effectively in the current labour market.

We completed several bulk recruitment rounds for Band 2 Level 5, Band 2 Level 6, Band 3 Level 7 and Band 3 Level 8(a) classifications. Bulk recruitment produces cost savings, allows us to plan and coordinate recruitment more effectively, and gives employees an opportunity to broaden their skills through lateral movement.

The Human Resources Branch once again coordinated the University Vacation Employment Programme, which employs undergraduates at various stages of their degrees. In six weeks of paid work experience, nine students were exposed to important portfolio-related issues in the Rural Policy and Innovation, Natural Resource Management, and Corporate Policy divisions.

Individual divisions also worked to attract the best people:

- BRS staff promoted career options directly to their professional colleagues and to university students, and the

bureau continued its BRS Summer Scholarship arrangement with the Australian National University.

- ABARE hosted seven economics undergraduates in its regular January–February vacation employment programme. The students, all going into their fourth year, came to work in Canberra from four universities in New South Wales and Victoria.

Developing people

The Human Resources Branch continued to organise staff development activities to attract and retain highly skilled employees and to ensure that staff could achieve our objectives and their own aspirations.

The DAFF Management Programme began in August 2006, after development work the previous year. The programme is designed to build the skills, leadership and confidence of our managers, who play a critical role in achieving our organisational objectives. Targeted at the Band 2 Level 5 to Band 3 Level 7 cohort and their equivalents, the 12-week programme includes modules on policy development, programme implementation, governance, financial/budget preparation,



Deputy Secretary Don Banfield with the 2006 trainees. (L to R): Erin Payne, Glenn Woodward, Paul Bushel, Marian Caliskan, Jacqueline Campbell, Emma Barratt, Damian Jenkins, Natalie Kelly, Stephanie Cullen

employee relations, presentation skills and stakeholder engagement (including cultural awareness and diversity). By July 2007, 120 employees had begun or completed the programme, which will continue during 2007–08.

The Australian Quarantine and Inspection Service (AQIS) continued its Middle Management Programme, which is tailored for Band 2 Levels 5 and 6 and high-performing Level 4 staff. Participants were coached and mentored, and worked through a series of training modules. The programme, which is strongly linked to the Investors in People standard, recognises the importance of management in achieving organisational goals.

AQIS has also developed a competency-based Capability Framework for Band 1 and 2 staff to make performance management and development more consistent. The framework provides direction in recruitment and selection by tying selection criteria to core competencies, and identifies individual and corporate training needs. Training programmes supporting the framework included the National AQIS Auditor Training Programme, the Welcome to AQIS induction CD and courses on illegal foreign fishing vessels.

The Department's Human Resources Branch developed a pilot Skills Development Programme to fill training gaps for Levels 1 to 5. Training delivered so far includes modules on job applications and interview skills. Additional modules will be developed after a further assessment of staff training needs.

Our Induction Programme gave all new employees in Canberra and elsewhere an overview of the Department, its priorities and its stakeholders. The programme also covered occupational health and safety; performance management; information and records management; electronic

communications; payroll and recruitment service; and governance (including the APS Values and Code of Conduct, security, fraud, ethics and risk management).

Other programmes provided to staff during the year included training in writing to achieve results, a course on indigenous cultural awareness and a one-day programme on exchanging constructive feedback.

Staff also participated in the Australian Rural Leadership Foundation's Australian Rural Leadership Programme, the Institute of Public Administration Australia's Prime Minister's Awards for Excellence in Public Service Management, the Australian Public Service Commission's Career Development Assessment Centres, and the Australia and New Zealand School of Government's Executive Masters of Public Administration and Executive Fellows Programme.

In September 2006, the Department's Leadership Alumni attended a presentation by Ms Avril Henry, generational expert, on 'Generation X and Generation Y'. The presentation explored the differences between the generations, including differences in their expectations and working styles, and ways to manage and motivate each group.

Rewarding people

Fifteen employees received Development Awards during 2006–07. The awards give staff an opportunity to undertake professional and personal development activities that will benefit both them and us in the long term.

In our annual Australia Day Achievement Awards, we recognised employees who had made outstanding contributions.

A number of division-based rewards and recognition schemes recognised contributions made by individuals and teams at the division level.

Building a diverse workforce

Our Graduate Development, Traineeship, and Indigenous Cadetship programmes continued to increase workforce diversity by including indigenous people, people with disabilities and people from diverse backgrounds.

To attract indigenous graduates, we advertised in indigenous publications and our staff visited indigenous careers centres on university campuses.

We also used the Australian Public Service Commission's Indigenous Capability Fund to provide development opportunities for Aboriginal and Torres Strait Islander employees. As a result of this funding, indigenous staff attended various conferences and participated in the DAFF Management Programme, the APS Commission's development programmes and a leadership development programme.

AQIS, in particular, was involved in strategies to boost indigenous employment in the APS. The agency recruited indigenous Australians through the APS Commission's Indigenous Entry Level Recruitment Programme, used an Indigenous Capability fund allocation to pay for development programmes for indigenous employees in the Torres Strait Islands, and co-sponsored the Caring for Country Award in the March–June 2007 APS Commission 'Drawing Together' indigenous art competition.

Other initiatives to build workplace diversity in the Department included the following:

- We celebrated the International Day of People with Disability. As part of the celebrations, we invited Mr Sam Bailey, a farmer with quadriplegia, to share his experiences of farming and working on the land.
- With other APS agencies, we marked National Aboriginal and Islander Day Observance Committee (NAIDOC) Week.
- We honoured families during National Families Week, and young people through Wish Day and National Youth Week.
- We supported families through flexible work arrangements and provided a YMCA school holiday programme for the children of Canberra-based staff.

In our contribution to the *Accessible government services for all* report, which will, when published, replace the *Access and equity reports* of previous years, we highlighted examples of our policy implementation and service provision in the context of cultural diversity. The new report includes four replacement performance indicators: responsiveness, communication, accountability, and leadership.

During the year, we maintained our commitment to implementing the Commonwealth Disability Strategy (see Appendix 3 for further details).

Performance management

The Department's performance management scheme integrates organisational, divisional and individual planning, and gives staff a clear understanding of our business priorities. Annual work plans and learning agreements cover work objectives, learning goals, and departmental and APS values.

During 2006–07, we made further improvements to the e-based performance management system in the Canberra office for more consistent appraisal across the organisation and better data collection and reporting. The system is now more accessible for employees, line managers and supervisors.

‘Senior Executive Service (SES) upwards appraisal’ is an integral part of performance management. Upwards appraisal ensures that employees who report directly to an SES officer have an opportunity to comment on the officer’s performance as a manager. Those observations are considered during the SES officer’s annual performance assessment.

AQIS regional employees currently use a manual performance management process. We expect to trial the e-based system in some regions during 2007–08, before a regional rollout the following year. AQIS has developed a web-based capability framework to make performance management more consistent for its Band 1 and 2 staff. The framework will be trialled in several work groups throughout 2007–08, with full implementation planned by July 2008.

Impact and features of certified, collective and Australian workplace agreements

Collective agreement

The Department of Agriculture, Fisheries and Forestry Collective Agreement 2006–2009 was lodged with the Office of the Employment Advocate in June 2006, after its approval in a postal ballot of employees.

The collective agreement, which came into force on 29 June 2006, replaced a previous three-year certified agreement.

The main features of the collective agreement are:

- a 12% pay increase over the life of the agreement, to be paid in three instalments of 4%
- revised performance management arrangements, including streamlined procedures to deal with underperformance
- introduction of the Implementation and Monitoring Forum to replace the National Consultative Committee
- revised dispute settlement procedures
- enhanced leave provision to allow use of 10 days personal leave for maternal purposes and an additional five days personal leave for paternity purposes
- alignment of some pay points to increase mobility across employment streams
- streamlined administration of remote locality conditions.

The collective agreement promotes flexible employment practices and allows flexible remuneration arrangements between the Department and individual employees.

Each division has established a Divisional Consultative Forum to monitor the application of the collective



Then Secretary Joanna Hewitt with DAFF Development Award recipients.
 Back row (L to R): Peter Neville, Stephanie Szakiel, Stuart Stark and David Kim.
 Front row (L to R): Thom Delmont, Cathryn Geiger, Joanna Hewitt and Tara Fulton

agreement within the division. Issues with effects beyond the division are referred to the Implementation and Monitoring Forum.

The Department also negotiated a new Meat Programme Agreement for 2007–2010 for APS meat inspectors employed by AQIS under the Meat Inspector Programme. The previous agreement was read in conjunction with the APS Award. The new agreement was lodged on 22 June 2007.

As far as possible, the new agreement mirrors the Department's collective agreement. Its main features are:

- a 12% pay increase over the life of the agreement, to be paid in three instalments of 4%
- revised performance management arrangements, including streamlined procedures to deal with underperformance
- revised dispute settlement procedures
- enhanced leave provision to allow use of 10 days personal leave for maternity purposes and an additional five days personal leave for paternity purposes
- streamlined administration of remote locality conditions
- addition of a traineeship clause to aid recruitment and address the meat inspector age profile
- reimbursement for the cost of an annual flu vaccination
- increased training provisions to develop skills
- improved recreation leave management to limit the accumulation of excessive leave credits.

