



Australian Government
**Department of Agriculture,
Fisheries and Forestry**

Annual report

2022–23



Annual report 2022–23

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Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

Letter of transmittal

14 September 2023

Senator the Hon Murray Watt
Minister for Agriculture, Fisheries and Forestry
Parliament House
Canberra ACT 2600

Dear Minister

I am pleased to present the annual report for the Department of Agriculture, Fisheries and Forestry for the financial year 2022–23.

This report has been prepared in accordance with all applicable obligations under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) – including section 46, which requires that you table the report in parliament. The report reflects the matters dealt with and legislation administered by the department at 30 June 2023.

This report includes the department’s audited annual financial statements as required by subsection 43(4) of the PGPA Act. It also includes the department’s annual performance statements as required under paragraph 39(1)(b) of the PGPA Act.

In accordance with section 10 and as required by subsection 17AG(2) of the Public Governance, Performance and Accountability Rule 2014, I certify that:

- the department prepared fraud risk assessments and fraud control plans
- the department had appropriate mechanisms to prevent, detect, investigate, record and confidentially report suspected fraud and corruption
- I took all reasonable measures to appropriately deal with fraud relating to the department.

I am pleased to acknowledge the efforts of all staff from the Department of Agriculture, Fisheries and Forestry to safeguard and grow sustainable agriculture, fisheries and forestry for all Australians.

Yours sincerely



Cindy Briscoe
Acting Secretary
Department of Agriculture, Fisheries and Forestry

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Secretary's review

I am pleased to present the annual report for the Department of Agriculture, Fisheries and Forestry. This report provides performance results for 2022–23 and reflects on the work we have delivered in our first year of operation following the machinery of government changes that took effect on 1 July 2022.

These changes, including the transfer of some of our functions to the new Department of Climate Change, Energy, the Environment and Water (DCCEEW), created an opportunity for us to consider our priorities and how best to structure our teams to deliver on our purpose. We reviewed our governance structures and assessed how to improve our organisational capability in line with the government's broader Australian Public Service Reform goals.

Our Canberra-based staff were consolidated in a new building, called Agriculture House, resulting in lower lease costs. This building has been designed to enable modern ways of working and more effective collaboration. We supported DCCEEW to effect the machinery of government changes by providing IT, corporate and people services.

I am proud of the work we have delivered to achieve our purpose of working together to safeguard and grow sustainable agriculture, fisheries and forestry for all Australians. We strengthened our biosecurity system and helped grow our agricultural productivity, trade and market access while working in partnership with First Nations people and other stakeholders.

Australian agricultural production has benefited from 3 consecutive years of exceptional seasonal conditions. This has supported substantially higher crop yields and pasture growth. In 2022–23 the value of agricultural, fisheries and forestry production reached an estimated record high of \$98.4 billion.

Outbreaks of foot-and-mouth disease (FMD) and lumpy skin disease (LSD) in Indonesia posed a significant threat to Australia's animal health, trade and our economy – particularly in regional Australia. To reduce this risk, we rapidly intensified biosecurity border measures and response capabilities at international airports and seaports. We strengthened our emergency preparedness capabilities and worked with other government agencies, trading partners and the general public to quickly and decisively respond to these dangerous diseases. We also supported Indonesia by supplying 435,000 doses of LSD vaccine through a partnership with the Department of Foreign Affairs and Trade, purchasing an additional 500,000 doses of LSD vaccine and providing technical expertise to help Indonesia respond to outbreaks of FMD and LSD. Australia remains FMD and LSD free.

The redevelopment of outbreak.gov.au and the delivery of staff training to improve surge capacity in a crisis have increased our communication preparedness for critical biosecurity events. [Outbreak.gov.au](https://outbreak.gov.au) provides accessible, user-focused and nationally consistent information about how to respond to, prevent and prepare for animal and plant pest disease outbreaks. We also worked with specialists to develop a crisis communication guide for use in emergency animal disease responses.

We led work to secure passage of the Biosecurity Amendment (Strengthening Biosecurity) Bill 2022, which resulted in changes to the *Biosecurity Act 2015* that increased a range of penalties, clarified the use and disclosure of protected information, strengthened our ability to manage biosecurity risks posed by international travellers and improved the operational effectiveness of the Act. These changes are already delivering positive results for stakeholders and regulators.

In June 2023 we also supported the introduction to parliament of the Biosecurity Amendment (Advanced Compliance Measures) Bill 2023, which aims to strengthen our regulatory framework.

Our close engagement with industry continued, including to address the large volume of new vehicle imports containing biosecurity risk material. This encouraged industry-led supply chain solutions to alleviate pressure on biosecurity resources at Australia's borders.

To reduce import congestion at the border, we delivered a new approved arrangement that enabled industry to undertake self-service biosecurity inspection activities on containers of imported goods destined for unpacking in rural locations. This initiative builds on our partnership with industry and ensures effort is directed to protect our rural areas from biosecurity risks.

Our biosecurity officers conducted Operation Avoca, which resulted in one of Australia's largest single biosecurity detections. Our efforts intercepted approximately 38 tonnes of biosecurity risk material, including turtle meat, frog meat, pork, beef, avian products and raw prawns. As a result, we prevented significant risk to our agricultural industries and environment.

We litigated the first court case for a civil penalty under the Biosecurity Act. The case involved an alleged illegal importation of live fish and production of false or misleading documents in contravention of the Biosecurity Act.

Plant pest and disease detections of concern have increased in northern Australia in recent years. As a result, we improved diagnostic and detection arrangements in the national plant health system. We also progressed regulatory reforms in molecular capability, innovations, assurance and governance, which enabled us to better manage the biosecurity risks associated with plant import pathways.

Our international leadership and engagement continued in 2022–23. Our representation at the World Organisation for Animal Health influenced outcomes relating to international standards for bovine spongiform encephalopathy, a disease that affects cattle. Proposed changes threatened Australia's low-risk status, but our evidence-based technical submissions led to Australia retaining our risk status without the need for costly changes to existing industry practices.

We released the *Pacific Biosecurity Strategy 2022 to 2027*, which addresses priorities from our *Commonwealth Biosecurity 2030* strategic roadmap. The strategy outlines our collaboration with the Pacific region and our near neighbours to protect food security and improve plant, animal and environmental health, and biosecurity outcomes in the region.

Through our leadership of the Codex Committee on Food Import and Export Certification Systems, we hosted a multilateral meeting of more than 170 international delegates. This resulted in the approval of 2 new international food safety standards.

The secondment and support of departmental experts to key international organisations, including the International Plant Protection Convention Secretariat and the World Organisation for Animal Health, improved engagement and influence on the trade of animals and animal products, plant products and food safety.

The Indonesian Government continued to receive our support with the delivery of a rabies vaccination campaign to eradicate the disease among dogs in Bali. More than 200,000 doses of the canine rabies vaccine were provided, and, by the end of 2023, over 90% of the Balinese dog population is expected to be vaccinated. We also provided vaccines, surveillance and preparedness assistance to neighbouring countries.

Through the Agricultural Workforce Working Group, we pursued solutions to attract, upskill, protect and retain workers in the agricultural sector. This included supporting employer groups and unions to provide strategic input to government reform processes related to skills, migration and worker protection.

To ensure that Australia's drought preparedness, response and recovery efforts meet the needs of Australian farmers and rural communities, our drought policy reform work continued. We completed reviews of the *National Drought Agreement* and the *Australian Government Drought Response, Resilience and Preparedness Plan* and are using these to inform the development of future agreements and plans.

Drawing on existing analysis and research, we worked to ensure the interests of the agricultural industry were considered in Australian Government climate policies. A joint initiative with states and territories resulted in the development of the first *National Statement on Climate Change and Agriculture*. Other work also continues to support industry, community organisations and communities to improve natural resource management and drought resilience, including through grants from the Natural Heritage Trust and Future Drought Fund.

During 2022–23 the total value of concessional loans administered by the Regional Investment Corporation grew to \$3.2 billion. These loans encourage the long-term strength, resilience and profitability of Australian farm businesses. We worked with Services Australia on the Farm Household Allowance program to reduce historical debt. Our Farm Management Deposits Scheme also continued to be an important risk-management tool, encouraging Australian farmers to set aside cash reserves to draw on in low-income years.

We delivered electronic certification for meat, seafood, dairy, honey and apiary products exported to the European Union. This lessened interruptions to trade, further aligned with EU legislation and completely removed the need for paper certificates – saving time and money for Australian exporters. The introduction of paperless trade arrangements with the EU is a significant achievement – Australia is one of the first EU trading partners to establish a paperless exchange for export certification.

Honey and apiary products were included in our next export documentation system (NEXDOC), enabling exporters to digitally apply for their export documentation. Digital documentation is used in over 50 countries and has resulted in time and money savings for exporters.

We published 2 significant reviews that led to amendments of the Export Control (Animals) Rules 2021 for sheep exports and to recommendations to support cattle welfare during long-haul transport on vessels.

Through our research and data analysis, we continued to examine pressures facing our industries. We delivered the South East Trawl Fishery structural adjustment program to support commercial fishing operators adjust to declining stocks caused by environmental factors, such as climate change. Under the program, the government purchased the surrender of 21 fishing concessions. The resulting smaller fleet will promote a more profitable and sustainable fishery. Reporting by the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) helped the Australian Fisheries Management Authority to better manage fish stock in Commonwealth waters.

We established the Strategic Forest and Renewable Materials Partnership to provide advice to the government on the sustainable development and management of Australia’s forests and forest resources. This partnership includes representatives from First Nations communities, unions, businesses and environmental organisations.

Grant funding was awarded through the Accelerate Adoption of Wood Processing Innovation Program to 34 projects across Australia. Our funding supported wood processors to improve their use of logs and fibre, value-adding to their existing production and supporting the forestry industry to reduce its carbon footprint.

We continued to strengthen awareness of illegal logging laws through collaborative engagement on international forest policy. Our compliance work, including audits and industry engagement, resulted in the issuance of 19 infringement notices against alleged non-compliant importers. We identified the need for improved guidelines for importers and are engaging with stakeholders to deliver this work in 2023–24.

I am proud of what we have delivered this year in pursuit of our long-term strategic vision. Our [annual highlights](#) provide some examples of the contribution we have made.

The past 12 months have been challenging for our department from a financial perspective. Over the last few financial years, the cost of delivering our essential services and policy and program responsibilities has exceeded the revenue coming into the department. In 2022–23, we had the added costs associated with machinery of government changes. Demand also increased for our biosecurity services due to disease outbreaks and an almost 350% increase in international traveller movements from the previous year. We have worked closely with industry and the states and territories to strengthen our biosecurity system. We have invested in more frontline staff, detector dogs and stronger defences against FMD, LSD and a range of plant-based diseases.

[Part 4: Financial information](#) explains how we managed these financial constraints. I am pleased that we helped to address major and long overdue resets to biosecurity cost recovery and that the 2023–24 Budget included permanent increased funding for a strengthened biosecurity system.

In 2023–24 we will focus on implementing a significant agenda to address the outcomes of the Australian Public Service Commission capability review of our department and advancing the government’s many policy initiatives. Key areas of investment will include our biosecurity system,

climate-smart sustainable practices, the Indigenous Ranger Biosecurity Program, the National Soil Action Plan, a renewed Australian Animal Welfare Strategy, and data collection and analytics.

