

Part 3

Management and accountability

Our governance	102
External service providers	107
External scrutiny	110



Our governance

The Executive Management Committee is the key advisory body to the secretary for strategic policy, budgets and performance reporting.

During the year, the committee changed its schedule to establish weekly meetings, reviewed its committee structure and is now underpinned by two sub-committees:

- Business Transformation Committee
- People, Safety and Culture Committee.

TABLE 16 Executive Committees—roles and membership at 30 June 2016

Committee	Role	Membership
Executive Management Committee	<p>Key advisory body to the secretary.</p> <p>Guides the department's purpose and strategies.</p> <p>Builds and maintains organisational capability through strong leadership and a focus on continuous improvement.</p> <p>Monitors performance against objectives and priorities.</p> <p>Endorses funding allocation decisions.</p> <p>Provides appropriate oversight of risk management.</p> <p>Assures compliance with legislation, policies, and risk and integrity frameworks.</p> <p>Recognises external factors and likely impacts for the department's business, including effective stakeholder relationships.</p> <p>Sets the cultural and ethical tone for the department.</p> <p>Communicates with stakeholders, including staff, in a regular and timely manner to ensure there is sufficient information available to make informed decisions.</p> <p>Met 42 times in 2015–16.</p>	<p>Secretary (chair)</p> <p>Deputy secretaries</p> <p>Chief Finance Officer</p> <p>First Assistant Secretary, Service Delivery Division</p> <p>First Assistant Secretary, Corporate Strategy and Governance Division</p> <p>Advisors:</p> <p>Chief Information Officer</p> <p>General Counsel</p> <p>Assistant Secretary, People Capability</p> <p>One assistant secretary (on rotation)</p>

Committee	Role	Membership
Business Transformation Committee	<p>Driving the strategic direction for business transformation within the department.</p> <p>Identifying linkages between projects and programs.</p> <p>Identifying and prioritising substantial and significant change issues.</p> <p>Ensuring impacts of change activities are manageable for staff and clients.</p> <p>Promoting sharing of business experiences and best practice for change initiatives.</p> <p>Met five times in 2015–16.</p>	<p>Deputy secretaries (one as chair)</p> <p>Chief Finance Officer</p> <p>Chief Information Officer</p> <p>First Assistant Secretary, Corporate Strategy and Governance Division</p> <p>First Assistant Secretary, Compliance Division</p> <p>First Assistant Secretary, Service Delivery Division</p> <p>First Assistant Secretary, Biosecurity Policy and Implementation Division</p> <p>Executive Director, ABARES</p> <p>Advisors:</p> <p>Assistant Secretary, Design and Change Branch</p> <p>Assistant Secretary, People Capability Branch</p> <p>Assistant Secretary, Business Assurance Branch</p> <p>Assistant Secretary, Information Management (Public Data) Taskforce</p> <p>Assistant Secretary, Operations Integration Branch</p>
People, Safety and Culture Committee	<p>Making recommendations on the development and implementation of the department's people strategies and plans.</p> <p>Monitoring the workforce impacts and associated risks to the department and overseeing the effective implementation of appropriate management actions</p> <p>Undertaking regular performance monitoring on work health and safety, rehabilitation, performance, culture and unplanned absences.</p> <p>Overseeing the resourcing, performance, implementation and continuous improvement of the department's people systems.</p> <p>Identifying and responding to strategic issues including WHS incidents, hazards and risks.</p> <p>Met nine times in 2015–16.</p>	<p>Deputy secretary (chair)</p> <p>First Assistant Secretary, Corporate Strategy and Governance Division</p> <p>Two first assistant secretaries</p> <p>Four assistant secretaries, including one regional member</p> <p>One external member from an APS agency</p> <p>Advisors:</p> <p>Assistant Secretary, People Capability</p> <p>Assistant Secretary, People Services</p> <p>Assistant Secretary, Design and Change Branch</p>

Managing our risk

Our Enterprise Risk Management Policy and Framework are administered in line with the requirements of the Commonwealth Risk Management Policy. We take a risk-based approach to policy and program development, and integrate risk management with our governance, planning and performance management processes.