Australian Workplace Agreements

The Department increased its use of Australian Workplace Agreements (AWAs) during 2006–07. The government's

WorkChoices reforms have allowed more flexibility to make AWAs.

We developed a revised stand-alone AWA during the year and made a new round of offers to a target group of employees in September 2006. The target group included Band 3 employees classified at Policy and Technical Work Levels 8 and 9, Science Work Levels 5 and 6, and Veterinarian Work Levels 4 and 5. We also introduced performance bonus arrangements to strengthen the link between pay and performance.

All SES employees are employed under AWAs, which are also offered to new employees in the target group. AWAs are offered to non-SES employees on a case-by-case basis.

At 30 June 2007, 320 AWAs were in place (75 SES and 245 non-SES, based on nominal classification).

Health, safety and rehabilitation management

The Department achieved significant declines in three major injury types in 2006–07 (falls, trips and slips; body stress; and mental stress).

The effectiveness of our prevention, early intervention and rehabilitation strategies is evident in reductions in numbers of incidents and costs. The reduction in mental stress claims indicates that managers are focusing on prevention.

During the year, our Occupational Health and Safety Committee and AQIS's national and regional committees continued their programmes to reduce illness and injury rates.

For further details, and for information required by section 74 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*, see Appendix 2.

Service charters, customer satisfaction and complaints

The Department of Agriculture, Fisheries and Forestry Client Service Charter identifies our responsibilities, our clients, the service standards our clients can expect, and ways clients can give feedback or make complaints. The charter, which is published on our website (http://www.daff.gov.au/service_charter), has been adopted by all divisions and by Biosecurity Australia. Several areas have developed additional targeted service documents.

The Australian Quarantine and Inspection Service (AQIS) has developed the AQIS Service Charter, which complements the Department's charter and provides measurable service targets for AQIS operations.

The Australian Bureau of Agricultural and Resource Economics (ABARE) Research Quality Statement informs clients about the research service standard for ABARE's work.

Several departmental guidelines provide advice on dealing with clients from specific groups (such as women, young people and indigenous Australians). These guidelines are available on our intranet. They emphasise staff's responsibility to respond quickly to clients' needs, and stress how critical this is to ensure quality service.

We review the Client Service Charter every three years. Each year, we ask departmental staff about their awareness of the charter and their understanding of their rights and obligations under it.

In addition, Biosecurity Australia, ABARE and the Bureau of Rural Sciences (BRS) conduct annual surveys of their clients' satisfaction with the services they provide.

The Department

In conjunction with the Australian Public Service Values and Code of Conduct and our own complementary values, the Client Service Charter commits us to delivering a high level of service to our clients.

The 2007 review of the charter, conducted by the Corporate Policy Division, included consultation across the Department and incorporated stakeholder feedback. Based on this feedback, we simplified the charter and included an explanatory document for departmental staff.

Australian Quarantine and Inspection Service

Because of AQIS's high level of client interaction and the technical nature of its work, it maintains a toll-free national telephone number (1800 020 504) and convenes industry consultative committees to liaise with industry clients.

AQIS revised the AQIS Service Charter during 2005–06. The charter will be reviewed again in 2007–08, in line with the requirements of the Department of Finance and Administration.

Performance standards in the charter are measured against performance indicators in AQIS's six-monthly business performance reviews. Twice a year, the AQIS Leadership and Governance Committee reviews feedback received on the charter.

Since 1995, AQIS has used its annual client satisfaction survey (see Figure 13) to measure client satisfaction and to seek

feedback on performance. The survey measures client satisfaction benchmarked against the previous year's performance. Survey results are presented at AQIS industry consultative committees and are published on the Department's website.

Overall client satisfaction increased from 6.8 out of 10 in 1997 to 7.4 out of 10 in 2004. Since 2004, client satisfaction surveys have alternated between the agency's Export and Quarantine divisions. Quarantine clients rated their satisfaction at 7.3 out of 10 in 2006, while export clients rated their satisfaction at 7.4 in 2007.

Australian Bureau of Agricultural and Resource Economics

ABARE encourages and receives client feedback through its website, contact lists, telephone enquiry lines and an annual client survey. See Table 23, Output 8 performance, 2006–07, for details of client satisfaction as measured in the annual survey. Figure 14 shows trends since 2003–04.

ABARE also surveys participants in its annual national Outlook conference and regional Outlook conferences. See Table 23 for results from 2006–07.

Bureau of Rural Sciences

BRS participates in the Department's Client Service Charter and encourages direct client feedback through its website and telephone enquiry line.

BRS conducts a survey of its clients as part of an annual performance measurement cycle. Figure 15 shows trends since 2001–02.

See Table 19 Output 7 performance, 2006–07 for further details of client satisfaction in 2006–07.

Biosecurity Australia

Biosecurity Australia, which operates under the Department's Client Service Charter, provides detailed information on its risk analyses and other projects through policy memorandums (by email and hard copy to parties who have registered their interest), on its website, and in its publication, *Biosecurity Australia News*. Undertakings in relation to the import risk analysis process are given in the *Import risk analysis handbook 2003*; other information is updated on the Biosecurity Australia website.

Biosecurity Australia completed a survey of stakeholders in July 2006. This research, which was undertaken by an independent market research company, is helping the agency to understand stakeholders' needs, expectations and perceptions of its role.

Some 2,200 domestic and international stakeholders who had registered their interest in biosecurity issues were surveyed. They believe Biosecurity Australia's role is very important and, while the role is difficult, they acknowledge that many elements of the organisation perform well. They value and respect staff and their work and rate Biosecurity Australia's scientific and technical analysis highly.

However, there are some areas stakeholders would like improved. They wanted to see more useful and timely advice, proactive contact, open and transparent priority setting and a sense of partnership through their input. These issues have been addressed further by the improvements to the import risk analysis process announced by the Australian Government in October 2006.

The survey confirmed that more regular, direct communication and engagement

Continued on page 233

Figure 13 AQIS overall client satisfaction, 2001 to 2007

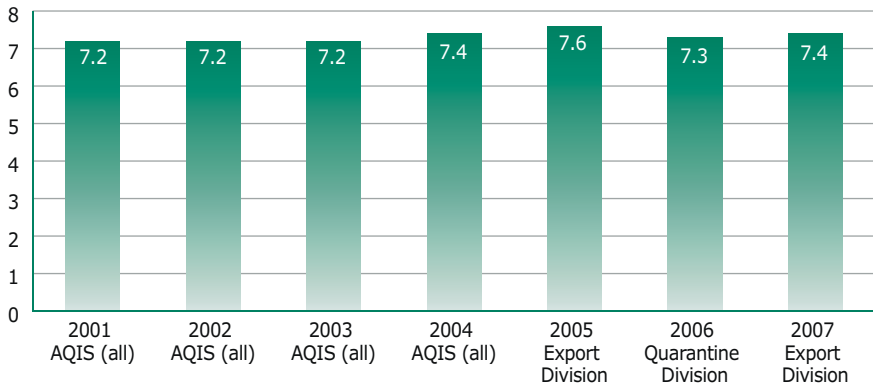


Figure 14 ABARE client satisfaction, 2003–04 to 2006–07

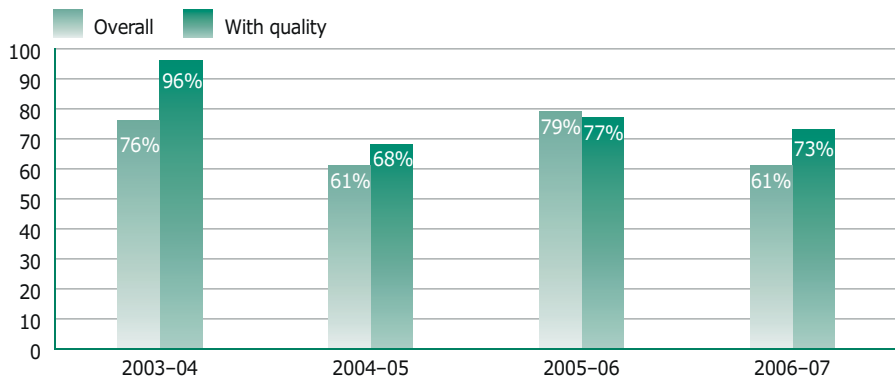
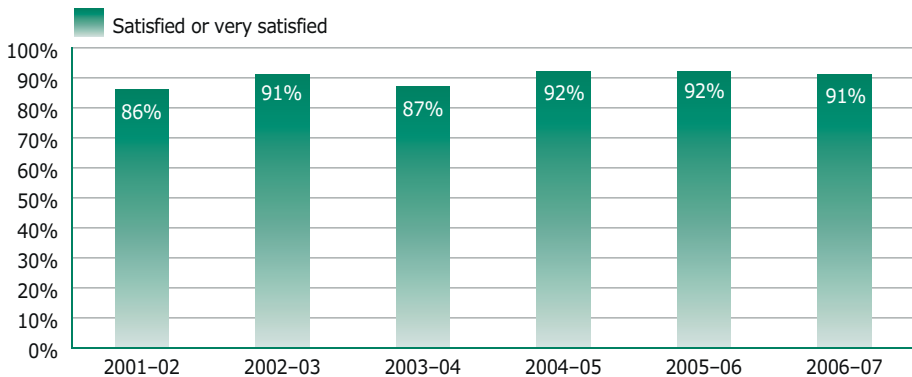


Figure 15 BRS client surveys, percentage satisfied or very satisfied, 2001–02 to 2006–07



will build stronger understanding and realistic expectations. Biosecurity Australia is developing a communication strategy to address the issues identified by stakeholders as requiring improvement. The strategy includes learning and development programmes to respond to stakeholder interests and needs.