Finally, I want to express my thanks to former secretary Andrew Metcalfe AO for his support and guidance during this reporting period. Andrew has retired from the Australian Public Service and asked that I convey his appreciation to all our staff working across Australia and around the world. Their dedication, expertise and commitment are our greatest assets. The privilege of witnessing first-hand their tireless efforts to support Australia’s biosecurity and advance the sustainable future of our agricultural, fisheries and forestry industries was an honour for Andrew, and we thank him for his leadership.

Cindy Briscoe
Acting Secretary
14 September 2023

Annual highlights

In 2022–23 we made good progress towards achieving our vision of a more sustainable and prosperous Australia through biosecurity, agricultural production and trade. Our annual highlights included:

- strengthening Australia’s biosecurity with improved border measures, preparedness and on-ground activities
- improving access to key overseas markets
- finding savings and improving regulatory culture through meat industry modernisation
- confirming our commitment to modern, sustainable and science-based animal welfare
- supporting agricultural workforce initiatives
- working with First Nations people to activate the economic value of land, water and sea resource rights
- stepping up leadership on climate action
- forestry growth initiatives.

Strengthening Australia’s biosecurity

We intensified biosecurity border measures, response capabilities and broader measures to respond to FMD and LSD in Indonesia. Measures included:

- deployment of sanitisation foot mats
- increased traveller interventions
- deployment of biosecurity detector dogs in all airports receiving flights directly from Indonesia
- targeted communication activities
- inspection of all non-letter class mail from Indonesia at international mail centres
- an increase in biosecurity officers
- development of trade management strategies.

In addition to supporting Indonesia with LSD vaccinations, we funded the Australian Centre for Disease Preparedness to deliver a program to strengthen Indonesia’s laboratory diagnostic capability for FMD and LSD. We worked with Charles Sturt University to deliver training to quarantine officials from Timor-Leste and Indonesia through the Biosecurity Training Centre, and we supported industry initiatives to improve biosecurity in the Indonesian feedlot sector.

Targeted biosecurity education campaigns focused on African swine fever (ASF), LSD and FMD. Materials were developed in multiple languages and distributed via targeted digital platforms. Additional campaigns about the biosecurity risks associated with online shopping were developed and market tested for future delivery.

We continued to review our legislation to advance legislative amendments that strengthen Australia’s ability to effectively manage and respond to emerging biosecurity risks, and we increased penalty units for civil and criminal offences to deter non-compliance.

Australia’s first *National Biosecurity Strategy* was delivered in partnership with state and territory governments and we released our *Commonwealth Biosecurity 2030: Action Plan 2023*. The plan provides an update on our progress and details priority actions for 2023, including increasing our national preparedness, response and resilience to exotic pest and disease incursions.

The establishment of the Joint Interagency Taskforce: Exotic Animal Disease Preparedness increased our preparedness for an exotic animal disease incursion. Senior officials from our department and the National Emergency Management Agency co-led the taskforce and were supported by officials from the Australian Defence Force, Australian Border Force and Animal Health Australia. The taskforce delivered the *Joint Interagency Taskforce: Exotic Animal Disease Preparedness Report*.

We contributed to 13 nationally cost-shared pest and disease eradication programs, including the response to varroa mite in New South Wales.

Investment in new technologies, such as the creation of an app that can detect brown marmorated stink bugs, resulted in improved mobile diagnostic tools to help identify pests and diseases of concern without the need for a laboratory.

We improved our cost-recovery arrangements and updated prices and regulations in our Biosecurity Cost Recovery Implementation Statement. This work underpins financial sustainability for our biosecurity system and imported food services.

Case study 1 Operation Oxley

In 2021 we commenced Operation Oxley, a targeted biosecurity compliance evaluation designed to test the rigour of our internal assurance and compliance measures.

We deliberately disrupted known non-compliant import supply chains to discern the extent of misdeclaration of perishable food imports within the commercial air cargo pathway.

Of the 53 commercial consignments inspected, 21 (40%) were found to be non-compliant because of undeclared food products, including pork and seafood. Such products can harbour pathogens and pose a serious risk to Australia’s agriculture, environment and our way of life.

A small number of importers were responsible for the majority of non-compliance. These importers employed various techniques that demonstrated an increasing capability and deliberate intent to avoid biosecurity controls.

We continued investigations into entities involved in this non-compliance throughout 2022–23.

Operation Oxley identified opportunities for improvements in border-detection capabilities that were explored throughout 2022–23.

Access to key overseas markets

We delivered improved market strategies to safeguard trade in the event of an LSD or FMD outbreak.

Changes to export legislation and negotiation of the Australia–United Kingdom Free Trade Agreement and the Australia–India Economic Cooperation and Trade Agreement led to the expansion of trade opportunities for Australian exporters.

Funding was awarded to 9 projects focused on improving sustainable data collection and reporting, and to 15 projects focused on traceability research.

We implemented the first Australian Government certification for cosmetics to China, and digital reforms that removed manual processes and improved the security and reliability of export systems.

Through our technical and market expertise in Australia, and Australian embassies and high commissions around the world, we improved and maintained access to 109 markets, adding a potential \$5.47 billion to Australia’s estimated agricultural, fisheries and forestry export value of \$82.7 billion. In 2022–23 we:

- supported the provision of high-quality Australian infant formula to the United States of America
- maintained Australia’s access to China through the introduction of the China Import Food Enterprise Registration system
- negotiated new access for avocados to India
- improved access for poultry to Singapore
- safeguarded our meat trade to key Asian markets.

We were also proud to support 3 category award winners for the 2022 Australian Export Awards, including the 2022 Australian Exporter of the Year. Our regulatory oversight, certification and resolution of technical barriers improved export conditions and market access for businesses.

Despite significant and ongoing challenges in international shipping, Australian agricultural, fishery and forestry export supply chains have proven robust and resilient. The value of agricultural, fisheries and forestry exports is estimated to have grown by 16% in 2022–23. Higher export volumes followed consecutive years of large grain harvests, and high agricultural export prices on world markets.

Case study 2 Food security

Australia is one of the most food-secure nations in the world. We produce substantially more food than we consume, exporting on average around 70% of agricultural production. Our agrifood industry is integral to Australia’s economic and social prosperity and our reputation internationally as a modern, safe, reliable and sustainable producer of food.

Food security is multi-dimensional, covering concepts of availability, accessibility, utilisation and stability. It is subject to socio-economic, global and environmental factors that are outside the control of any single entity.

Ensuring the food security of Australians is a whole-of-government effort that interacts with policy on health, social security, trade and the economy.

Our role in food security focuses primarily on agricultural production and availability, and ensuring the safe facilitation of food imports through our biosecurity operations.

We are responsible for policy and programs that support a globally competitive and sustainable Australian agrifood industry. We provide fit-for-purpose regulatory settings, support sustainable, productive, internationally competitive and profitable Australian agricultural, food and fibre industries, and provide national leadership and collaboration.

ABARES provides professionally independent data, research, analysis and advice that informs Australia's position on food security.

Australia also plays a part in the food security of other countries. International trade – including Australian food and livestock exports – supports food security in other countries through dependable supply and competitive pricing. Australia also contributes to food security in other countries through agricultural research, development assistance and the transfer of Australian agronomic knowledge and expertise. We engage with international counterparts to reinforce Australia's role in shaping how the global agricultural industry addresses food security, productivity, trade, sustainability and the impacts of climate change.

Savings through meat industry modernisation

We published a new Australian Meat Standard, which is forecast to return \$30 million to the export meat sector.

A total of 88 export meat establishments were transitioned to the authorised officer model, reducing regulatory costs by an estimated \$15.6 million per year.

Close engagement with state and territory ministers facilitated agreement on traceability reforms for electronic identification (eID) of sheep and goats. A nationally consistent and effective eID tracing system reduces the potential for outbreaks of disease and enables faster, accurate and targeted responses.

Case study 3 Regulation of live animal exports

In 2022–23 we streamlined export regulations and compliance arrangements for live animal exporters. Working with live export industry representatives, we identified notice of intention (NOI) submission and assessment as a congestion point that would benefit from reform.

Our review of the policy associated with NOI submission and assessment led to the development and implementation of a risk-based tool for NOI assessment, and streamlining of the assessment process to remove duplicate check points.

These reforms delivered time and cost savings to our department and exporters through reduced administrative burden. We estimated an average 35% reduction in NOI assessment time.

We made subsequent improvements to our digital system for assessing and managing NOIs, which resulted in:

- reduced manual data entry
- data aggregation capability for effective reporting
- removal of duplication and extensive manual data processing
- automated checks
- improved accessibility (including of assessment information)
- higher quality data

- improved user experience internally and externally
- reduced administrative burden
- reduced risk of human error.

Our digital system, which is mostly livestock export focused, was expanded to include reproductive material NOIs previously managed and assessed manually. These enhancements further improved time and cost savings for exporters.

Modern, sustainable, science-based animal welfare

Public consultation examined the objectives, functions and qualifications for the new Inspector-General of Animal Welfare and Live Animal Exports. We committed to the development of a renewed Australian Animal Welfare Strategy to ensure a contemporary framework for animal welfare in Australia.

Agricultural workforce initiatives

We established the Agricultural Workforce Working Group – a forum for government, industry and unions to collaborate on workforce issues and provide strategic input to broader government priorities and processes. The working group has provided submissions to the:

- review of Australia’s migration system
- Minister for Employment and Workplace Relations – outlining 5 principles for a national approach to a labour hire licensing scheme
- Commonwealth and state and territory skills ministers – advocating for the establishment of an agricultural trade apprenticeship and enhanced training opportunities for the industry.

In collaboration with the working group, we promoted more inclusive and diverse workplaces through the development of project proposals to promote neurodiversity and First Nations participation in the agricultural and meat-processing industries.

The working group engaged with Jobs and Skills Australia and Skills Insight (the Agribusiness Jobs and Skills Council) to advocate on issues relating to workforce skills and data, including the development of a capacity study on the food supply chain workforce and a safety induction program for the meat-processing industry.

We helped expand the Pacific Australia Labour Mobility scheme to skilled workers seeking permanent residency, and to metropolitan agricultural food product manufacturing businesses.

We secured agriculture as a priority industry under the Fee-Free TAFE initiative, ensuring thousands of Australians can take up agriculture-related TAFE courses. At 30 June 2023, over 5,700 places had been offered.

Working with First Nations people

We partnered with the Indigenous Land and Sea Corporation to develop Australia’s first Indigenous Agricultural Product Framework and expedite research on Indigenous agricultural practices.

We advocated for the inclusion of First Nations science with the Government Scientists Group. These scientists play a crucial role in providing evidence-based advice and support to government policymakers and decision-makers.

We influenced the inclusion of a standalone article on Indigenous knowledge, leadership, and participation in agrifood systems in the proposed Australia–European Union Free Trade Agreement.

Work on our First Nations commitment is helping to support the achievement of the priority reforms and targets under the National Agreement on Closing the Gap and our First Nations Platform for Shared Benefits Realisation.

Indigenous Rangers played a crucial role in our biosecurity activities. At 15 June 2023, Indigenous Rangers had submitted 3,784 biosecurity surveillance observations and made significant pest detections, including of black scar oyster and guava root-knot nematode.

Leadership on climate action

We signed up to the Global Methane Pledge, which aims to reduce global methane emissions by at least 30% below 2020 levels by 2030.

A climate-smart sustainable agricultural sector will help make farming more productive and profitable, better protect our environment, increase access to international markets and strengthen our farming communities.