Our strategic risks

The department has identified five areas of strategic risk to achieving our purpose:

- Pest and disease incursions—maintaining capacity to prevent and respond to incursions.
- Maintain and improve market access—enabling the expansion of agricultural, fisheries and forestry exports, as well as preparing for and quickly responding to any loss of market access.
- Effective implementation of government priorities—ensuring the department meets timing and delivery expectations in respect of key government initiatives.
- Maintain and enhance reputation—ensuring the department continuously and effectively engages with key stakeholders and has their trust and respect.
- An efficient and effective department—ensuring the financial, workforce and systems capability of the department is sufficient to meet our legal obligations and achieve our strategic objectives.

These risk areas are monitored regularly by the Executive Management Committee.

Each division develops a risk management plan as part of its annual business plan, and risk management procedures are integrated into our project management processes.

Our risk appetite

The department's broad tolerances for each risk type are expressed in the Risk Appetite Matrix in our Enterprise Risk Management Policy and Framework.

In relation to specific functions, the department has a low appetite for any risk relating to work health and safety, and fraud and security, and a medium risk appetite for finance, ICT, administering programs, policy, projects and grants.

The department has a generally low to medium risk appetite in relation to biosecurity. However, specific risk appetites range from Australia's appropriate level of protection, which specifies a very low appetite for biosecurity risks, to a higher risk appetite for opportunities to innovate service delivery.

Our fraud control

Our Fraud and Corruption Control Plan provides a comprehensive framework for identifying, deterring, detecting, investigating and reporting fraud and corruption, and meeting broader government obligations. Fraud and corruption risk assessments are undertaken biennially to identify risks, treatment strategies, responsibilities, target dates and reporting obligations.

The department promotes a strong culture of integrity and adherence to the APS Values and Code of Conduct, with zero tolerance to fraud and corruption. Senior management are expected to lead by example and demonstrate high standards of professionalism, integrity and ethics. All staff undertake mandatory training on understanding, recognising and reporting fraud and corruption. We report annually on our fraud management to the Australian Institute of Criminology.

In accordance with the *Law Enforcement Integrity Commissioner Act 2006*, prescribed members of the department are under the jurisdiction of the Australian Commission for Law Enforcement Integrity.

Our security

Our Protective Security Control Plan provides the framework for preventing, deterring and detecting security risks, and for meeting the security obligations detailed in the Australian Government's Protective Security Policy Framework. We conduct security-focused risk assessments biennially.

All departmental officers complete biennial security training in recognising security vulnerabilities, understanding security obligations and reporting security incidents. Staff who require access to security classified information are required to obtain and maintain an appropriate security clearance.

We report annually on our compliance with the Protective Security Policy Framework to the Attorney-General's Department and other key stakeholders.

The Security Executive convenes regular meetings of the Agency Security Advisor, Chief Information Security Officer and Information Technology Security Officer to advise the Executive Management Committee.

Our assurance processes

Our Audit Committee provides independent advice and assurance to the secretary on our risk, accountability and control framework, including reviewing the integrity of the financial and non-financial performance reporting frameworks.

The internal audit function reports to the Audit Committee and works independently of business areas to evaluate our management systems, practices and controls. External service providers are also contracted to undertake audit functions. Audits provide assurance to senior management on corporate governance and departmental administration, as well as our ability to meet the department's objectives.

The committee comprises:

- a minimum of three external members (that is, persons who are not officials of the department)
- two officials of the department.

TABLE 17 Audit Committee—role and membership at 30 June 2016

Committee	Role	Membership
Audit Committee	Provides independent assurance and advice to the secretary on the department's risk, control and assurance framework. Met six times in 2015–16.	Ms Jenny Morison, external member (chair) Ms Anthea Tinney, external member Mr Geoff Knuckey, external member Mr David Parker, deputy chair Mr Nico Padovan, member

Compliance

In 2015–16, the department did not report any significant issues to the minister under paragraph 19(1) (e) of the *Public Governance, Performance and Accountability Act 2013*, relating to non-compliance with the finance law.

Remuneration

Senior executive remuneration policy

The Remuneration Tribunal determines a classification structure for offices of secretary, specifies total remuneration pay points for each level, and determines the level that applies to the Secretary of the Department of Agriculture and Water Resources. The Secretary of the Department of the Prime Minister and Cabinet assigns which total remuneration pay point within the level applies to our secretary.