Complaints in 2006–07

During this period, the Department's Business Ethics, Security and Investigation Unit (BESIU) was the standard point of contact for complaints received through client service charter mechanisms or made directly to the unit's director. BESIU does not deal with

'quality of service' complaints, which are handled by the divisions. BESIU received eight complaints from clients in 2006–07, of which five were not supported by the evidence and three resulted in formal action. Most related to quarantine and the treatment of goods or passengers. None was referred to an external body for action. These numbers and themes are consistent with previous years.

AQIS received 201 feedback forms, containing a total of 140 complaints (2005–06: 126 forms, 80 complaints). Complaints were mainly about customer service and inconsistency.

ABARE, BRS and Biosecurity Australia received no formal complaints during the year about failure to meet service standards.



Then Secretary Joanna Hewitt with Emma Haslam, one winner of our 2005–06 annual report photo competition

Social justice and equity

The Department practises the principles of social justice and equity detailed in the Charter of Public Service in a Culturally Diverse Society, and we use publications, websites, CD-ROMs, meetings and advisory panels to promote those principles.

We ensure that we are always accessible and fair when working with our clients.

We want to communicate effectively with all Australians, including people from culturally and linguistically diverse backgrounds and people with disabilities. In 2006–07, we continued to:

- consult a wide range of people and groups at all levels when developing and implementing policies and programmes
- use a variety of media to inform people about new policies, programmes and regulations
- consider the needs of all in purchasing and providing services.

In the latest edition of the *Access and equity annual report* (2005), the then Department of Immigration and Multicultural and Indigenous Affairs rated our performance against 11 access and equity key performance indicators. The report noted that we met 100% of the relevant indicators, indicating our compliance with the Australian Government's Charter of Public Service in a Culturally Diverse Society.

The report found that we met 82% of the indicators 'well', which is the highest achievable rating. This was a significant improvement on our rating of 73% in the 2004 report, and well above the average for Australian Government departments of 62%.

During the year, the Department contributed information to the successor to the *Access and equity annual report*, which will be published as

Accessible government services for all by the Department of Immigration and Citizenship later in 2007.

As a practical contribution to social justice and equity, we had Koomarri Jobmatch package and distribute our 2005–06 annual report.

In addition to Department-wide initiatives to promote social justice and equity, individual programmes and divisions make particular contributions.

The Envirofund programme circulates pamphlets widely and has a translation service available for people from various language groups.

To assist groups with their applications, the Community Water Grants Programme has a call centre with a translation service, staff to transcribe applications for callers with disabilities, and access for people with poor or no internet access.

The Department's natural resource management (NRM) team includes an indigenous team that presents the objectives and strategies of indigenous communities to regional NRM bodies and state and territory NRM joint steering committees. We also recruit indigenous land management facilitators to ensure effective communication and engagement with indigenous stakeholders.

The Australian Quarantine and Inspection Service recruited indigenous Australians through entry-level and graduate programmes. Employees in the Far North took part in men's and women's community leadership programmes during the year.

To support future public relations activities targeting farmers from culturally and linguistically diverse backgrounds, we commissioned market research to assess their knowledge, attitudes and behaviours in regard to highly pathogenic

avian influenza. We also commissioned a multicultural public relations agency to develop an education and awareness strategy to strengthen biosecurity among peri-urban farmers, many of whom have English as a second language.

Internationally, our capacity-building projects in Southeast Asia seek to reduce poverty among local farmers by building the technical capacity of regional agriculture agencies. Typically, these activities involve greater numbers of female participants than males.

Internal and external scrutiny

The Department's activities are subject to scrutiny through our internal auditing processes and through parliamentary committees, courts, administrative tribunals, the Australian National Audit Office (ANAO), the Commonwealth Ombudsman and the Privacy Commissioner.

- internal audit services for the Biosecurity Australia Audit Committee
- assurance services for nine management-initiated assurance tasks
- consulting services on eight systems under development
- significant resources for annual departmental certificate of compliance reporting.

Internal scrutiny

Internal audit

The Department's internal audit function is systematic, disciplined and designed to make our risk management, control and governance more effective.

Our Audit Committee reviews and monitors the internal audit strategic and annual plans and their implementation. The committee also reviews audit findings and recommendations, and monitors management actions in response to recommendations.

The Department's annual internal audit work programme was completed, providing the Audit Committee and departmental managers with assurance about current corporate, enterprise and operational risks to projects, information systems, programmes, operations, departmental and administered finances, and administrative and logistic activities. The overall results demonstrated that departmental processes were operating effectively.

In addition to the annual audit programme, the Department's internal auditors provided:

In May 2007, an internal audit of Biosecurity Australia's financial control framework was undertaken. The recommendations from the report were all low or medium risk, and have been accepted and acted on by management.

Ernst & Young continued as our contracted internal audit service provider. An independent, external quality assessment review in May 2007 found that the internal audit function met better practice standards. The report commented on the high level of cooperation and effectiveness of the team of Australian Public Service and contracted internal audit personnel. During 2007–08, we intend to act on recommendations from the review, particularly to improve the planning, visibility, utility and value of audit services.

Table 32 shows expenditure on internal audit for 2006–07 and the previous two years. The slight rise in expenditure reflects the switch to a new contract after four years, rather than an increase in workload. Figure 16 compares the numbers and types of audits completed during the three years.

Table 32 Internal audit expenditure, 2004–05 to 2006–07

Expenditure	2004–05	2005–06	2006–07
Internal audit services contract cost	\$718,000	\$718,901	\$830,000
Audit work programme support cost	\$81,767	\$100,837	\$196,000
APS internal audit staff cost	\$330,284	\$234,023	\$254,000
Total internal audit cost	\$1,130,051	\$1,053,761	\$1,280,000

Import risk analysis appeals

Three appeals (comprising a number of claims) were lodged in response to a recommendation for a policy determination by the Director of Animal and Plant Quarantine. All three appeals were made in relation to the final import risk analysis report for apples from New Zealand.

The Import Risk Analysis Appeal Panel assessed the appeals on a claim-by-claim basis. The panel found that one claim did

not fall within the grounds of appeal set out in the *Import Risk Analysis Handbook* (2003) and disallowed all other claims.

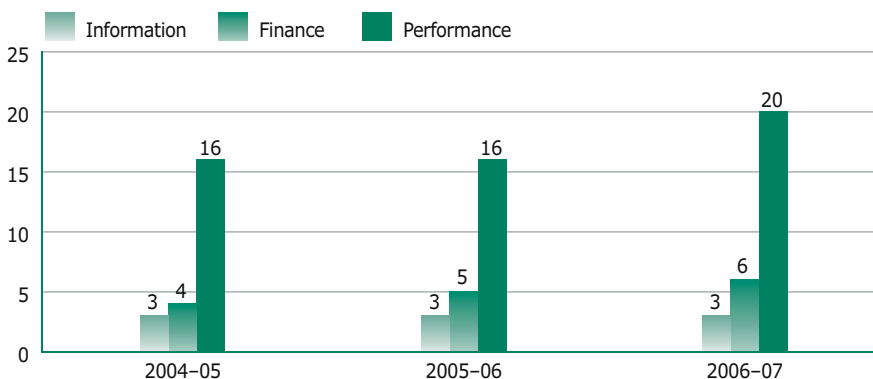
External scrutiny

The Department is subject to scrutiny by the Auditor-General, parliamentary committees, the Commonwealth Ombudsman, the courts, administrative tribunals and the public (through freedom of information requests). Table 33 shows five-year trends for many of these.