We secured funding from the Natural Heritage Trust to help drive climate-smart agricultural practices, implement the National Soil Action Plan and build on our data and analytic capability.

Case study 4 Supporting farm businesses through soil management

Through the Regional Land Partnerships program under the Natural Heritage Trust, the Australian Government has invested \$1.2 million in a project with Terrain Natural Resource Management to support farm businesses in Tropical North Queensland to build up organic matter, increase biodiversity, improve water cycling and capture carbon.

Australia's soil resources are a key national asset. Managing our soils sustainably supports food and fibre production, economy, environment, biodiversity, and health and wellbeing.

Our hands-on Healthy Farming Futures project involved more than 100 farmers in a peer-to-peer learning program. Participants examined freshly dug soil pits, workshopped farmer challenges, hosted mulch trials, attended soil health workshops, learned to better understand soil tests and worked with soil health specialists on customised farm-management plans.

This led to the creation of regional farmer-led soil-care groups and practice change across more than 5,000 hectares of agricultural land.

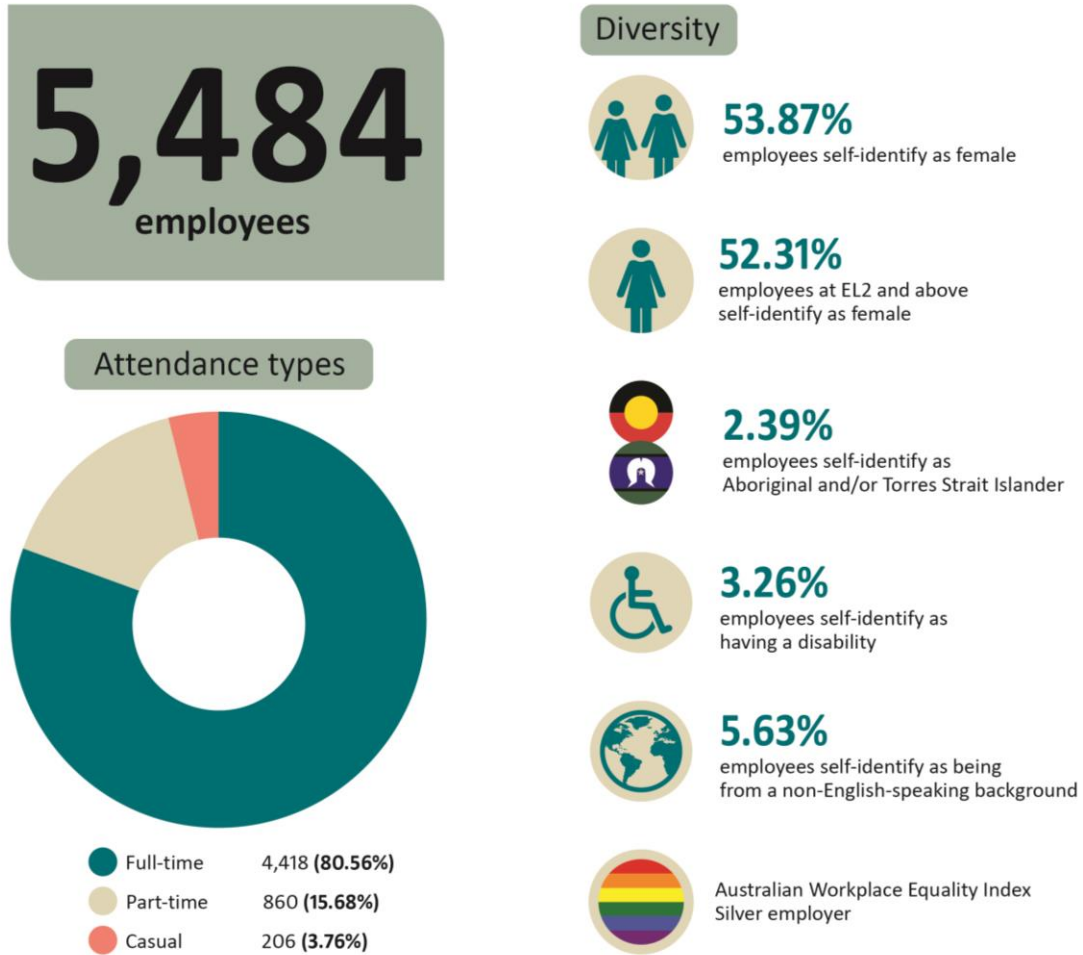
Forestry growth initiatives

We supported the delivery of over \$300 million of investments in forestry, including initiatives to facilitate new plantations, support product innovation research, co-fund wood processors to improve manufacturing capability, protect Australia from illegally logged imports and match skills and training to the industry's needs.

Overview

Who we are

Figure 1 Our people, at 30 June 2023



Note: An employee has a non-English-speaking background if they arrived in Australia after the age of 5 and their first language is a language other than English. The [Australian Workplace Equality Index](#) provides a national benchmark on lesbian, gay, bisexual, transgender and queer or questioning workplace inclusion in Australia.

Source: Aurion and SAP departmental systems.

What we do

The Department of Agriculture, Fisheries and Forestry is the Australian Government agency responsible for supporting and enhancing Australia’s agricultural, fisheries and forestry industries, helping to make them more productive and sustainable.

Our work is central to the lives of Australians, particularly those living in regional, rural and remote communities.

We maintain and create agricultural export opportunities to provide gains for Australian agriculture, fishing and forestry. We engage with international counterparts to reinforce Australia’s role in

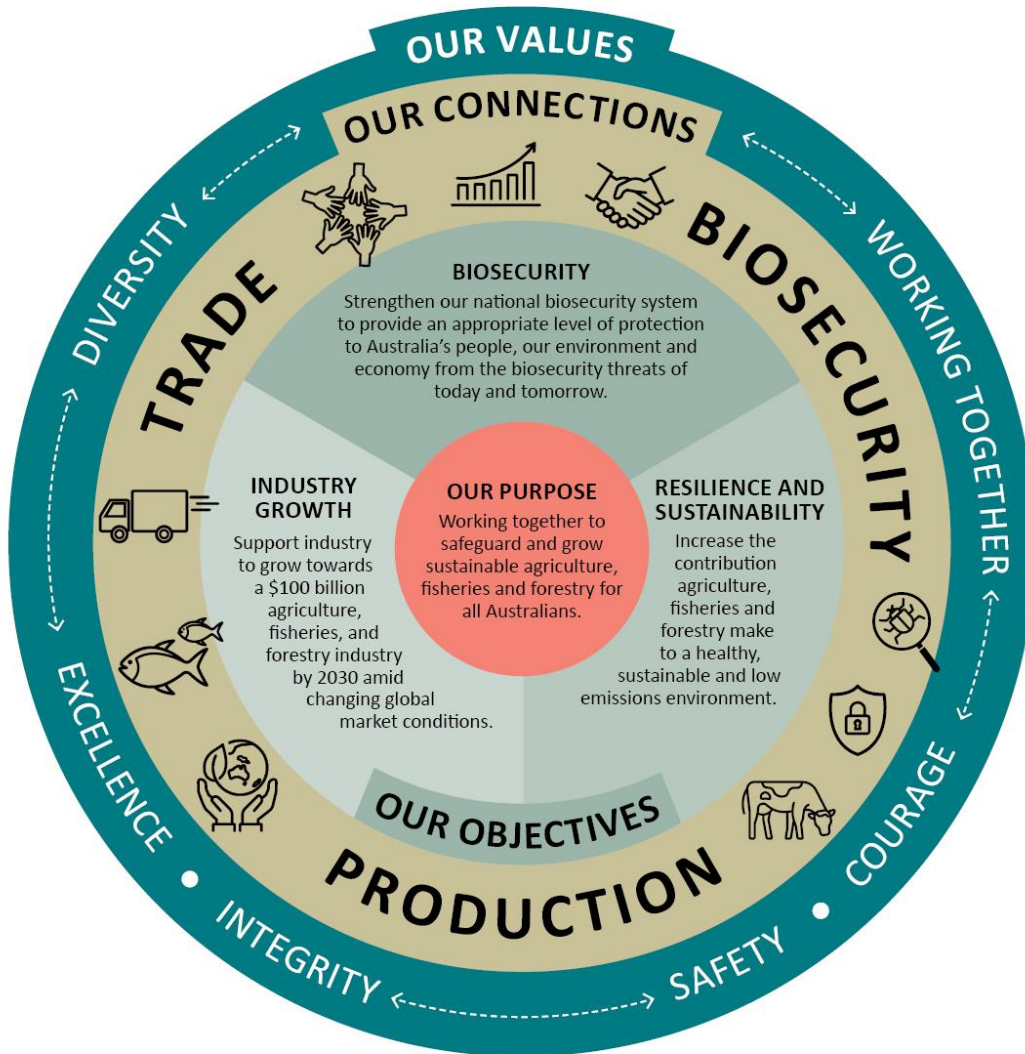
shaping how the global food and fibre industries address food security, productivity, trade, sustainability and the impacts of climate change. We manage biosecurity risks to Australia to protect our multi-billion-dollar industries and our way of life.

We support economic prosperity and jobs, while helping our industries build their sustainability and premium credentials. Our diverse roles and functions include biosecurity operations and trade facilitation, world-class science and research, policy advice to government, program administration, client services and regulation.

As a regulator, we enforce laws relating to:

- goods imported into and exported from Australia
- agricultural levies
- imported food safety
- imported wood and paper products
- pest and disease risks to human health, goods, and vessels arriving in Australia.

Figure 2 Our purpose, objectives, connections and values, at June 2023



Our structure

Figure 3 Our structure, at 30 June 2023



Our portfolio

Minister

In 2022–23 Senator the Hon Murray Watt was the Minister for Agriculture, Fisheries and Forestry.

During the year, 4 ministers held the position of Acting Minister for Agriculture, Fisheries and Forestry:

- the Hon Catherine King MP – 13 to 15 July 2022, 17 to 23 December 2022 and 16 to 23 January 2023
- the Hon Madeleine King MP – 21 to 25 September 2022
- the Hon Andrew Giles MP – 6 to 16 April 2023
- the Hon Tony Burke MP – 24 to 30 June 2023.

Department of state

- Department of Agriculture, Fisheries and Forestry

Portfolio agencies

- Australian Fisheries Management Authority
- Australian Pesticides and Veterinary Medicines Authority
- Regional Investment Corporation

Rural research and development corporations

- Cotton Research and Development Corporation
- Fisheries Research and Development Corporation
- Grains Research and Development Corporation
- Rural Industries Research and Development Corporation (AgriFutures Australia)
- Wine Australia


The department did not have any subsidiaries.

Part 1: Annual performance statements

Accountable authority statement

As the accountable authority for the Department of Agriculture, Fisheries and Forestry from 7 August 2023, I present the 2022–23 annual performance statements for the Department of Agriculture, Fisheries and Forestry on behalf of the former secretary and accountable authority for the department in 2022–23, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, these performance statements accurately present the department’s performance for the year ending 30 June 2023 and comply with subsection 39(2) of the PGPA Act (section 16F of the PGPA Rule).



Cindy Briscoe
Acting Secretary
Department of Agriculture, Fisheries and Forestry

08 September 2023

Our purpose, objectives, and programs

Our purpose is working together to safeguard and grow sustainable agriculture, fisheries and forestry for all Australians.