Our secretary determines the remuneration for the department's SES officers under section 24 (1) of the *Public Service Act 1999*, with regard to the Australian Public Service Commission's annual Australian Public Service Remuneration Survey.

Our department's remuneration policy allows variations in remuneration between individual jobs, based on market and work-value considerations. This is vital to our ability to compete effectively for the best people in the employment market.

Non-salary benefits

Non-salary benefits provided to SES Band 3 employees as part of their remuneration package include superannuation and car parking. SES Band 1 and 2 employees receive superannuation as the only non-salary benefit and pay for car parking.

The only non-salary benefits provided to non-SES officers as part of their remuneration package are generally limited to superannuation. In exceptional cases, employees may have private use of a Commonwealth vehicle where it is deemed necessary for the performance of their duties.

External service providers

Our procurement practices reflect the policies and principles outlined in the Commonwealth Procurement Rules. We focus on:

- value for money
- encouraging competition
- efficient, effective, economical and ethical use of government resources
- accountability and transparency
- compliance with Australian Government policies.

Our divisions are responsible for their own procurement, subject to the accountable authority instructions and supporting departmental guidelines that complement the Commonwealth Procurement Rules.

We engage consultants where we lack specialist expertise or when independent assessment, research or review is required. Consultants are typically engaged to investigate or diagnose a defined issue or problem; carry out defined reviews or evaluations; or provide independent advice, information or creative solutions to assist in the department's decision-making. Before engaging consultants, we take into account the skills and resources required for the task, the skills available internally and the cost-effectiveness of engaging external expertise.

We also enter into purchaser-provider arrangements with a range of government, industry and private sector agencies for services to improve the productivity, competitiveness and sustainability of Australia's agriculture, fisheries and forestry industries.

Consultancies

In 2015-16, the department entered into 64 new consultancy contracts. Total actual expenditure of active consultancy contracts was \$5 705 690.

Table 18 shows the number and value of consultancies with a value greater than \$10 000 and total expenditure on consultancies for 2015-16 and the two previous years.

TABLE 18 Consultancies—number, value and total expenditure

Category	2015–16	2014–15	2013–14
Number of consultancies with a value greater than \$10 000 let during the year	64	59	50
Total value of consultancies with a value greater than \$10 000 let during the year	\$7 497 390	\$4 458 750	\$3 835 413
Actual expenditure on new and ongoing consultancies during the year	\$5 705 690	\$3 146 584	\$4 018 042

Procurement initiatives to support small business

The department supports small business participation in the Commonwealth procurement market. Small and medium enterprises and small enterprise participation statistics are available on the Department of Finance’s website at finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts.

We recognise the importance of ensuring small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website at treasury.gov.au.

Our procurement practices support small and medium enterprises by using:

- the Commonwealth Contracting Suite for low-risk procurements valued at under \$200 000
- small business engagement principles outlined in the government’s industry innovation and competitiveness agenda, such as communicating in clear, simple language and presenting information in an accessible format
- credit cards where possible for purchases under \$10 000.

The department supports and has implemented the government’s Indigenous Procurement Policy. This policy includes considering Indigenous suppliers first for all remote contracts, and all other contracts valued between \$80 000 and \$200 000.

Other contract information

The secretary did not exempt any contracts let during 2015–16 from being published on AusTender on the basis that publication would disclose exempt matters under the *Freedom of Information Act 1982*.

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

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website tenders.gov.au.

Advertising and market research

Payments to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations are set out in Table 19.

The department did not undertake any advertising campaigns in 2015–16.