Table 33 Trends in external complaints and scrutiny

	2002-03	2003-04	2004-05	2005-06	2006-07
Complaints recorded by Ombudsman					
Approaches received	11	9	6	19	12
Approaches investigated	12	9	5	3	1
Finding of defective administration	0	1	0	0	0
Formal reports to the Minister under the <i>Ombudsman Act 1976</i>	0	0	0	0	0
Complaints recorded by Privacy Commissioner					
Complaints received	0	0	0	0	1
Freedom of information requests					
Received during the year	29	26	25	24	38

Figure 16 Internal audit engagements by type, 2004-05 to 2006-07



Reports by the Auditor-General

During 2006–07, the Auditor-General tabled four major ANAO performance audits on our activities:

- ANAO Audit Report No. 2, *Performance audit: Export certification*
- ANAO Audit Report No. 11, *Performance audit: National Food Industry Strategy*
- ANAO Audit Report No. 15, *Financial statement audit: Audits of the financial statements of Australian Government entities for the period ended 30 June 2006*
- ANAO Audit Report No. 51, *Performance audit: Interim phase of the audit of financial statements of general government sector agencies for the year ending 30 June 2007.*

ANAO Reports No. 2 and No. 11, which were particularly significant for the Department, are discussed below.

Export certification services performance audit

An ANAO audit of Australian Quarantine and Inspection Service (AQIS) export certification services, begun in 2005–06, concluded in 2006–07.

The objective was to assess AQIS's management of export certification. In particular, the audit examined the systems, procedures, processes and resources for registering premises and licensing exporters, monitoring compliance and managing noncompliance. The audit focused on regulatory activities to ensure that exports meet food safety and quarantine requirements, and involved an examination of each of the seven AQIS export programmes.

In Audit Report No. 2 of 2006–07, *Performance audit: Export certification—Australian Quarantine and Inspection Service*, the ANAO concluded that many aspects of AQIS's administrative

procedures support sound management of export certification.

However, the ANAO identified opportunities for AQIS to improve its administration of export certification by:

- improving guidance to industry on the requirements for registration and licensing
- assuring audit quality and reliability
- better management reporting and performance information.

AQIS has agreed to the report's six recommendations and has drawn up an implementation plan for each, with completion planned in 2007–08. The extent of possible improvement varies between export programmes because of differences in their administrative and information systems.

NFIS Ltd contract management performance audit

In February 2005, the ANAO began a performance audit of the management of the contract between the Department and NFIS Ltd for programme delivery under the National Food Industry Strategy (NFIS).

The audit report, which was tabled in November 2006, found that the Department's overall management of the arrangements was effective.

The ANAO made three recommendations for improvements in programme and contract management:

- that our management of new programmes include developing an implementation plan that identifies and prioritises tasks, allocates resources and details milestones, and developing a risk management plan that identifies, analyses and mitigates the risks associated with the programme
- that we strengthen our contract management framework by implementing a structured process for reviewing and managing contracts, including publishing guidelines for staff

- that, when implementing new programmes or substantial changes to existing programmes, we develop an information plan to assess programme performance and outcomes, with the plan to specify the information to be collected for each performance indicator and method to be used to collect it.

The Department agreed to the recommendations and noted its commitment to better practice, as described in the ANAO – Department of the Prime Minister and Cabinet *Better Practice Guide on Implementation of Programme and Policy Initiatives*. The Department has been a member of the Cabinet Implementation Unit Reference Group, which has provided a reference point for the guide.

Inquiries by parliamentary committees

During 2006–07, there were two new parliamentary committee inquiries into the Department's activities. One inquiry was also concerned with the activities of Biosecurity Australia.

House of Representatives Standing Committee on Agriculture, Fisheries and Forestry: Inquiry into the future development of the Australian honey bee industry

On 15 March 2007, the Minister for Agriculture, Fisheries and Forestry asked the standing committee to inquire into and report on the future development of the Australian honey bee industry. The inquiry's terms of reference include biosecurity, resource access, trade issues, research and development, and the industry's role in agriculture and forestry. The Department lodged a submission on 17 May 2007 and attended a public hearing on 13 June 2007. The committee has further public hearings scheduled over the coming months.

Senate Standing Committee on Rural and Regional Affairs and Transport: Administration of the Department of Agriculture, Fisheries and Forestry, Biosecurity Australia and Australian Quarantine and Inspection Service in relation to the final import risk analysis report for apples from New Zealand

The standing committee tabled its report on 20 June 2007. The committee concluded that it would continue its inquiry into the final import risk analysis for apples from New Zealand and sought additional information from the Department on this matter. The report contains no recommendations but expressed some concerns about the final import risk analysis report.

Parliamentary committee inquiry reports awaiting responses

At 30 June 2007, a further seven parliamentary committee inquiry reports awaited responses from the Australian Government:

- Senate Rural and Regional Affairs and Transport Reference Committee: *Australian forest plantations: a review of plantations for Australia: the 2020 Vision*
- Senate Rural and Regional Affairs and Transport References Committee: *Iraqi wheat debt—repayments for wheat growers*
- Senate Rural and Regional Affairs and Transport Legislation Committee: *An appropriate level of protection? The importation of salmon products: a case study of the administration of Australian quarantine and the impact of international trade arrangements*
- Senate Rural and Regional Affairs and Transport Legislation Committee: *Biosecurity Australia's import risk analysis for pig meat*

- Senate Rural and Regional Affairs and Transport Legislation Committee: *Administration of Biosecurity Australia—Revised draft import risk assessment for apples from New Zealand*
- Senate Rural and Regional Affairs and Transport Legislation Committee: *Administration of Biosecurity Australia—Revised draft import risk analysis for bananas from the Philippines*
- House of Representatives Standing Committee on Agriculture, Fisheries and Forestry: *Taking control: a national approach to pest animals.*

Complaints to the Commonwealth Ombudsman and other bodies

The Department advises clients not satisfied with how we handled their complaint that they are entitled to contact the Commonwealth Ombudsman. In 2006–07, the Ombudsman received 12 approaches but decided to investigate only one, which related to AQIS inspection and certification. The Ombudsman made no finding of defective administration.

Compared with the previous year, there was a 37% decline in the number of complaints to the Ombudsman and a 67% decline in the number of complaints investigated (see Figure 17).

Our clients may also have rights of complaint to the Federal Privacy Commissioner. In 2006–07, the commissioner asked us to supply information about a complaint, made in 2004, claiming unauthorised disclosure of personal information to a third party. We supplied the requested information. The matter is still under investigation.

Administrative Appeals Tribunal decisions

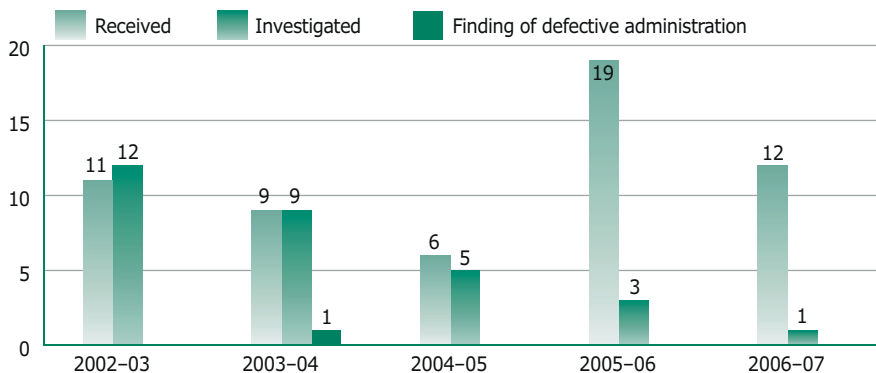
Sampac and Department of Agriculture, Fisheries and Forestry (2006)

This matter was an application for review by the tribunal of a decision made under the *Freedom of Information Act 1982*. The documents sought by the FOI applicant related to Sampac’s business affairs. Sampac appealed on the basis that the release of the documents would adversely affect its business. In August 2007, the tribunal upheld the Department’s decision in relation to the FOI request.

World Wildlife Fund and Department of Agriculture, Fisheries and Forestry (2006)

This matter was also an application for review of a decision under the Freedom of Information Act. The FOI applicant, the World Wildlife Fund, is dissatisfied with

Figure 17 Complaints to Commonwealth Ombudsman, 2002–03 to 2006–07



our decision to deny access to confidential information, comprising surveys by the Australian Bureau of Agricultural and Resource Economics. A hearing is scheduled for later in 2007.

Freedom of information

We make departmental records available to stakeholders as required under the Freedom of Information Act. Most of our activities and records relate to business rather than personal matters.

There were 38 new requests for information in 2006–07, compared with 24 in 2005–06 (a 58% increase; see Figure 18). Requests continued to be for business rather than personal information. We resolved 95% of requests within the required timeframe.

We continued to contribute to a detailed annual report, published by the Attorney-General's Department, on the operation of the Freedom of Information Act.

See Appendix 5 for our report on freedom of information, required under section 8 of the Act.

Claims for compensation for detriment caused by defective administration

During 2006–07, three claims were investigated in accordance

with *Department of Finance and Administration's Finance Circular No. 2006/05 Discretionary Compensation Schemes: Attachment A Compensation for detriment caused by defective administration (CDDA)*. AQIS inspection and certification processes were the main issues in these claims. The Department advises claimants who are not satisfied with the outcome of their claim to contact the Commonwealth Ombudsman.