Our 3 objectives are:

- 1) Support industry to grow towards a \$100 billion agriculture, fisheries and forestry industry by 2030 amid changing global market conditions.
- 2) Strengthen our national biosecurity system to provide an appropriate level of protection to Australia’s people, our environment and economy from the biosecurity threats of today and tomorrow.
- 3) Increase the contribution agriculture, fisheries and forestry make to a healthy, sustainable and low-emissions environment.

Together, our purpose and objectives are consistent with the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), *Public Governance, Performance and Accountability Rule 2014* and the Department of Finance resource management guides. Along with our vision, values and principles, our purpose and objectives set the context and foundation for our key activities and how we deliver them.

Our 3 objectives aligned with the department outcomes in our *Portfolio Budget Statements 2022–23* (PBS 2022–23) (Table 1). Programs that contributed to our PBS 2022–23 outcomes are shown in Table 2. There were no PBS 2022–23 measures to report against in the *Corporate Plan 2022–23*.

Table 1 Department outcomes and objectives, 2022–23

PBS 2022–23 outcome	Corporate Plan 2022–23 objective
Outcome 1: More sustainable, productive, internationally competitive and profitable Australian agricultural, food and fibre industries through policies and initiatives that promote better resource management practices, innovation, self-reliance and improved access to international markets.	Industry growth: Support industry to grow towards a \$100 billion agriculture, fisheries and forestry industry by 2030 amid changing global market conditions. Resilience and sustainability: Increase the contribution agriculture, fisheries and forestry makes to a healthy, sustainable and low-emissions environment.
Outcome 2: Safeguard Australia’s animal and plant health status to maintain overseas markets and protect the economy and environment from the impact of exotic pests and diseases, through risk assessment, inspection and certification, and the implementation of emergency response arrangements for Australian agricultural, food and fibre industries.	Biosecurity: Strengthen our national biosecurity system to provide an appropriate level of protection to Australia’s people, our environment and economy from the biosecurity threats of today and tomorrow.

Table 2 Programs by Portfolio Budget Statement 2022–23 outcome

PBS 2022–23 outcome	Program
Outcome 1: More sustainable, productive, internationally competitive and profitable Australian agricultural, food and fibre industries through policies and initiatives that promote better resource management practices, innovation, self-reliance and improved access to international markets.	1.1 Agricultural Adaptation 1.2 Sustainable Management – Natural Resources 1.3 Forestry Industry 1.4 Fishing Industry 1.5 Horticultural Industry 1.6 Wool Industry

PBS 2022–23 outcome	Program
	1.7 Grains Industry
	1.8 Dairy Industry
	1.9 Meat and Livestock Industry
	1.10 Agricultural Resources
	1.11 Drought Programs
	1.12 Rural Programs
	1.13 International Market Access
Outcome 2: Safeguard Australia’s animal and plant health status to maintain overseas markets and protect the economy and environment from the impact of exotic pests and diseases, through risk assessment, inspection and certification, and the implementation of emergency response arrangements for Australian agricultural, food and fibre industries.	2.1 Biosecurity and Export Services
	2.2 Plant and Animal Health

Providing a complete picture of performance

As noted in the foreword of our *Corporate Plan 2022–23*, we developed a new purpose and objectives to enable us to adapt to our changing operating environment and deliver on government priorities.

Our objectives (under which key activities and individual performance measures are aligned), reflect the government’s key areas of focus for our department as set out in the Administrative Arrangements Orders and the regulatory systems and legislation that govern our work.

Each of our objectives was achieved through key activities and associated performance measures that best represent our significant regulatory, program and policy responsibilities. These focused on major programs that made a significant contribution to achieving our purpose and objectives. We have explained why other activities and programs of work were not included as performance measures in our *Corporate Plan 2022–23*.

Industry growth objective

This objective has a target of \$100 billion for the agriculture, fisheries and forestry industry by 2030. ABARES estimates the gross value of agricultural production in 2022–23 was \$91.5 billion or \$97.6 billion inclusive of fisheries and forestry.

We focused on 3 key activities to deliver on this objective:

- 1) Support sector productivity, resilience and growth through science, policy and partnership.
- 2) Maintain and expand exports and access to international markets.
- 3) Streamline export regulations and compliance arrangements.

These key activities recognised the importance of partnership and effective policy to support industry productivity, our technical and operational work, and international, regional and bilateral negotiations in creating and maintaining export market opportunities.

The associated performance measures focused on boosting agricultural productivity, efficient industry levies administration, encouraging farmers to make capital investments and effectively regulating agricultural trade.

Opening, maintaining and improving access to international markets for agricultural trade was an important function of our department, to help maintain and expand overseas trade opportunities for Australian agricultural producers.

In the *Corporate Plan 2023–24* we have reinstated 2 performance measures (IG-05 and IG-06) that relate to the number of international markets opened or improved by our department and the potential value of trade facilitated through the prevention and/or resolution of trade disruptions. We removed these measures from the *Corporate Plan 2022–23* due to concerns about the reliability of the associated data.

Because we regularly publish information and reports about our live animal export work on our website, we did not duplicate this work by creating a separate performance measure.

We chose not to develop a separate performance measure relating to food security because it is subject to socio-economic, global and environmental factors that are beyond the control of any single entity. Our role in food security focuses primarily on agricultural production and availability, and on ensuring the efficient and safe facilitation of imports through our biosecurity operations. Several of our performance measures support food security, including performance measures IG-01, BI-01 and BI-02.

Partnering to support fisheries

The Australian Government works with state and territory governments to manage fisheries in consultation with the fishing industry, First Nations communities, recreational fishers, scientists, economists and the broader community. We are responsible for developing legislative, procedures and policy to ensure sustainable fisheries. For international fisheries, our department leads Australia's contribution to regional fisheries management organisations, the bodies that set management measures and monitor compliance for international fish stocks. We are also responsible for administering the farmed prawns levy and charge. The funds raised enable the Australian Government and farmed prawn industry to co-invest to improve the profitability, productivity, competitiveness and long-term sustainability of Australia's farmed prawn industry, as well as meet the industry's contribution towards the 2016 white spot disease response. Performance measure IG-02 considers the efficiency of how we administer levies to support the agricultural, fisheries and forestry industries.

The Australian Fisheries Management Authority (AFMA) is responsible for the efficient management and sustainable use of Commonwealth fish resources on behalf of the Australian community (see [AFMA Corporate Plan 2023–26](#)). Given our focus on longer-term strategic policy and the operational role of AFMA in managing fisheries, we do not have meaningful data to support annual performance measures directly relating to fisheries. This is why we removed performance measure RS-01 from the annual performance statements.

Sustainable forestry growth

We support the sustainability and growth of Australia's forest industries by providing policy advice, delivering programs and supporting research and innovation. This includes administering Regional Forestry Agreements (RFAs) with the states and overseeing independent 5-yearly reviews. RFAs are long-term agreements that provide for the sustainable management and conservation of Australia's native forests. State and territory governments have responsibility for land management, including

the regulation and management of forests within the RFA areas. In an international context, we are responsible for combating illegal logging and representing Australia in international forestry forums.

We are responsible for implementing over \$300 million of program funding to support innovation and increase the capacity of the forestry industry to produce products for domestic consumption while remaining internationally competitive. These programs include:

- Support Plantation Establishment program – providing \$73.8 million in grant funding over 4 years from 2023–24 to support the establishment of new plantations. This will secure future domestic wood supply and contribute to Australia’s carbon emissions reduction commitments.
- Accelerate Adoption of Wood Processing Innovation program – providing \$108.8 million in grants over the next 4 years for wood-processing businesses to adopt new or upgraded facilities to increase their output or product lines. The program supports the medium- to long-term sustainability of wood processors by stimulating investment in upgrades to existing manufacturing lines, as well as supporting innovation to diversify domestic products.
- National Institute for Forest Products Innovation – providing \$100 million from 2022–23 to 2026–27 to establish Australian Forest and Wood Innovations (AFWI), which will be based at the University of Tasmania in Launceston and supported by 3 research centres that will undertake forestry research and development. AFWI will create opportunities for applied research, innovation and the commercialisation of new knowledge in the forest and wood products industries.
- Forestry Workforce Training program – \$10 million over 4 years to support delivery of skills and training to meet the requirements of Australia’s forest and wood products sectors.

We are also responsible for administering the levies and charges on forestry industry products (measured by performance measure IG-02). The funds raised enable the Australian Government and forestry industry to co-invest to improve the profitability, productivity, competitiveness and long-term sustainability of the industry.

Government programs and policy focus on longer-term outcomes to ensure the supply or manufacture of forestry products. We are developing performance measures focusing on how we administer funding to support sustainable growth of the forestry industry. Our *Corporate Plan 2023–24* includes a performance measure relating to the Accelerate Adoption of Wood Processing Innovation program.

Biosecurity objective

We focused on 3 key activities to deliver on this objective:

- 1) Effectively prepare for the management of biosecurity risk through pragmatic policy, fit-for-purpose regulation and mature preparedness.
- 2) Effectively detect biosecurity risk through intelligence-led targeting, technology-supported inspections and efficient detection methods.
- 3) Minimise the impact of biosecurity incursions through appropriate post-biosecurity and post-border measures.

We safeguarded Australia’s animal and plant health status by investing in a national biosecurity system to detect and minimise the impact of biosecurity incursions. We did this through risk assessment, regulation, inspection and certification, proactive surveillance, and the implementation of emergency response arrangements for Australia’s agricultural, fisheries and forestry industries.

The performance measures associated with these key activities focused on reducing levels of non-compliance with regulations, improving our detection of high-risk plant and pest biosecurity risks, strengthening our service standards and undertaking emergency preparedness exercises to improve our ability to respond to biosecurity risks in the most efficient manner possible.

Resilience and sustainability objective

We focused on 2 key activities to deliver on this objective:

- 1) Promote the sustainable management of Australian and regional fisheries and a sustainable fishing industry.
- 2) Increase the contribution that agriculture makes to a healthy, sustainable environment.

This objective first appeared in the *Corporate Plan 2022–23*. Since then, we have reviewed the key activities and performance measures underpinning this objective to more clearly demonstrate how we help industry reduce emissions, adopt sustainable agricultural practices and adapt to the impacts of climate change. The *Corporate Plan 2023–24* includes new key activities and performance measures associated with this objective.

Our performance measures

Changes to performance measures

Our *Corporate Plan 2022–23* provided performance measures for the reporting period. As part of the continuous improvement of our performance framework, during the year we reviewed and updated some of these performance measures. Table 3 summarises these changes to performance statements.

Table 3 Variation to performance information from *Corporate Plan 2022–23*

Performance measure in <i>Corporate Plan 2022–23</i>	Corporate plan page	Changes made	Reason for changes
IG-01 Greater growth in average agricultural productivity (adjusted for climate and weather effects) for the past 10 years, compared to average annual market sector productivity growth over the same period.	14	Amended.	More detail provided to clarify our department’s contribution. Tolerance for ‘achieved’ was adjusted in line with the measure title.
IG-02 Equal or reduced cost of levies administration compared with levies disbursed.	15	Amended.	More detail provided to clarify our department’s contribution.
IG-03 Proportion of farm businesses making capital investments.	16	Amended.	Tolerance for ‘partially achieved’ was removed. The target is only considered ‘achieved’ if the proportion of farm businesses making capital investments increases. The target is ‘not achieved’ if the proportion decreases or remains the same.