TABLE 19 Advertising and market research for 2015–16

Organisation	Description	Expenditure a
Advertising agencies—creative head hours billed: 249		\$220 000
Spinach Advertising	Creative services regarding the Australian fishing and seafood industries (\$220 000)	
Market research organisations		\$380 000
Essence Communications	Concept testing and refinement services regarding the Australian fishing and seafood industries (\$51 000)	
Horizon Research	Developmental market research services regarding the Agricultural Competitiveness White Paper and the White Paper on Developing Northern Australia (\$134 000)	
Instinct & Reason	Developmental market research services into social attitudes and understanding of biosecurity to support market access and plant health surveillance (\$195 000)	
Polling organisations		–
N/A	–	
Direct mail organisations		–
N/A	–	
Media advertising organisations—including recruitment and tender notices		\$265 631
Adcorp	Purchase of the department's non-campaign advertising nationwide (\$227 195)	
	Recruitment (\$29 706)	
	Tender notices (\$8 730)	
Total		\$865 631

a All figures are inclusive of GST.

External scrutiny

Parliamentary committee reports

Parliamentary committees tabled 21 reports relevant to the department as shown in Table 20.

TABLE 20 Parliamentary committee reports tabled in 2015–16

Committee	Inquiry	Tabling date
Joint Committee on the Australian Commission for Law Enforcement Integrity	Inquiry into the jurisdiction of the Australian Commission for Law Enforcement Integrity	5 May 2016
Joint Committee of Public Accounts and Audit	Inquiry into development of the Commonwealth Performance Framework	5 May 2016
Joint Select Committee on Northern Australia	Inquiry into opportunities for expanding aquaculture in Northern Australia	22 February 2016
Joint Select Committee on Trade and Investment Growth	Inquiry into business utilisation of Australia's Free Trade Agreements	15 October 2015
Joint Standing Committee on Foreign Affairs, Defence and Trade	Inquiry into Australia's trade and investment relationships with countries of the Middle East	4 May 2016
Joint Standing Committee on Migration	Inquiry into the Seasonal Worker Program	5 May 2016
House Standing Committee on Agriculture and Industry	Smart farming: Inquiry into agricultural innovation	4 May 2016
Senate Economics References Committee	Inquiry into third party certification of food	1 December 2015
Senate Economics References Committee	Inquiry into the forestry managed investment schemes	11 March 2016
Senate Economics References Committee	Inquiry into the foreign investment review framework	8 April 2016
Senate Environment and Communications Legislation Committee	Inquiry into the Landholders Rights to Refuse (Gas and Coal) Bill 2015	30 September 2015

Committee	Inquiry	Tabling date
Senate Environment and Communications Legislation Committee	Inquiry into the Environment Protection and Biodiversity Conservation Amendment (Prohibition of Live Imports of Primates for Research) Bill 2015	15 March 2016
Senate Environment and Communications References Committee	Inquiry into regulation of the fin-fish aquaculture industry in Tasmania	21 August 2015
Senate Environment and Communications References Committee	Inquiry into stormwater management in Australia	2 December 2015
Senate Environment and Communications References Committee	Inquiry into the threat of marine plastic pollution in Australia	20 April 2016
Senate Legal and Constitutional Affairs References Committee	Inquiry into the handling of a letter sent by Mr Man Haron Monis to the Attorney-General	16 September 2015
Senate Rural and Regional Affairs and Transport Legislation Committee	Inquiry into the Voice for Animals (Independent Office of Animal Welfare) Bill 2015	15 October 2015
Senate Rural and Regional Affairs and Transport Legislation Committee	Inquiry into the Water Amendment (Review Implementation and Other Measures) Bill 2015 [Provisions]	10 March 2016
Senate Rural and Regional Affairs and Transport Legislation Committee	Inquiry into the Primary Industries Levies and Charges Collection Amendment Bill 2016 [Provisions]	22 April 2016
Senate Rural and Regional Affairs and Transport References Committee	Australian grape and wine industry	12 February 2016

Government responses to inquiry reports

The Australian Government responded to five parliamentary committee reports relevant to the department, shown in Table 21.