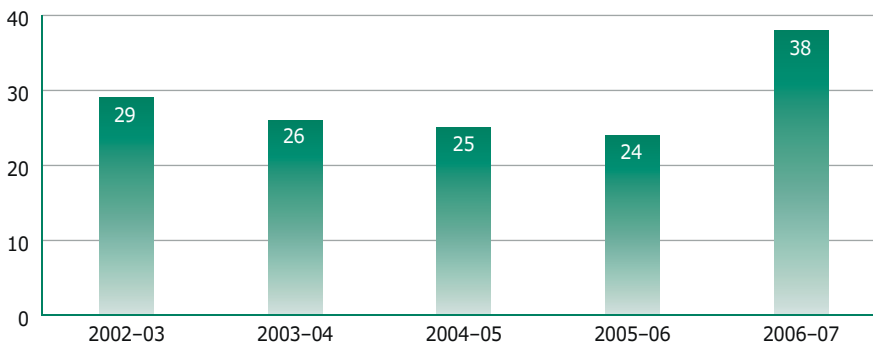
The first claim did not meet the CDDA scheme eligibility criteria. The Commonwealth Ombudsman upheld our decision that the claim was ineligible.

The second claim is being considered by the Department. We reached a decision on the third claim, and the Commonwealth Ombudsman is investigating matters raised by the claimant.

Act of grace payments

During 2006–07, we advised the Department of Finance and Administration on three claims in accordance with *Department of Finance and Administration's Finance Circular No. 2006/05 Discretionary Compensation Schemes: Attachment B Act of Grace Payment*. Details of payments made are included in the financial statements section of this annual report.

Figure 18 Five-year trend in freedom of information requests



Reviews and evaluations

The Department's programmes and administration are subject to reviews and evaluations at various levels, ranging from internal reviews to performance and financial auditing by the Australian National Audit Office (ANAO). We learn through these reviews, amending our practices and program delivery in response to the findings.

This section outlines significant reviews completed during 2006–07, underway at the time of publication, or planned for 2007–08.

No formal evaluations of Bureau of Rural Sciences, Australian Bureau of Agricultural and Resource Economics or Biosecurity Australia programmes were completed, begun or in progress during 2006–07.

Completed

Two performance audits completed by the Australian National Audit Office in 2006–07 (of Australian Quarantine and Inspection Service export certification services and of the Department's NFIS Ltd contract management) are reported in the 'Internal and external scrutiny' section.

Output 1: National Action Plan and Natural Heritage Trust national evaluations

During 2006–07, the final two of ten national evaluations of the Natural Heritage Trust and the joint delivery of the National Action plan were completed:

- coastal, estuarine and marine outcomes of regional investment
- the national Natural Resource Management (NRM) Facilitator Network.

These evaluations provided input into the development of the future operations of the Natural Heritage Trust. All 10 evaluations are available at <http://www.nrm.gov.au/publications>.

Output 1: Environmental Management Systems National Pilot Programme final evaluation

A final report on the EMS National Pilot Programme analysed all evaluation information from the pilots, and provided a qualitative cost–benefit analysis and an assessment of changes in participants' knowledge, skills, attitudes and aspirations. Over 1,050 landholders were involved in EMS activities through the pilot programme.

The review was completed in August 2006. The major lessons from the review were as follows:

- There are many potential ways in which farmers and fishers can legitimately approach EMS. There is no preferred way to tackle EMS; instead, diverse circumstances demand diverse approaches.
- The three-year timeframe of the pilot programme was too short to measure tangible costs and benefits for the primary producers involved. Many pilots reported their expectation that EMS would deliver tangible benefits over the next 10 years, which they hoped would be tested through further evaluation.
- Tangible benefits from EMS include a better understanding of producers' business; opportunities to maintain or improve relations with industry regulators, markets and industry critics; and support networks arising from involvement.
- A lack of clear drivers is a limiting factor to the uptake of EMS, as market drivers are currently too weak to influence land management practices.

The final report is available on the Department's website. We notified stakeholder groups of its availability, and communicated its outcomes to a broad EMS community through the EMS Newsletter.

Output 2: FarmBis mid-term review

PricewaterhouseCoopers finalised a mid-term review of the *Agriculture Advancing Australia* (AAA) FarmBis programme in November 2006. The review considered the appropriateness, effectiveness and efficiency of FarmBis at the midpoint of its implementation to inform decisions about the programme's future.

The review found that the FarmBis delivery model has worked well but that it is resource intensive, and recommended a number of changes, including consolidating programme administration and communication at a national level.

In May 2007, the Australian Government announced changes to the programme in line with the recommendations.

Output 2: Farm Help mid-term review

The South Australian Centre for Economic Studies finalised the mid-term review of Farm Help in July 2006. The review examined the effectiveness of the various programme elements and criteria in meeting Farm Help objectives, and concluded that the income support and the advice and training components of the programme are working well.

Recommendations included:

- an increase in the value of the re-establishment grant
- access to a re-establishment grant and/or further advice and training for previous Farm Help recipients
- a review of the eligibility criteria
- an increased role for rural financial counsellors in case management of Farm Help clients.

The first three recommendations were implemented in 2006–07. The fourth recommendation will be implemented during 2007–08 as part of strengthened case

management for Farm Help clients, which includes roles for rural financial counsellors and Centrelink rural services offices.

Output 2: Farm Management Deposit Scheme mid-term review

A mid-term review of the Farm Management Deposit Scheme was completed in November 2006. It was conducted under the direction of a reference committee comprising officials from the Department, the Treasury, the Australian Taxation Office, the Department of Finance and Administration, the Department of the Prime Minister and Cabinet, representatives of the National Farmers' Federation and the Australian Bankers' Association, and an unaffiliated independent member.

The review found that the scheme is meeting its objectives as a financial risk management tool for primary producers. The review contributed to the government's decision to increase the maximum deposit allowable and the threshold for the non-primary production income test.

Output 2: Industry Partnerships Programme review

A review of the Industry Partnerships Programme's performance over 18 months (including of the outcomes of the pilot programme) was completed by URS Australia Ltd in October 2006.

The review recommended improvements to the evaluation framework, better integration of the programme components, and improved communications with non-participating industries.

As a result of the review, we have developed and implemented a better evaluation framework to help measure the impact of the programme in the future. The review also led to an improved

strategy to communicate the benefits of the replacement Advancing Agricultural Industries Programme to industries that have not yet participated.

Output 3: National Food Industry Strategy final evaluation

The Department commissioned KPMG to undertake a major review of the NFIS in 2006. KPMG recommended that the NFIS should be continued, as the competitive pressures identified at the launch of the strategy have intensified and continue to require government intervention.

The review concluded that there continues to be an important role for government in mitigating innovation risk through co-investment in the research, development and commercialisation of new products, processes and infrastructure. Programmes specifically tailored to the food industry, such as the Food Innovation Grants Programme, are achieving demonstrable success compared with earlier programmes that were not specific to the food industry.

In the light of its findings during the review, KPMG made a number of recommendations concerning the programmes delivered under the NFIS. The government used the recommendations as a basis for its decision, announced in the 2007–08 Budget, on funding for the food industry. The Technical Market Access, International Food Standards and Food Innovation Grants programmes were continued, and the National Food Industry Council was refocused and renamed.

KPMG found that the Technical Market Access Programme, delivered by the Department, is achieving its strategic objective of increased agrifood exports by maintaining and improving market access. This work becomes more important as tariff barriers are reduced and countries try to use non-tariff barriers

to protect their domestic markets. The review also found that the Department's International Food Standards Initiative has broadened industry's understanding of the potential impacts of food standards setting issues, with a higher level industry input into the development of Australia's negotiating positions.

KPMG found that the performance of the National Food Industry Council, including the provision of secretariat services, could be improved. As part of the \$75.7 million package of measures for the food industry announced in the 2007–08 Budget, the council has been renamed the Australian Food Industry Advisory Council, and secretariat services will now be provided by the Department. The council will focus on advising the government on key issues and priorities for the food industry.

Output 4: International Agriculture Cooperation Programme review

External consultant David Harris reviewed the International Agriculture Cooperation Programme component of the AAA package in September 2006. The aim was to assess the effectiveness of the programme.

The review aided the framing of measures for the 2007–08 Budget, which included new funding for the programme of \$7.7 million over four years from 2007–08 to 2010–2011. The programme has been strengthened to enable it to address significant market access crises and to raise domestic stakeholders' awareness of the importance of international trade.

Output 4: Administration of overseas posts review

External consultant Phillip Sparkes reviewed the administration of overseas posts in October 2006. The review made a range of best practice recommendations, which we have since implemented, to ensure better communications and greater efficiency.

Output 5: SPS Capacity Building Programme review

AusAID's Quality and Development Group reviewed the monitoring and evaluation framework of the SPS Capacity Building Programme in May 2007. AusAID reviewed the overall programme the following month, using a new quality and implementation methodology.

The reviews found that programme implementation and coordination with other donor programmes were highly satisfactory, but noted that additional resources were needed to document programme impacts fully.