Performance measure in <i>Corporate Plan 2022–23</i>	Corporate plan page	Changes made	Reason for changes
			Target updated to show that the result is calculated on a 5-year reporting period rather than on the previous year.
IG-04 Decrease in the number of point-of-entry failures of agricultural exports where the department's actions have caused the failure.	17	Amended.	Given the significant value and volume of meat exported from Australia, this measure was amended to focus on the instances of point-of-entry failure for exported meat and meat products.
IG-05 Increase in the number of electronic certificates for export issued (moving to paperless trade).	18	Amended.	The proposed increase target for 2023–24 was reduced. This is consistent with the <i>Corporate Plan 2023–24</i> .
BI-01-01 Reduced levels of non-compliance with regulations administered by the department (high-value cargo).	20	Amended.	Tolerances were added to the measure. Two data sets listed in the corporate plan were not used in the calculation of the measure because they were not relevant, but an additional data source was used.
BI-01-02 Reduced levels of non-compliance with regulations administered by the department (approved arrangements).	21	Amended.	Tolerances were added to the measure.
BI-01-03 Reduced levels of non-compliance with regulations administered by the department (international travellers).	22	Amended.	Tolerances were added to the measure.
BI-02 Biosecurity service standards are met.	23	Amended.	More detail provided to clarify the tolerance for 'partially achieved' and exclusion of 2 service standards. Data sources were expanded to better represent the breadth of service standards.
BI-03 Reduction in risk of African swine fever because of biosecurity measures implemented by the department.	24	None.	Not applicable.
BI-04 Number of consignments of imported goods arriving with khapra beetle reduced as a result of biosecurity measures implemented by the department.	25	None.	Not applicable.
BI-05 Number and extent of biosecurity preparedness exercises completed.	26	Amended.	More detail provided, including in the data sources, to more accurately reflect our approach to managing exercises.
Objective 3 Resilience and sustainability, Key activity 1: Promote the sustainable management of Australian and regional fisheries and a sustainable fishing industry.	27	Removed.	This key activity was removed because it was too narrowly focused to meaningfully contribute to the achievement of our purpose.
RS-01 The number of Australian Government managed fish stocks assessed as 'subject to overfishing' or 'uncertain' in the ABARES Fishery status report.	27	Removed.	This measure was removed because it duplicated the operational work of the Australian Fisheries Management Authority. The measure did not reflect that we are responsible for developing longer-term strategic policy.
RS-02 The percentage of farms using sustainable management practices.	28	Amended.	More detail provided on the programs that contributed to achieving the measure. Tolerances and new data sources were also added to the measure.

Performance results

Objective 1 Industry growth

Support industry to grow towards a \$100 billion agriculture, fisheries and forestry industry by 2030 amid changing global market conditions.

Key activity 1

Support sector productivity, resilience and growth through science, policy and partnership.

Measure IG-01

IG-01	Greater growth in average agricultural productivity (adjusted for climate and weather effects) for the past 10 years, compared to average annual market sector productivity growth over the same period.
Measure type	Effectiveness.
Target	Greater than or equal to 0% difference over past 10 years.
Result	Not achieved – market sector growth rate was 0.27% higher than the agricultural productivity growth rate.
Tolerances	Achieved: Average annual growth in the agricultural productivity (climate-adjusted) series exceeds average annual market sector productivity growth over the same period. Partially achieved: Not applicable. Not achieved: Average annual growth in the agricultural productivity (climate-adjusted) series is lower than average annual market sector productivity growth over the same period.

Context

Agricultural productivity measures technological advancement and its impact on industry progress. This is key to maintaining and increasing industry competitiveness and profitability.

We work to provide a policy and regulatory environment that enables primary producers to maintain and increase their productivity and build profitable and resilient agribusinesses. The agricultural levies system, and the legislation that underpins it, allows primary producers to collectively invest in priorities such as research and development, marketing and biosecurity. We are modernising the legislation to ensure it is fit for purpose and supports an effective levies system. We also monitor and respond to emerging issues that affect industry and regional communities.

Securing an appropriate workforce is one of the biggest challenges facing the agricultural industry. This involves a whole-of-government approach to invest in the skills of Australians, create employment opportunities in the regions, support secure pathways for overseas workers, and ensure workers are protected. In 2022–23 we shaped policy, partnered with other government agencies and engaged with industries and unions to help address these challenges. For example, we contributed to the prioritisation of agriculture in the government’s Fee-Free TAFE commitment, which has seen over 5,700 students enrolled nationally in agricultural courses since January 2023.

This performance measure tracks progress over a 10-year period to provide an assessment of long-term productivity trends.

Analysis

In the 10 years to 2022–23, agricultural productivity growth (adjusted for climate and weather effects) averaged 0.13% per year. This was lower than market sector productivity growth, which averaged 0.40% per year.

During the 10-year measurement period, Australia’s agricultural industry experienced the effects of a variable climate. This included periods of drought across much of eastern Australia, as well as more recent years of better climate and weather conditions.

Climate adjusted productivity estimates measure Australia’s broadacre industries, including farm businesses mainly involved in the production of crops for fodder or grain, beef, sheep, or a mix of cropping and livestock.

The market sector productivity measure included 16 market sector industries of the Australian economy, as defined by the Standard Economic Sector Classifications of Australia (SESCA) and the Australian and New Zealand Standard Industrial Classification (ANZSIC).

Methodology

ABARES published climate-adjusted productivity statistics, generated through a machine-learning microsimulation model that produces estimates of farm-level productivity under a range of climate scenarios. The process adjusts the productivity measure to account for climate and weather effects. The methodology used to produce these statistics was peer reviewed and the case study was published in the academic journal *Food Policy* (vol. 102, July 2021). We based market-sector productivity estimates on Australian Bureau of Statistics (ABS) estimates of industry multifactor productivity.

Due to the lag between measurement, publication of the productivity data and the performance reporting deadline, we used a forecast for the most recent year of data. The 2022–23 forecast for agricultural productivity and overall market sector productivity assumes that productivity growth will be equal to the long-term average. As a result, the forecast may not reflect the actual rates of productivity growth in 2022–23.

Productivity is best measured over long periods because short-term fluctuations in measured productivity may be due to short-term influences on the production process – for example, fluctuations in prices paid or prices received.

Data sources

Departmental and external sources:

- Climate-adjusted productivity estimates for the broadacre industry (ABARES)
- *Estimates of Industry Multifactor Productivity, 2021–22* (Australian Bureau of Statistics, cat. 5260.0.55.002)

Caveats and disclosures

In cases where we used a forecast because an actual observation did not exist, the forecast assumed that the actual result was consistent with the long-term average. This method may reduce the potential accuracy of estimates, but it ensures measurement consistency, increases transparency, and reduces subjective bias.

Productivity measures the efficiency with which inputs are used to create outputs. Some elements of the production process that affect the productivity measure are not within businesses’ control.

Climate-adjusted productivity estimates largely remove the effects of climate and weather variability, revealing the underlying productivity trend. However, some residual climate and weather impacts, such as price changes, may be present in the estimates. Temporary effects such as higher prices caused by drought conditions tend to impact short-term measures of productivity. In the long-term, these effects are likely to be small and difficult to measure.

The agricultural productivity result is for the Australian broadacre industries. Farm businesses engaged in other agricultural production, such as sugarcane farming, dairy farming and horticultural (fruit and vegetable) production, were not included in the performance measure because climate-adjusted productivity measures were not available for these industries.

Broadacre industries account for around two-thirds of Australia’s agricultural production by total value and the majority of agricultural land use. The performance of the broadacre sector is the main driver of total agricultural industry productivity.

Variation from corporate plan

Tolerance for ‘achieved’ was adjusted in line with the measure title, removing the words ‘is equal to or’. Agricultural and market-sector productivity growth is unlikely to be equal over the same period.

Measure IG-02

IG-02	Equal or reduced cost of levies administration compared with levies disbursed.
Measure type	Efficiency and regulatory.
Target	Cost is less than or equal to 1.2% of levies disbursed.
Result	Achieved – cost was \$3.774 million or 0.60% of levies disbursed. This result is a 6.31% reduction in the 2021–22 cost of \$4.028 million.
Tolerances	Achieved: Levies administration cost is less than 1.2% of levies disbursed. Partially achieved: Not applicable. Not achieved: Levies administration cost is more than 1.2% of levies disbursed.

Context

The Australian Government is committed to supporting Australia’s agricultural, fisheries and forestry industries to grow to a value of \$100 billion by 2030. The agricultural levies system is the partnership between government and industry that enables the agricultural, fisheries and forestry industries to collectively invest towards the 2030 target. Learn more about [levies and the levy system](#).

The return on investment is vital for these industries to respond to emerging trends, biosecurity threats and the challenges of operating in highly competitive world markets. By keeping our cost-recovery efforts efficient, more money will go to activities that help improve agricultural productivity and sustainability, which supports our industry growth objective.

Our department is responsible for the agricultural levies system, and our role is underpinned by the levies legislative framework. In 2022–23 we collected levies and charges on more than 70 agricultural products for research and development, marketing, residue testing, biosecurity activities and emergency responses. We collected levies and levy information from levy collection agents. To support industry to achieve its 2030 target, we also disbursed levies and shared information with levy recipient bodies.

We conducted compliance activities, such as inspections of levy collection agent records, to maintain the integrity of the levies collected and the information received. We recovered the cost of managing the levies system from industry and ensured that our resources were prioritised to deliver services efficiently.

We offered targeted educational support and national helpdesk services to levy collection agents and helped them to comply with their regulatory obligations.

Our annual risk-based national levies compliance program increased the knowledge of levy collection agents about their obligations and encouraged their voluntary compliance with legislation. The program enables us to provide assurance to government and industry that levy collections are materially complete.

This performance measure aligns with regulator best practice Principle 1 Continuous improvement and building trust, Principle 2 Risk-based and data-driven, and Principle 3 Collaboration and engagement. Delivery against regulatory requirements will be reported in our 2023–24 annual report.

Analysis

In 2022–23 we disbursed \$634.38 million at a cost of \$3.774 million. The cost was 0.60% of levies disbursed. This was a 6.31% decrease in cost from 2021–22, when we disbursed \$602.596 million levies at a cost of \$4.028 million, or 0.67% of levies disbursed.

The 2022–23 national compliance program delivered positive outcomes against our operational compliance program and targeted compliance assessment program. Outcomes included identifying unpaid levies from new participants of the levies system. We recovered \$0.470 million in revenue from new agents and made \$2.475 million in levy adjustments. This figure comprises \$0.644 million of levy overpayments and \$1.831 million of levy underpayments.

Employee expenses are the biggest cost driver for levies administration costs. The average levies administration cost between 2019–20 and 2021–22 was \$4.467 million, or 0.86% of levies collected. We expect these costs to return to pre-COVID-19 levels in 2024–25.

Methodology

Our information systems provided data on disbursements, levy rates, levies compliance, administration activities and costs. We combined this data to attribute collection costs to respective agricultural commodities.

If the 1.2% target benchmark is exceeded, this indicates that levies administration is no longer efficient. This target is appropriate for 2022–23 but will be subject to review in 2025–26 after the implementation of modernisation reforms to agricultural levies legislation.

Data sources

Departmental systems:

- Activity Based Costing (ABC) system
- Phoenix – levies management information system
- TechnologyOne – financial management information system.

Caveats and disclosures

Results can be compared from year to year because the target was measured in percentage terms rather than nominal dollar terms, which can fluctuate. The efficiency of the system to collect those monies, and all other necessary levy information, from the affected levy collection agents can also fluctuate.