TABLE 21 Government responses tabled in 2015–16

Committee	Inquiry	Tabling date
House Standing Committee on Agriculture, Resources, Fisheries and Forestry	Inquiry into the Rural Industries Research and Development Corporation Annual Report 2011–12	25 February 2016
Senate Rural and Regional Affairs and Transport Legislation Committee	Inquiry into Voice for Animals (Independent Office of Animal Welfare) Bill 2015	5 May 2016
Senate Rural and Regional Affairs and Transport References Committee	Inquiry into Industry structures and systems governing levies on grass-fed cattle	15 July 2015
Senate Rural and Regional Affairs and Transport References Committee	Inquiry into: the effect on Australian pineapple growers of importing fresh pineapples from Malaysia; effects on Australian ginger growers of importing fresh ginger from Fiji; proposed importation of potatoes from New Zealand	20 August 2015
Senate Rural and Regional Affairs and Transport References Committee	Inquiry into the industry structures and systems governing the imposition of and disbursement of marketing and research and development levies in the agricultural sector	5 May 2016

Reports by the Auditor-General

The Auditor-General tabled two Australian National Audit Office (ANAO) reports on the department's activities.

ANAO Audit Report No.28 2015–16: Administration of Concessional Loans Programs

This audit assessed the department's establishment and administration of the Farm Finance and Drought Concessional Loans schemes. The ANAO made four recommendations to increase assurance that agreements under the schemes are met, to strengthen governance arrangements, and to improve accountability and support effective program management. The department agreed to all of the recommendations.

ANAO Audit Report No.37 2015–16: Cyber Resilience

This audit assessed the effectiveness of activities by the department and other entities to implement the four mandatory ICT strategies in the Australian Government Information Security Manual. The report found the department had achieved compliance with the mandated strategies. The ANAO made three recommendations aimed at achieving compliance with the mandated strategies. The department agreed to all of the recommendations.

ANAO reports are available at anao.gov.au.

Reports by the Interim Inspector-General of Biosecurity

In 2008, the Australian Government agreed in principle to establish a statutory office of the Inspector-General of Biosecurity. In 2009, pending enabling legislation, the government appointed Dr Kevin Dunn as the Interim Inspector-General of Biosecurity. Dr Michael Bond became the Interim Inspector-General on 1 July 2013.

The Interim Inspector-General reported to the minister and had a broad scope to audit and review the performance of biosecurity risk management systems that are the department's responsibility. Key findings and recommendations were made available publicly unless prejudicial to the public interest. The department provided administrative support and research support to the Interim Inspector-General.

In 2015–16, the Interim Inspector-General released audits or reviews of the management of biosecurity risks for:

- importation of natural sausage casings
- horse imports in 2015
- timber packaging and dunnage
- transhipped ships stores
- importation of tomato and carrot seeds for sowing.

Reports are available at igb.gov.au.

On 25 July 2016, Dr Helen Scott-Orr commenced as the Inspector-General of Biosecurity under the new *Biosecurity Act 2015*.

Reports by the Australian Commissioner for Law Enforcement Integrity

Since 1 July 2013, some of the department's functions have fallen under the Australian Commission for Law Enforcement Integrity's (ACLEI) jurisdiction for prescribed staff. Regional managers, officers involved in assessment, control and clearance of vessels and cargo imported into Australia, and officers with access to the Integrated Cargo System are under the ACLEI's jurisdiction.

In 2015–16, the ACLEI did not release any reports on the activities of the department.

Other reports

In 2015–16, the Commonwealth Ombudsman did not release any reports on the activities of the department.

Freedom of information

The department makes documents available to the public under the *Freedom of Information Act 1982* (FOI Act), either in response to requests for access to information, or through its websites, in accordance with the government's Information Publication Scheme (IPS).

Agencies subject to the FOI Act are required to publish information to the public as part of the IPS, in accordance with part II of the Act. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements. The department's plan is available at agriculture.gov.au/about/reporting/ips/agency-plan.

The department also publishes corporate and operational information on its website, and reports on information accessed through FOI applications in a disclosure log.

In 2015–16, the department received 72 requests for access under the FOI Act, five requests for internal review and two requests for external review. The department finalised 80 requests and four internal reviews. All requests were processed in accordance with the statutory timeframes. Further statistical data on FOI requests received and processed by the department in 2015–16 are published by the Office of the Australian Information Commissioner.

In 2015–16, the Australian Information Commissioner reviewed two decisions by the department to refuse access to a document requested under the FOI Act. The department has applied to the Administrative Appeals Tribunal for review of the Information Commissioner's decisions that the document was not exempt under section 47C of the FOI Act regarding deliberative processes. The tribunal is yet to decide this matter.