As a result, during 2007–08 we will place greater emphasis on collecting systematic data on regional impacts.

Output 5: Red Imported Fire Ant Eradication Programme review

The Office of the Chief Plant Protection Officer reviewed the Red Imported Fire Ant Eradication Programme in October 2006 for the Department of Finance and Administration, as a requirement for ongoing programme funding. The review consolidated results of actions taken in response to independent efficiency and scientific reviews of the programme since 2002.

The Department of Finance and Administration accepted the results of the 2006 review. The 2007–08 Budget included \$10.27 million to fund the programme for a further two years to June 2009.

In progress

Output 1: National Action Plan and Natural Heritage Trust performance audit

The ANAO is undertaking a performance audit of the regional delivery model used for the National Action Plan and the

Natural Heritage Trust during 2007–08. The audit is expected to conclude by December 2007.

Output 1: Pathways to Industry EMS Programme final review

The final review of the Pathways to Industry EMS Programme is assessing the programme against outcomes and objectives, including the potential value of and constraints to EMS in agriculture. The report will include a discussion on the changes in knowledge, skills, attitudes and aspirations for EMS among the Pathways project participants. The review began in January 2007 and is due for completion before the end of the year.

Relevant NRM agencies, including Australian and state and territory government departments, R&D corporations, peak industry representative groups and regional NRM bodies, will be notified of the availability of the final report.

Output 1: Native Vegetation Regional Pilot Projects evaluation

We have appointed the Bureau of Rural Sciences to monitor and evaluate outcomes from the \$2 million Native Vegetation Regional Pilot Projects programme under the Natural Heritage Trust. We expect the report by June 2008.

Output 2: Farm Help longitudinal study

A five-year longitudinal study from 2004 to 2008 by the South Australian Centre for Economic Studies is surveying farmers and former farmers who have participated in Farm Help to measure medium to longer term outcomes. The third wave of surveying, in October 2006, found that 93% of farmers who exited Farm Help between October 2005 and July 2006 agreed they had derived long-term

benefits from the programme. Farmers whose financial position had not improved overwhelmingly blamed drought.

The fourth wave of the longitudinal survey is scheduled for September–October 2007.

Output 2: Current drought programmes policy effectiveness review

The Australian, state and territory governments began reviewing all drought assistance measures in late 2006–07. An evaluation by each government will assess the effectiveness and appropriateness of assistance measures, and the results will be considered in the development of options for future policy reform. The review, commissioned by the Primary Industries Ministerial Council, will be completed by September 2007. The results will be presented to the council in November.

Output 3: Forestry Structural Adjustment Package for Tasmania performance audit

In October 2006, the ANAO began a performance audit of the Department's implementation and administration of grant programmes under the Tasmanian Community Forest Agreement, delivered as part of the Forestry Structural Adjustment Package. The ANAO's final report is expected by the end of November 2007.

Output 3: Produce and Grocery Industry Code of Conduct review

In its July 2004 response to the *Report of the Review of the Retail Grocery Industry Code of Conduct* (the Buck Report), the Australian Government agreed that the code should be reviewed in three years time. The Department will review the code to assess its benefits and to determine whether it provides the government

with value for money. The review began in September 2007; we expect it to be finalised in late 2007.

Output 5: Preparedness and response arrangements for an influenza pandemic performance audit

During the year, the ANAO began an audit of Australian arrangements for dealing with pandemic influenza. Because human influenza pandemics arise from virus strains originally infecting animals, Australia's strategy includes human health and animal health components. This audit will therefore assess arrangements under AUSVETPLAN to deal with avian influenza.

The audit will focus on practical elements of preparedness and response, with particular emphasis on work resulting from Exercise Eleusis in 2005 and Exercise Cumpston in 2006.

A report is expected to be tabled by the end of 2007.

Output 5: Securing the Future Programme review

The Department is carrying out an internal review of the Securing the Future Programme, which will expire at the end of 2007–08, to determine the need for a replacement programme. The evaluation is expected to be completed by the end of 2007.

Output 5: Transmissible Spongiform Encephalopathy Freedom Assurance Programme review

The Transmissible Spongiform Encephalopathy Freedom Assurance Programme was subjected to a scheduled three-year review by Animal Health Australia. Although data collection was completed in 2006–07, the review report will not be finalised until early in

2007–08. The report will include findings on programme effectiveness, efficiency and achievement of goals, and on any recommended modifications.

Output 5: Emergency Animal Disease Response Agreement review

Animal Health Australia is carrying out a scheduled five-yearly review of the Emergency Animal Disease Response Agreement, the national arrangement between governments and industry for managing responses and sharing costs. Most of recommendations from the review are expected to be implemented by the end of the 2007–08 financial year. The review will clarify a number of matters on which there has been some misunderstanding between the parties to the agreement. Outcomes from the review will also improve the effectiveness of the agreement process and address operational concerns raised by some industries.

Output 5: National Fruit Fly and Asian Gypsy Moth Trapping Programme audit

The trapping programme, which is co-funded by the Australian Government and state and territory governments, was audited between February and May 2007. The audit considered operational aspects of trap placement and clearance, and will provide recommendations on more effective operation of this programme in future years. It will also support better integration of the programme with other survey activities delivered by the jurisdictions. A summary of the audit report will be produced, as well as separate reports for each jurisdiction involved in the programme.

Planned

Output 2: FarmBis longitudinal study

A longitudinal study of FarmBis participants will commence in 2007–08. The study will trace the ‘continuous learning and training’ culture of FarmBis among programme participants and its impact on business sustainability, competitiveness and profitability.

Output 2: Centrelink EC procedures compliance audit

A departmental audit of Centrelink EC assessment and payment procedures is scheduled for the first half of 2007–08. The audit will test Centrelink’s payment correctness (that is, whether the right person is paid the right amount at the right time).

Output 2: Rural Financial Counselling Service performance audit and client survey

By October 2007, a professional auditor will conduct performance audits of the 16 service providers delivering the Rural Financial Counselling Service programme. The audits will assess the extent to which service providers are complying with programme requirements and determine whether the new delivery arrangements implemented in 2006 are improving their governance, accountability and risk management practices.

In 2008, the Australian Bureau of Agricultural and Resource Economics will survey clients of the counselling service to determine whether service providers are delivering a flexible and responsive service that meets clients’ needs and whether they are increasing clients’ self-reliance.

Financial performance summary

The Department

The Department received \$620.05 million in revenue in 2006–07, an increase of \$57.16 million over 2005–06. After allowing for the increased expenses associated with a range of activities, particularly drought support and quarantine, and with the move to new departmental accommodation, the Department generated an operating deficit of \$14.24 million (2005–06: surplus of \$7.2 million). This deficit is equivalent to 2.3% of total departmental appropriation revenue.

The 2006–07 Financial Statements were signed by the Auditor-General without qualification. The results of the audit again

reflected the sound financial management framework in place in the Department.

During the year, a number of water functions were transferred to the Department of the Environment and Water Resources. The transfer of funds occurred very late in the year, so there was little financial impact in 2006–07. The full impact will occur from 2007–08, as can be seen in Table 34.

Table 34 shows the allocation of resourcing for each of the Department's outputs towards its outcome, including administered expenses managed on behalf of the Commonwealth and the price of outputs for 2006–07 and 2007–08. The table also provides information on the average staffing levels for 2006–07 and 2007–08.

Table 34 Price of outputs, the Department, 2006–07

	Revised Budget ^a 2006–07 \$'000	Actual 2006–07 \$'000	Variation \$'000	Budget ^b 2007–08 \$'000
Administered expenses	2,152,459	2,217,733	65,274	1,988,398
Price of departmental outputs ^c				
1 Natural resource access and management	55,060	51,517	(3,543)	46,902
2 Rural policy and innovation	75,678	72,862	(2,816)	61,870
3 Industry development	52,194	56,568	4,374	35,322
4 International Food and Agriculture Service	37,446	37,816	370	41,642
5 Product integrity, animal and plant health	35,475	35,714	239	35,495
6 Quarantine and export services	357,505	359,542	2,037	380,315
7 Scientific advice	1,696	2,310	614	1,540
8 Economic research	3,311	3,723	412	3,412
Total price for Outcome 1	618,365	620,052	1,687	606,498
Average staffing level (number)	4,214	4,224	10	4,362

a Taken from 2006–07 Portfolio Additional Estimates Statements.

b Taken from 2007–08 Portfolio Budget Statements.

c Based on total departmental revenue.

Biosecurity Australia

Biosecurity Australia generated an operating surplus of \$0.33 million in 2006–07 (2005–06: surplus of \$0.48 million), which represented 1.8% of agency appropriation revenue. The surplus was mainly attributable to lower expenditure on suppliers, including consultancies and legal expenditure.

The solvency of the agency remained sound, with a reported current ratio of 1.5 in 2006–07 (1.3 in 2005–06).

The 2006–07 financial statements were signed by the Auditor-General without qualification. The results of the audit again reflected the sound financial management framework in place in Biosecurity Australia.