During the year, our costs were primarily affected by reduced staffing and travel restrictions. Variable climatic seasons and production levels also influenced the amount of levies collected. These factors also affected our efficiency in collecting those levies and the corresponding levy information from the affected levy collection agents.

Measure IG-03

IG-03	Proportion of farm businesses making capital investments.
Measure type	Effectiveness.
Target	Increase in percentage of farm businesses making new capital investments compared with the prior reporting period (based on a 5-year moving average).
Result	Not achieved – in the 5 years to 2021–22, new capital investments were made by 55% of farm businesses, which was the same level as in the 5 years to 2020–21.
Tolerances	Achieved: Proportion of farms making new capital investments increases (based on annual reporting of a 5-year moving average). Partially achieved: Not applicable. Not achieved: Proportion of farms making new capital investments remains the same or decreases (based on annual reporting of a 5-year moving average).

Context

We coordinated advice and communication about drought policy and the importance of preparedness to build long-term resilience for farmers and wider communities affected by drought – including through the Future Drought Fund (FDF), a key initiative managed by the department. We were responsible for policy and programs designed to support farmers to prepare for or respond to fluctuating income. Programs included the Farm Management Deposit Scheme (FMD Scheme), the Regional Investment Corporation (RIC) and Farm Household Allowance (FHA).

We aim to foster growth and productivity over time, and through downturns and negative climatic events. During the reporting period, sustained growth in the agricultural industry was underpinned by farm businesses investing in their resilience and planning and taking advantage of new opportunities. Farmers are more likely to invest when confident about the future. This includes having the skills, tools and financial resources to manage drought and other climate-related risks.

Analysis

In the 5 years to 2021–22, new capital investments were made by 55% of farm businesses, which was the same level as in 2020–21.

In the year to 2021–22, investment levels rose, reflecting higher farm incomes that were driven by high commodity prices and good seasonal conditions. However, the 5-year average masked shorter-term fluctuations. Interventions to build business capacity and resilience have a long lead time. If income levels remain strong, we expect these interventions to contribute to a trend of rising investment in future years, even in the event of stresses such as drought. A year-on-year increase in new capital investments aligns with our policies and key activities.

In 2022–23 the \$5 billion FDF initiative continued to support long-term drought resilience and contribute to confidence through:

- better climate information – enabling farmers, businesses and communities to better understand the climate risks they face and their resilience to those risks
- better planning – helping farmers and regions to proactively plan for drought
- better practices – developing and adopting farming and land management practices and technologies that improve resilience to droughts
- better prepared communities – building and supporting the community leaders, networks and organisations that underpin community resilience.

FDF investments strengthened stakeholder planning, risk management and decision-making capacity. Investments also helped support development of practices and technologies to better respond to and recover from drought. FDF actions were delivered in partnership with state and territory governments and with groups working to the needs of specific regions and communities. Learn more about [FDF programs that supported resilience building in 2022–23](#).

The FMD Scheme supported business preparedness and financial risk management by helping primary producers manage their capital and fluctuating cash flow. The additional support created a financial buffer for the agricultural sector, resulting in increased resilience to economic downturns, prolonged negative climatic events and natural disasters. The scheme supported farmers' capacity to plan for and undertake capital investment by encouraging them to set aside cash reserves to draw on in low-income years. At 30 June 2023, the 10-year rolling average of farm management deposit account holdings had increased in real terms by 3.5% to \$6.84 billion. We shared responsibility for administering the FMD Scheme with the Australian Taxation Office (ATO). We had responsibility for the government's agricultural policy and the ATO held responsibility for tax compliance.

Commonwealth-funded concessional loans supported the long-term strength, resilience and profitability of eligible Australian farm businesses and related small businesses, by increasing their financial capacity. We supported the Minister for Agriculture, Fisheries and Forestry in his role as the responsible minister for the RIC. This included managing the reappointment of the RIC Chair and the appointment of 2 board members in 2022–23 to ensure the RIC could continue to deliver these loan programs on behalf of the Australian Government.

Methodology

We sourced data from ABARES *Australian Agricultural and Grazing Industries Survey* and *Australian Dairy Industry Survey*. The use of a 5-year moving average accounts for annual fluctuations resulting from seasonal conditions. An annual result is reported. We assess new capital investments over time to measure continuing confidence.

Data sources

Departmental sources:

- *Australian Agricultural and Grazing Industries Survey* (ABARES)
- *Australian Dairy Industry Survey* (ABARES).

Caveats and disclosures

The results covered about 62% of Australian farm businesses to 2021–22, which was the latest year for which ABARES farm survey data was available. The survey did not include the horticultural industry. Relevant data on the remaining farm businesses were not available. Data collection occurred from July to December 2022, with results known by March 2023.

Change in on-farm capital investment levels nationally can be viewed as one indicator of long-term effectiveness of our farm resilience policy and programs. However, factors outside our control, such as interest rates and input prices, also influenced farm businesses.

FMD Scheme uptake can contribute to investment confidence and capacity, but investment levels measured by the farm survey may not directly reflect total activity. The 10-year rolling average of farm management deposit account holdings is based on data reported to us by financial institutions that offer farm management deposits.

Variation from corporate plan

Tolerances were updated so that the target is only considered ‘achieved’ if the proportion of farm businesses making capital investments increases. The target is ‘not achieved’ if the proportion decreases or remains the same. The target was also updated to show that the result is calculated on a 5-year reporting period rather than on the previous year.

Key activity 2

Maintain and expand exports and access to international markets.

Measure IG-04

IG-04	Decrease in the number of point-of-entry failures of agricultural exports where the department’s actions have caused the failure. Measured via meat and meat products commodity as a proxy for all agricultural trade.
Measure type	Effectiveness and regulatory.
Target	Decrease from the previous year in the number of point-of-entry failures from agricultural exports. Measured via meat and meat products commodity as a proxy for all agricultural trade.
Result	Achieved – 0 instances of point-of-entry failures as a result of departmental action.
Tolerances	Achieved: Reduction in number of point-of-entry failures where the department is responsible compared with 2021–22. Partially achieved: No change in number of point-of-entry failures where the department is responsible compared with 2021–22. Not achieved: Increase in number of point-of-entry failures where the department is responsible compared with 2021–22.

Context

We regulate the export of agricultural goods and issue Australian Government export certificates under the *Export Control Act 2020* (Export Control Act) and subordinate legislation.

During the year, we provided residue monitoring services to Australian agricultural industries and administered 40 tariff rate quotas for products to the European Union, the United States of America, the United Kingdom, Indonesia and Japan. We also acted as the Codex Contact Point, which coordinated technical input from both industry and government to develop Australia’s position on international food standards.

We worked with other Australian government agencies, trading partner governments, and Australian and international industry representatives, to gain access to new international markets and to improve and maintain existing market access. This included developing strategies for a wide range of food products, inedible products of animal origin, live animals and reproductive materials.

Our Export Meat Program provides inspection, verification and certification services for the export meat industry in Australia, which accounts for over \$16 billion of annual agricultural exports. We partnered with internal and external stakeholders to develop and maintain our national regulatory framework and export inspection and certification services for meat. This included the development of legislation, operational policy and guidelines, instructional material, technical training, and engagement with industry and government stakeholders.

The Export Control Act regulates the export of prescribed goods to ensure they meet relevant importing country requirements. Importing countries retain the sovereign right to accept or reject consignments based on their rules and regulations. Point-of-entry (POE) failures occur when a trading partner has identified evidence, at the point of import inspection, that a consignment of prescribed goods has not been produced, documented and certified, or exported in accordance with the importing country's requirements.

Of the prescribed goods, exports of meat and meat products were the largest component of Australia's export agricultural sector.

To measure our compliance with the Export Control Act, we recorded for notice or investigation all instances of POE failure for exported meat and meat products that were brought to our attention by our trading partners.

This performance measure aligns with regulator best practice Principle 1 Continuous improvement and building trust, Principle 2 Risk-based and data-driven, and Principle 3 Collaboration and engagement.

Analysis

In 2022–23 trading partners notified us of 189 instances of POE failure for exported meat and meat products. We investigated the cause of approximately 60 of these failures. Investigations were initiated either at the direct request of a trading partner or at the direction of a relevant regulatory delegate under the Export Control Act.

No instances of POE failure were determined to have resulted from the actions of our department as the primary cause of failure.

The leading causes of POE failure included:

- export supply chain failures – for example, shipping companies or freight handlers breaking departmental seals or failing to plug in refrigeration units
- certification failures – for example, an exporter completing a health certificate incorrectly
- detection of forbidden substances – for example, hormonal growth promotants (HGP) or excessive microbiological levels of substances such as E. coli
- allegations of foreign material or adulterants being detected in exported goods.

Methodology

This measure attempted to provide an insight into actions that may have contributed to instances of trade failure and undermined the intent of the Export Control Act.

POE failure investigations are undertaken as an assurance activity to provide confidence to a trading partner about the overall integrity of our national system. These investigations are also designed to prevent any recurrence of a reported failure through the implementation of corrective action, at our direction.

We undertake POE failure investigations for critical incidents. Less serious incidents are conducted by the registered establishment in the first instance. We then verify the findings and provide a response to the trading partner.

We reviewed all investigations in 2022–23 for the identified or likely cause of POE failure. In most cases, the cause was a combination of factors, including the failure of registered establishments to correctly conduct processes or adhere to approved quality inspection processes. However, many POE failures were caused by agents external to the department and registered establishment – for example, shipping companies.

The result of 0 instances of point-of-entry failures directly attributed to our actions is based on a review of all investigations conducted in the reporting period.

Data sources

Instances of reported POE failures for meat and meat products were brought to our attention by foreign authorities via our Export Standards Branch.

Caveats and disclosures

Many actors, including importing countries, Australian Government embassy staff, in-market agents and exporters advise us of trade issues, which may include distressed or detained consignments, or formal notification of a POE failure. This creates potential for under-reporting and inconsistencies in terms and issues.

For this measure, a POE failure was defined as an instance of trade that was formally rejected by a trading partner and accompanied by a formal notice of rejection, which was provided to us. POE failures did not include distressed or detained consignments. Where possible, we document each notification of trade distress. These rarely result in POE failures and we treat them as separate trade issues.

The recording and investigation of POE failures for exported meat and meat products commenced in late 2021. This means the 2021–22 dataset is incomplete and cannot be meaningfully compared with the 2022–23 dataset. The methodology used for recording POE failures is the same for both time periods.

Variation from corporate plan

We updated the measure to concentrate on instances of POE failures for exported meat and meat products as a proxy measure for all export agricultural trade. We used this approach due to the significant value and volume of meat exported from Australia and because we were unable to consistently define a POE failure across all commodities. As a result, we have developed new

measures for 2023–24 to demonstrate our ability to maintain and expand exports and access to international markets for all commodities.

Key activity 3

Streamline export regulations and compliance arrangements.

Measure IG-05

IG-05	Increase in the number of electronic certificates for export issued (moving to paperless trade).
Measure type	Effectiveness and regulatory.
Target	Establish a baseline.
Result	Baseline established (61,237 electronic certificates issued).
Tolerances	Achieved: 100%. Partially achieved: 50% to 99%. Not achieved: 0% to 49%.

Context

Where required, we oversee export regulations and provide export inspection and certification services to gain, improve or maintain market access for a range of goods.

Since the COVID-19 pandemic, we have been a leader in the development of electronic certification (eCert). The effects of the COVID-19 pandemic on the workforce provided an opportunity to drive the uptake of eCert with our trading partners. We implemented the use of electronic certificates to help reduce trade disruptions and encourage confidence among international trading partners about food security.

Moving to eCert enables Australian goods to be cleared faster, making them available for sale sooner and avoiding costly border clearance delays and processes. Electronic certification takes place at a government-to-government level, which makes it more secure than a printed paper certificate that accompanies the goods for export. This efficiency improvement helps make Australian goods more appealing to importers, supporting an increase in exports to key destinations and contributing to our industry growth objective. It also helps support efforts against food fraud by removing the opportunity for fraudulent behaviour that currently exists in a paper-based trade.

We increased the uptake of paperless certification as international trading partners modernised their own border clearance processes. Moving to paperless certification means Australian goods may be cleared faster and made available for sale sooner, creating the potential for increased exports of Australian goods.

This performance measure aligns with regulator best practice Principle 1 Continuous improvement and building trust, and Principle 3 Collaboration and engagement. Delivery against regulatory requirements will be reported in our 2023–24 annual report.

Analysis

In 2022–23 we issued 61,237 electronic certificates for paperless trading across multiple commodities and importing countries, including Canada, the European Union, Japan, New Zealand, the Philippines and the United States. This baseline will allow us to track growth over the coming years.

For 2023–24 we have set a target of a 2.5% increase from the baseline. This is a reduction from the 5% increase target we proposed in the *Corporate Plan 2022–23*. We reduced the target to reflect the level of resources that we can commit to promoting eCert and in recognition of factors outside our control that limit the growth of certification numbers. In 2022–23 such factors included the:

- lack of acceptance of eCert by some trading partners
- time required to transition manual certification to Next Export Documentation System (NEXDOC) and Export Documentation System (EXDOC)
- inability to create electronic certificates for products that had elements originating from outside Australia
- lack of reciprocal arrangements
- additional ICT development required as a result of increased market demand, which put pressure on available resources.

To reduce the limitations and continue to grow eCert, we are developing new policy proposals (NPPs) where those opportunities arise. The aim of the NPPs is to gain further funding to reduce or remove some of the current limitations. Aside from NPPs, we continue to look at how we can create a more sustainable funding platform for eCert in a tight fiscal environment for our department.

Methodology

Electronic certificates were taken from a report extracted from our export documentation management systems, NEXDOC and EXDOC.

Our ability to measure the successful impact of eCert on border clearance at the destination country was limited due to several factors:

- Public trade border clearance data looked at clearance as a whole but did not specifically assess the eCert component.
- Overseas countries were not willing to share border clearance times with us, which made it difficult to identify improvements in processing times that could be attributed to the implementation of eCert.

Data sources

Departmental sources:

- Export Documentation System (EXDOC)
- New Export Documentation System (NEXDOC).

Variation from corporate plan

The proposed target for 2023–24 was reduced to reflect the level of resources that we can commit to promoting eCert and in recognition of factors outside our control. This is consistent with the *Corporate Plan 2023–24*.

Objective 2 Biosecurity

Strengthen our national biosecurity system to provide an appropriate level of protection to Australia’s people, our environment and economy from the biosecurity threats of today and tomorrow.

Key activity 1

Effectively prepare for the management of biosecurity risk through pragmatic policy, fit-for-purpose regulation and mature preparedness.

Performance measure BI-01

The 3 elements of this measure, which relate to reducing levels of non-compliance with regulations, apply to:

- high-value cargo (BI-01-01)
- approved arrangements (BI-01-02)
- international travellers (BI-01-03).

Measure BI-01-01

BI-01-01	Reduced levels of non-compliance with regulations administered by the department (high-value cargo).
Measure type	Effectiveness and regulatory.
Target	Reduction in high-value cargo non-compliance rate.
Result	Achieved – reduction in non-compliance rate of 0.04% (1.29% in 2022–23 compared with 1.33% in 2021–22).
Tolerances	Achieved: Reduction in high-value cargo non-compliance rate compared with 2021–22. Partially achieved: No change in high-value cargo non-compliance rate compared with 2021–22. Not achieved: Increase in high-value cargo non-compliance rate compared with 2021–22.

Context

We delivered regulatory outcomes that protect Australia from risks to our biosecurity and trade systems. Risk levels can be based on country of origin, type of commodity, and prevalence and behaviour of the threat in an imported commodity or pathway.

We delivered appropriate and fit-for-purpose biosecurity safeguards through policies, procedures, arrangements and regulatory processes. This included:

- administering biosecurity approved arrangements
- assessing and improving compliance at approved arrangements
- assessing people and organisations against the requirements of the fit-and-proper person test
- deploying profiling to give operational effects to our department’s risk and policy settings
- providing targeting capability to respond to new and emerging risks and to identify systemic vulnerabilities
- assessing allegations of serious non-compliance and applying regulatory sanctions
- engaging with industry and international governments to manage biosecurity risks offshore.

We closely monitored supply chains to ensure they met the requirements of the safeguards and we responded to all instances of identified non-compliance proportionately.

We implemented controls to mitigate against biosecurity risks associated with imports. We conducted a range of activities overseas, at our border and within Australia to ensure the associated biosecurity risk remained at a level consistent with Australia’s appropriate level of protection (ALOP). This included collaborative activities such as Operation Avoca, which resulted in one of Australia’s largest detections of biosecurity risk material and led to the creation of profiles targeting known non-compliant entities and supply chains. These activities detected non-compliance indicative of systemic vulnerabilities. We tested these vulnerabilities through concurrent profiling to ascertain compliance in wider industry cohorts.

We provided input to the Australian Border Force Integrated Cargo System (ICS) that instructed biosecurity officers about the type and extent of intervention or controls required for imported cargo treated in alignment with ALOP.

We worked with stakeholders responding to known and emerging risks to safeguard Australia’s agriculture, economy, trade and way of life. This included deploying profiling and targeting capability to identify and respond to vulnerabilities in supply chains. We also increased biosecurity awareness through education, engagement and deterrence to remind industry and the community about their biosecurity obligations.

This performance measure aligns with regulator best practice Principle 1 Continuous improvement and building trust, and Principle 2 Risk-based and data-driven. Delivery against regulatory requirements will be reported in our 2023–24 annual report.

Analysis

High-value cargo is cargo imported on a full import declaration (FID). Table 4 shows the year-on-year reduction in non-compliance in high-value cargo over the last 3 years, indicating that controls within the biosecurity system operated effectively. The high-value cargo non-compliance rate fell by 0.04% compared with 2021–22.

We attributed the reduced non-compliance rate in 2022–23 to the effectiveness of offshore risk mitigation activities, management of non-compliance proportionate to the risk, and creating awareness and deterrence of available penalties under the *Biosecurity Act 2015* (Biosecurity Act) and other compliance and enforcement activities. This included targeted activities such as Operation Oxley, which identified opportunities for improvements in border-detection capabilities.

Table 4 Non-compliance rate of high-value cargo imported into Australia, 2021–22 to 2022–23

Item	Unit	2021–22	2022–23
Non-compliance rate of all high-value cargo imported into Australia	%	1.33	1.29
Number of non-compliant full import declarations	no.	56,482	54,037
Total number of full import declarations	no.	4,237,475	4,188,380

Methodology

The target measured our effectiveness as a regulator. We determined the non-compliance rate using:

- data from the ICS on the volume of high-value cargo FID declarations
- data from our Agriculture Import Management System (AIMS) on biosecurity direction results that were categorised as either compliant or non-compliant with import requirements
- data on detection of pests or diseases.

Data sources

Departmental and external sources:

- Agriculture Import Management System (AIMS)
- Biosecurity Analytics Centre
- Department of Home Affairs Integrated Cargo System (ICS)
- Incidents Client system – pest and disease notification.

Caveats and disclosures

Instances of non-compliance were affected by several factors, including trends in import types and volumes, changes in supply chains, and environmental factors such as seasonal pests. The quality of available data affects the extent to which we can comprehensively assess the effectiveness of our regulatory arrangements. This includes data from external sources such as the ICS, where full visibility of all cargo data is not currently available to the department.

Previous year figures calculated for the non-compliance rate of high-value cargo imported into Australia have been adjusted:

- The number of non-compliant full import declarations (FIDs) actioned by the department has decreased by 2,671 due to the removal of duplicate FIDs included in the prior year figure
- The total number of reported FIDs has increased by 35,401 due to a change in methodology, to report on daily figures rather than monthly reported figures, which is more accurate.

This has resulted in a 0.08% decrease (1.41% to 1.33%) in the 2021–22 reported figure.

Variation from corporate plan

Tolerances have been added to the measure to identify the result as a comparison with the 2021–22 non-compliance rate.

Our Biosecurity Analytics Centre was not listed in the *Corporate Plan 2022–23* but was used as a data source in this report. Two datasets were not used in the calculation of this measure because they were not relevant. These were:

- 1) commercial data from Airport Coordination Australia
- 2) data from external agencies (e.g. Department of Home Affairs movement records).

Measure BI-01-02

BI-01-02	Reduced levels of non-compliance with regulations administered by the department (approved arrangements).
Measure type	Effectiveness and regulatory.
Target	Reduction in non-compliance rate for approved arrangements.
Result	Not achieved – increase in non-compliance rate of 12.09% (45.67% in 2022–23 compared with 33.58% in 2021–22).
Tolerances	Achieved: Reduction in approved arrangement non-compliance rate compared with 2021–22. Partially achieved: No change in approved arrangement non-compliance rate compared with 2021–22. Not achieved: Increase in approved arrangement non-compliance rate compared with 2021–22.

Context

We establish and maintain approved arrangements under the Biosecurity Act. These arrangements help us manage biosecurity risks posed by goods imported into Australia. This enhances Australia’s status as a trade partner of choice. These arrangements permit biosecurity industry participants to undertake certain biosecurity activities in accordance with departmental requirements. These requirements are science-based and established in conjunction with risk-owner stakeholder areas.

We audited approved arrangements for compliance and to ensure the associated biosecurity risk remained at a level consistent with Australia’s ALOP.

Non-compliance can be affected by several factors, including entity behaviour, trends in import types and volumes, changes in supply chains, and environmental factors such as seasonal pests.

This performance measure aligns with regulator best practice Principle 1 Continuous improvement and building trust, Principle 2 Risk-based and data-driven, and Principle 3 Collaboration and engagement. Delivery against regulatory requirements will be reported in our 2023–24 annual report.

Analysis

Table 5 shows increases in the percentage of failed audits and audits passed with non-conformities detected.

Table 5 Approved arrangements audit results, 2021–22 to 2022–23

Audit result	2021–22 (%)	2022–23 (%)	Difference (%)
Pass	66.42	53.88	–12.54
Pass with non-conformities	29.80	39.79	+9.99
Total pass	96.22	93.67	–2.55
Total fail	3.78	5.88	+2.10
Pending	0	0.45	+0.45

The increased percentage of failed audits and audits passed with non-compliance was primarily due to an increase in the proportion of unannounced audits conducted. The percentage of unannounced audits in 2022–23 was approximately 40%, compared with 13% in 2021–22.

Unannounced audits have a higher rate of non-compliance detection than announced audits. We increased the number of unannounced audits as an effective monitoring approach and an additional measure of entity compliance.

We implemented specific additional biosecurity risk measures and controls as a direct result of non-compliance uncovered through unannounced audits. This mitigated additional threats posed to our biosecurity.