Table 35 shows the price of departmental outputs and average staffing levels for 2006–07.

Table 35 Price of output, Biosecurity Australia, 2006–07

	Budget ^a 2006–07 \$'000	Actual 2006–07 \$'000	Variation \$'000	Budget ^b 2007–08 \$'000
Price of departmental output ^c	18,786	19,091	305	21,334
Average staffing level (number)	113	119	6	132

a Budgeted figures from Appropriation Bills 5 and 6 as tabled in Portfolio Supplementary Additional Estimates Statements No. 2.

b Taken from 2007–08 Portfolio Budget Statements.

c Based on total departmental revenue.

Purchasing

Our divisions and work groups are responsible for their own purchasing, but they are subject to Chief Executive Instruction (CEI) 4, which relates to procurement. CEI policies and guidelines complement the Commonwealth Procurement Guidelines and purchasing policies.

The procurement CEI sets three thresholds for purchases: under \$2,000, between \$2,000 and \$79,999, and \$80,000 or more. Purchases worth less than \$2,000 do not require competitive quotes. Purchases from \$2,000 to \$79,999 can be made, as appropriate, through the Department's corporate contracts, through the Central Advertising System, or by using the Department's purchasing procedures to source the market. Purchases of \$80,000

or more are subject to public tender, but exemptions may be approved in some circumstances.

Those involved in purchasing use a checklist to ensure that they consider all necessary factors. The list includes scoping, specification development, advertising and evaluation of tenders, contract preparation and monitoring.

We publish our annual procurement plan on AusTender by 1 July each year to draw businesses' attention to potential opportunities. The plan contains a short strategic procurement outlook for the Department, supported by details such as the subjects of planned procurements and the estimated publication dates of requests for tender.

External service providers

In 2006–07, the Department continued to contract consultants and other non-government service providers to supply goods or services. This section provides an overview of our use of consultants, along with information required by law about exempt and other contracts.

Appendix 7 gives details of consultancy contracts over \$10,000 (including GST) let during the year.

Consultants

In 2006–07, we hired consultants where specialised or professional skills were not available in the Department or where we identified a need for independent research or assessment. Chief Executive Instruction 4 on procurement contain procedures and guidelines for engaging consultants. Each proposal for a consultancy must specify the project requirements, justify the use of a consultant, identify the expected costs, recommend a procurement method and explain how the consultant's performance will be evaluated and monitored.

In line with the principles of the Commonwealth Procurement Guidelines, the Department engages consultants based on:

- value for money
- open and effective competition
- ethics and fair dealing
- accountability and reporting
- national competitiveness and industry development
- support for other Australian Government policies.

Consultancy services are a particular type of service delivered under a contract for services, distinguished from other contracts by the nature of the work performed. A consultant is an entity (individual, partnership or corporation) engaged to provide professional, independent and expert advice or services. A consultant usually brings expert professional skills to investigate or diagnose a defined issue or problem; to carry out defined research, reviews or evaluations; or to provide independent advice, information or creative solutions to aid management decision-making.

During 2006–07, we entered into 209 new consultancy contracts, with a value of \$13,529,473. Total actual expenditure on new consultancies was \$8,253,566. In addition, 104 ongoing consultancies involved total actual expenditure of \$2,960,083.

Table 36 shows the number and value of consultancies with a value greater than \$10,000, and total expenditure on consultancies, for 2006–07 and the two previous years. Table 37 shows why it was necessary to use consultancies.

The reduction in numbers of consultancies and in their total value continues a trend evident over the past few years.

During the year, the Department continued contracts with a panel of legal services providers, comprising the Australian Government Solicitor, Minter Ellison and Sparke Helmore, which was formed on 1 February 2006. Although these contracts may include a variety of consultancy engagements, they are subsets of an overarching contract, and have not been separately identified or included in the numbers reported.

Other contract information

This section contains information that we are required by law to publish in our annual report.

Exempt contract

One contract let during 2006–07 was exempted by the Secretary from being published on the basis that publication would disclose exempt matters under the *Freedom of Information Act 1982*. The contract was exempt due to details relating to value, so the value of the contract cannot be disclosed.

Access by the Auditor-General

All contracts valued at \$100,000 or more (inclusive of GST) let during 2006–07 provided for the Auditor-General to have access to the contractor’s premises.

Further information

Further information about expenditure on contracts and consultancies is available on the AusTender website (<https://www.tenders.gov.au>).

Table 36 Consultancies: number, value and total expenditure, 2004–05 to 2006–07

	2004–05	2005–06	2006–07
No. of consultancies with a value greater than \$10,000 let during the year	278	230	209
Total value of consultancies with a greater value than \$10,000 let during the year	\$18,779,225	\$16,661,001	\$13,529,473
Actual expenditure on new and ongoing consultancies during the year	\$21,388,165	\$16,198,777	\$11,213,649

Table 37 Consultancies: reasons for use, 2006–07

Reason	No.
Skills currently unavailable within the agency	14
Need for specialised or professional skills	181
Need for independent research or assessment	14
Total	209

Purchaser–provider arrangements

Department of the Environment and Water Resources

Administration of the National Action Plan for Salinity and Water Quality

The Department has a cross-agency arrangement with the Department of the Environment and Water Resources (DEW) for the administration of the eight-year, \$1.4 billion National Action Plan for Salinity and Water Quality (the National Action Plan). The two responsible ministers jointly determine policy and major funding allocations within the plan, and these are implemented by the Australian Government Natural Resource Management (NRM) Team, a cross-agency unit.

The Department is responsible for financial management of the National Action Plan, and is jointly responsible for other aspects of administration. In 2006–07, we transferred \$0.87 million to DEW to offset administrative expenses (2005–06: \$1.05 million).

Performance in 2006–07 was measured against the indicators outlined in Table 4, Output 1 administered items, 2006–07. Performance for all measures was satisfactory.

Administration of the Natural Heritage Trust

The Department has a cross-portfolio arrangement with DEW for the administration of the Natural Heritage Trust.

The Natural Heritage Ministerial Board, consisting of the two responsible ministers, is responsible for Trust administration through the Australian

Government NRM Team. DEW is responsible for financial management. In 2006–07, that department transferred \$7.30 million to us for administrative costs (2005–06: \$7.57 million).

Performance in 2006–07 was measured by:

- the number of investment strategies that were prepared and evaluated, and for which funding was agreed and specified in financial agreements
- the number of individuals and community groups supported through Australian Government Envirofund Grants
- whether investment strategies addressed nationally agreed NRM priorities to address identified NRM issues
- whether all investments approved by Ministers in 2006–07 were delivered through appropriate financial agreements and provided with funding in accordance with Trust accountability and acquittal procedures, to meet the Trust's objectives
- whether monitoring and evaluation arrangements were in place for each level of the Trust, and reports showed progress against targets.

In 2006–07, performance for all measures was satisfactory.

Section 43 of the *Natural Heritage Trust of Australia Act 1997* requires the Minister for the Environment and Water Resources to prepare an annual report on the Trust's activities. The regional component of the Trust is delivered jointly with the National Action Plan. Accordingly, there are references to Trust activity in this annual report and in the DEW annual report. The full report on the Trust's performance is in the Trust's annual report.



The Department works with Centrelink to deliver vital services such as Exceptional Circumstances and Farm Help assistance

Centrelink

Payments under various programmes

The Department has a purchaser–provider arrangement with Centrelink, under which Centrelink delivers payments for drought-related programmes (such as Exceptional Circumstances payments), Farm Help, the Citrus Canker Assistance Package, the Tobacco Grower Adjustment Assistance Package 2006, and the Sugar Industry Reform Programme 2004. Centrelink is a statutory authority responsible to Senator the Hon. Christopher Ellison, Minister for Human Services.

Our Rural Policy and Innovation Division manages the drought-related and Farm Help programmes; the Food and Agriculture Division manages the Tobacco Grower Adjustment Assistance Package and the now finalised Citrus Canker Assistance Package and Sugar Industry Reform Programmes.

A business partnership agreement between Centrelink and us outlines the

services to be delivered. In 2006–07, we purchased Centrelink services for about \$20.05 million (2005–06: \$16.49 million), made up of the following amounts, less a small efficiency dividend:

- drought-related programmes—\$14.94 million (2005–06: \$10.85 million)
- Farm Help—\$4.44 million (2005–06: \$4.50 million)
- Sugar Industry Reform Programme 2004—\$0.19 million (2005–06: \$1.09 million)
- Citrus Canker Assistance Package—\$0.03 million (2005–06: \$0.05 million)
- Tobacco Grower Adjustment Assistance Package—\$0.45 million (2005–06: nil).

Table 38 shows performance during the year under these arrangements for drought-related programmes and Farm Help, which have specific performance measures. Payments under the sugar industry, tobacco growers and citrus canker schemes were made to all those deemed eligible.

Table 38 Performance: drought relief and Farm Help, 2006–07

Key performance indicators	Target	Source	Result
Exceptional Circumstances relief payments			
Determine the initial eligibility of the customer. Centrelink’s standard is that 80% of determinations of successful applications will be made within 42 days from the lodgment of the initial claim.	80%	Centrelink monthly management information report	72.11%: lower than expected due to a sharp increase in applications for relief payment. Centrelink has already put measures in place to address this drop in performance.
Payments are made to those who are eligible for assistance. The amount paid equals the amount to which an individual or family is entitled to and payment errors are rectified once they have been identified.		Assurance statement provided by Centrelink to the Department	A compliance audit is scheduled for the second quarter of the 2007–08 financial year to verify these figures independently.
Based on the information provided, the eligibility of an applicant is correctly assessed.	95%		
The amount paid to a recipient is correct.	95%		
Payments are corrected once an error has been identified.	100%		
Farm Help			
Income Support is provided to low income families in financial need			
Determine the initial eligibility of the customer. Centrelink’s standard is that 80% of determinations of successful applications will be made within 42 days from the lodgment of the initial claim.	80%	Centrelink monthly management information report	Average for the year was 89%.
Payments are made to those who are eligible for assistance. The amount paid equals the amount to which an individual or family is entitled to and payment errors are rectified once they have been identified.		Assurance statement provided by Centrelink to the Department	Negotiations with Centrelink are in progress to specify an appropriate mechanism to measure performance. Results from the Exceptional Circumstances compliance audit will inform these negotiations.
Based on the information provided, the eligibility of an applicant is correctly assessed.	95%		
The amount paid to a recipient is correct.	95%		
Payments are corrected once an error has been identified.	100%		
Customers are provided with an effective decision support system for adjustment and/or exit			
Make re-establishment grant payments in a timely fashion. Centrelink’s standard is that 80% of payments to eligible customers (excluding review and appeal cases and applicants seeking ministerial discretion) will be made within 13 weeks from the lodgment of the second claim (re-establishment claim).	80%	Centrelink monthly management information report	86%, based on a rolling 12-month average of successful claims paid within the agreed timeframe.

Key performance indicators	Target	Source	Result
Professional advice is received by a minimum of 90% of those who commence on the income support (hardship customers).	90%	Assurance statement from Centrelink	>90%
All Farm Help recipients develop a Pathways Plan (hardship customers may cancel off-farm help before developing a Pathways Plan).	100%	Assurance statement from Centrelink	100%
Recipients who participate in a professional advice session will consider that the session was of value in providing decision-making support.	90%	Department's exit surveys and longitudinal study	87%
Recipients who undertake training will consider that the session was of value in developing skills to improve their financial situation, identifying transferable market skills and assisting in re-establishment.	80%	Department's exit surveys and longitudinal study	No figure for all participants is available (this performance indicator will be reviewed in 2007–08). The longitudinal study showed that 60% of participants went on to further training.
Recipients who consider professional advice and training make a significant contribution to re-establishment or adjustment.	80%	Department's exit surveys and longitudinal study	84%
Recipients who believe they are better off at the end of Farm Help than before starting the programme in terms of financial self-reliance/security.	90%	Department's exit surveys and longitudinal study	93%
Recipients who have undertaken a quarterly review with the FHCO since commencing on the programme.	100%	Assurance statement from Centrelink	100%
The programme is successful in supporting industry adjustment			
Programme recipients undertake some form of adjustment in their current business operation (broken down into farmers who restructure their farm enterprise, farmers who increase their reliance on off-farm income, farmers who exit, and farmers who exit and make a successful transition to another form of employment).	75%	Department's exit surveys and longitudinal study	81% of programme recipients undertook some form of adjustment in the 12 months after finishing the programme. In the second interview period, 40% of recipients had undertaken further adjustment.
Farmers act in accordance with their Pathways Plan (that is, meet adjustment outcomes through professional advice and training).	100%	Department's exit surveys and longitudinal study	100% of farmers surveyed who compulsorily completed a Pathways Plan acted in accordance with it.

Department of Industry, Tourism and Resources

Economic research, forecasts, statistical services and briefings

The Department provides economic research, forecasts, statistical services and briefings to the Department of Industry, Tourism and Resources (DITR). This work relates to minerals, energy and climate change.

Funds are appropriated to DITR, which pays the Australian Bureau of Agricultural and Resource Economics (ABARE) according to a schedule in the ABARE–DITR Research Agreement. The agreement defines the services, outlines costs, and includes a protocol for quarterly progress monitoring. Performance outcomes are detailed against each project in the agreement.

In 2006–07, performance for all measures was satisfactory.



Canola

National Biotechnology Strategy

Under *Backing Australia's Ability 2*, the Australian Government funds DITR to support the continuation of the National Biotechnology Strategy for four years from 2004. The strategy is delivered through Biotechnology Australia, with which we have a purchaser–provider arrangement governed by a memorandum of understanding.

In 2006–07, the Department received \$1.42 million through this arrangement (2005–06: \$1.17 million).

The key performance indicators for 2006–07 were:

- to foster increased awareness of and participation in programmes to support change and adjustment
- to provide high-quality policy advice
- to provide effective programme administration
- to facilitate client awareness of programmes and their purpose.

Ten reports commissioned by the National Biotechnology Strategy address one or more of the performance indicators. Five reports have been completed (see 'Output 2, Rural Policy and Innovation, Agricultural biotechnology' for details).

The following reports were due to be released in 2006–07 but will now be released early in 2007–08:

- *GM canola information package* (ACIL Tasman)
- *A path to market for GM canola* (SGA Solutions)
- *The value of non-GM biotechnology* (Innovation Dynamics)
- *Insurance and living modified organism (LMO) seed and grain* (ABARE).

We commissioned three new reports in the last quarter of 2006–07:

- *Biotechnology and climate change* (Bureau of Rural Sciences, expected September 2007)
- *Impacts on Australian agriculture of developments in the use of agricultural biotechnology in emerging economies* (ABARE, expected November 2007)
- *Economic impacts of GM crops in Australia* (ABARE, expected December 2007).

In 2007–08, we will continue to work with Biotechnology Australia and the states and territories to develop a 10-year vision and strategic plan for agricultural biotechnology, work with producers to hold a pilot series of information forums in the canola regions of New South Wales, and develop a number of brochures to improve communication on biotechnology.

Funding for the National Biotechnology Strategy will expire in June 2008. The Department is represented on the reference group overseeing an evaluation review.

Australian Agency for International Development (AusAID)

Management of Sanitary and Phytosanitary Capacity Building Programme

The Department has a strategic partnership agreement with the Australian Agency for International Development (AusAID). The agreement aims to strengthen cooperation between us in a whole-of-government approach to development work in the Asia–Pacific region.

Records of understanding under the agreement detail activities funded through Australia's aid programme, along with accountability requirements. Two separate records of understanding cover AusAID's

Sanitary and Phytosanitary Capacity Building Programme (SPSCBP) and the Emerging and Re-emerging Zoonotic Disease Regional Initiative Programme (ERZDRIP).

The Department is funded to manage the SPSCBP and the ERZDRIP to deliver outputs set out in the two programmes' design documents. Performance indicators for these arrangements are listed against each of the services in the records of understanding, as are all resource implications. Our management of these programmes is fully costed, including salaries, salary on-costs, travel and other overheads.

All scheduled activities under the SPSCBP were implemented. AusAID accepted two formal reports and favourably reviewed the programme's monitoring and evaluation framework. The programme will continue under current arrangements during 2007–08 and into 2008–09. We have been able to integrate delivery of this programme with the delivery of several bilateral projects (including projects that form part of the AusAID Public Sector Linkages Programme and that are jointly resourced by the Department, AusAID and other Australian Government agencies).

The ERZDRIP programme design document was reviewed to place greater emphasis on avian influenza preparedness. The agreed ERZDRIP activities have taken place, and AusAID has accepted progress reports.

National Measurement Institute

Analytical testing services

The National Residue Survey engages the National Measurement Institute (NMI) by competitive tender to provide analytical testing services. This is a fee-for-service arrangement. The services vary according to the individual

memorandum of understanding for each programme for which the institute is the successful tenderer. The contracts cover all accountability and resourcing aspects.

In 2006–07, the agreed activities were performed in accordance with contractual arrangements. The NMI was successful in the last round of competitive tendering for analytical testing services and will be providing these services for a number of our programmes this financial year.

Analysis of imported food

Under the *Imported Food Control Act 1992*, AQIS’s Imported Food Programme appoints laboratories and analysts able to carry out particular tests

on imported food. Importers can choose from among those appointed by AQIS for the analysis of food samples taken during the inspection of imported food products. The NMI is one of the analysts appointed under the Act. The laboratory client, who pays for the analysis, is usually the importer.

However, goods for which a government-to-government arrangement has been negotiated and which are imported under a Foreign Certification Arrangement are audited at a rate of 5%. In those cases, AQIS pays for the cost of the analysis and may elect to use the NMI’s services. In 2006–07, AQIS paid the NMI approximately \$188,500 for such services.



Silos near Griffith, NSW