These measures and controls included:

- changes to arrangements
- variations to conditions
- varied audit frequencies
- enhanced reporting requirements
- enforceable undertakings and letters of warning.

Of the approved arrangements that were registered during 2022–23, 42.8% were audited for compliance at least once. The audit completion rates for 2022–23 did not meet the policy requirements due to several factors. Our department’s financial status meant that:

- travel was approved only for high-priority audits – these included approved arrangements with new applications and those with a record of non-compliance such as failed audits or critical non-compliance
- we could not proceed with recruitment from June 2022 – this, together with staff attrition, resulted in our auditor workforce falling below levels required to deliver the whole audit program.

In July 2023 the Audit and Assurance Branch commenced recruitment, drawing from existing merit lists and progressing external recruitment processes to increase our auditor workforce.

We are also developing and implementing a risk-based approach to the delivery of the audit program, ensuring audit effort is appropriately directed to areas of highest risk. This work includes the approved arrangement program’s engagement with the Centre of Excellence for Biosecurity Risk Analysis (CEBRA) to deliver a quantitative model for assurance-based auditing of approved arrangements. This project will develop a statistical framework to guide the frequency of approved arrangements audits, ultimately increasing the efficiency and value of the audit program.

The Audit and Assurance Branch has also established the nationally targeted audit campaigns program. This program focuses on approved arrangements that present a higher risk – an assessment based on previous non-compliance and non-compliance reporting from other operational areas within our department.

Projects such as these will strengthen our risk-based regulatory approach.

Methodology

We recorded individual audit results in our Quarantine Premises Register (QPR). This system automated the pass or fail decision based on the number and severity of non-conformities. This is in accordance with the audit policy for approved arrangements.

We calculated the total results from a QPR report. We applied audit and arrangement type filters, categorised the data and repeated the reports to ensure accurate results.

Data sources

Departmental system:

- Quarantine Premises Register (QPR).

Caveats and disclosures

Not all audit results were determined and registered in the QPR on the same day the audit was conducted – some audit results remained ‘pending’ while we made further enquiries.

We believe the small number of audits pending results, relative to the total number of audits, did not have a significant effect on the calculated percentages.

Variation from corporate plan

Tolerances have been added to the measure to identify the result as a comparison with the 2021–22 non-compliance rate.

Measure BI-01-03

BI-01-03	Reduced levels of non-compliance with regulations administered by the department (international travellers).
Measure type	Effectiveness and regulatory.
Target	Reduction in post-intervention non-compliance rate for international travellers.
Result	Not achieved – increase in non-compliance rate of 1.56% (post-intervention compliance rate was 96.33% for 2022–23 compared with 97.89% in 2021–22).
Tolerances	Achieved: Reduction in post-intervention non-compliance rate for international travellers compared with 2021–22. Partially achieved: No change in post-intervention non-compliance rate for international travellers compared with 2021–22. Not achieved: Increase in post-intervention non-compliance rate for international travellers compared with 2021–22.

Context

We delivered frontline regulatory controls, assessment, inspection, stakeholder engagement and client-contact activities to detect and manage biosecurity risk (including human health risks). We also implemented a range of education, awareness and communication campaigns.

Biosecurity officers are trained and accredited where appropriate. Their work is governed by legislation and policy and supported by instructional material.

When declared goods are presented to a biosecurity officer, the officer assesses, inspects and manages the risk goods. In contrast, we employ detailed data analytics, real-time assessments and screening tools to detect undeclared and concealed goods.

We used an endpoint survey to measure post-intervention compliance and understand the effectiveness of biosecurity screening and interventions applied to travellers at the border. We selected a proportion of travellers who had already passed through border control screening and/or partial or full inspection. Our officers re-screened the travellers to check for any biosecurity goods not detected through our regular clearance processes. This provided data to determine the approach rate of biosecurity risk material, which enabled us to measure the overall effectiveness of intervention measures.

This performance measure aligns with regulator best practice Principle 1 Continuous improvement and building trust, and Principle 2 Risk-based and data-driven. Delivery against regulatory requirements will be reported in our 2023–24 annual report.

Analysis

The post-intervention compliance rate for 2022–23 was 96.33%. This result was similar to previous years. It represents a small decrease from the 2021–22 figure of 97.89% and shows the effectiveness of our controls to mitigate biosecurity risks.

Despite the decrease in the compliance rate from the previous year, the results show generally high levels of compliance exhibited by travellers entering Australia through this pathway.

The number of flights arriving in Australia continued to increase following the COVID-19 border closures. The result for 2022–23 was achieved in the context of an almost 350% increase in international traveller movements from the previous year.

We used a multi-layered approach to promote compliance and to detect non-compliance at the border, including education and engagement with travellers and conveyances, detailed data analytics, real-time assessments and various screening techniques.

We continued to modernise biosecurity controls for international travellers by trialling new technologies, such as 3D X-ray. We also captured and analysed more data to inform intervention decisions and increase compliance.

In December 2022, a provision was introduced into section 186A of the Biosecurity Act to increase deterrence. If a traveller is found to have concealed their imported conditionally non-prohibited goods when they entered Australia, they breach subsection 186A(1) and will be presented with a 20-penalty unit infringement notice. Prior to introduction of the provision, the maximum infringement was 12 penalty units. On 1 July 2023 the amount payable for a 20-penalty unit biosecurity infringement increased to \$6,260. Infringements may also result in visa cancellations. Communication of these increased infringement is expected to reduce non-compliance.

We worked collaboratively with the Department of Home Affairs and the Australian Border Force to explore potential future options to better manage traveller risk, such as obtaining advanced information for risk analyses through an electronic traveller declaration.

Methodology

The methodology for determining post-intervention compliance was developed by CEBRA, based at Melbourne University.

The post-intervention non-compliance rate was the inverse of the post-intervention compliance rate.

The performance measure was sensitive to sampling bias in the endpoint survey, which posed a risk to the accuracy of the estimated approach rates for biosecurity risks and estimated post-intervention compliance rate. To avoid sampling bias, biosecurity officers were trained and assessed in performing the surveys in line with an approved methodology.

The measure was calculated using the end-point survey to determine the proportion of travellers cleared at the border who had no biosecurity risk goods, or whose goods met import conditions (post-intervention compliance).

Data source

Departmental and external sources:

- Department of Home Affairs systems – traveller volume statistics
- Mail and Passenger System (MAPS) – outcomes from end-point survey.

Caveats and disclosures

Border controls focused on targeting and detecting the small but unidentified cohort of arrivals who deliberately concealed biosecurity risk material. Deliberate non-compliance by travellers requires additional controls and resources because increased levels of intervention are required to detect and manage this type of non-compliance. Traveller behaviour impacts the effectiveness and efficiency measure. Travellers who deliberately evade biosecurity requirements are usually aware of many of the tools or controls used to detect non-compliance at the border. As a cohort, they regularly test ways to avoid detection – increasing the need for more controls and resources.

Variation from corporate plan

Tolerances have been added to the measure to identify the result as a comparison with the 2021–22 non-compliance rate.

Measure BI-02

BI-02	Biosecurity service standards are met.
Measure type	Effectiveness and regulatory.
Target	Service standards are met or exceeded.
Result	Partially achieved – 5 of 12 service standards met, compared with 7 of 14 in 2021–22.
Tolerances	Achieved: When all service standards are met. Partially achieved: When one or more, but not all, service standards are met. Not achieved: When no service standards are met.

Context

This measure assesses our performance against 12 service standards associated with delivering our biosecurity regulatory responsibilities. Our client service standards are targets and are not legislated. They provide guidance to individuals and businesses on the time frame in which our department expects to complete biosecurity functions.

Individual targets are set for each service standard. These targets vary because the standards measure different deliverables. If we meet or exceed the target of an individual service standard, that service standard is met.

This performance measure aligns with the regulator best practice Principle 2 Risk-based and data-driven, and Principle 3 Collaboration and engagement. Delivery against regulatory requirements will be reported in our 2023–24 annual report.

Analysis

In 2022–23 we had 34 client service standards. Of the 14 standards that were related to biosecurity, 2 were subsequently removed from this performance measure. We met or exceeded our target across 5 of the remaining 12 biosecurity service standards.

Table 6, Table 7 and Table 8 provide the key service standard results for the client contact, imports and exports work streams.

Document assessment was within service standards over the peak period of November 2022 to January 2023. This was achieved by re-prioritising non-essential training, and scheduling staff for 400 to 600 hours of overtime each week during October and November 2022. These activities ensured peak period volumes were managed, but they were not sustainable. Outside peak periods, volumes of lodgements regularly exceeded assessment capacity resourcing. Industry had the option to request document assessment outside business hours (with additional charges applied).

The service standard for urgent assessment of import documentation was not met on average for the financial year, but assessment exceeded the service standard consistently from October 2022. This included the peak period of November 2022 to January 2023, where both urgent and non-urgent standards were met. This coincided with the delivery of system enhancements to categorise urgent consignments more appropriately while also reducing manual intervention. Industry can assist clearance times by lodging complete, compliant and accurate documentation as early as possible.

From April to June 2023, the service standard for import permits through the Biosecurity Import Conditions (BICON) system was affected by the implementation of a major policy change on 1 March 2023 for cat and dog import permits. This was in response to the increased rabies risk posed by the global commercialisation of the trade in companion animals and identification of associated fraud. In 2022–23 the import of dogs and cats represented 51% of all permits issued in 2022–23. As a result, we realigned resources and reviewed policy, systems and processes that will allow us to deliver an improved service.

Cargo volumes continued to put pressure on existing resources and led to an extension in inspection time frames. We were also challenged by increased biosecurity risk detections, particularly for new vehicles, delivery of offshore pre-clearance activities (for military exercises) and targeted operations. Our ability to meet service standards was affected by industry preference for fixed appointments. Self-inspection arrangements allow accredited industry participants to perform low-risk biosecurity inspections on shipping containers. However, uptake of these arrangements has been low. This has affected the redeployment of our biosecurity resources to higher-risk activities.

The implementation of new IT systems required redistribution of resourcing to deliver training and systems maintenance. This reduced staff availability for core business activities, including telephone and online correspondence, and responses to increased industry complaints. Service standards for correspondence via online forms were not met due to a surge in client feedback about assessment and inspection delays. We received 41% more online forms compared with the previous year.

We aim to support industry to meet their regulatory obligations through responsive communications. However, our ability to achieve the target was affected by fluctuations in our workforce during 2022–23. This was due in part to natural attrition and our inability to increase staffing numbers as required because of the department’s financial position. Budget pressures resulted in significant recruitment restrictions in quarters 3 and 4, and many contract workers were discontinued and not replaced.

Methodology

Our client service standards were developed to ensure we meet client expectations and deliver our services within agreed time frames. These time frames can vary for many reasons and the effective management of biosecurity risk must take priority.

We extracted data from multiple departmental information systems, and reports were peer reviewed.

This performance measure demonstrated the degree to which we minimised the biosecurity regulatory burden by providing services in a timely manner and indicated potential costs to industry because of delays.

Data sources

Departmental systems:

- Agriculture Import Management System (AIMS)
- Biosecurity Import Conditions (BICON) system
- Cargo Online Lodgement System (COLS)
- Cargo Workflow Management System (CWMS)
- Cisco Unified Intelligence Centre (CUIC) – Contact Service Queue (CSQ) all fields report
- Client Contact Management System (CCMS) Compliments & Complaints Report
- Maritime and Aircraft Reporting System (MARS)
- National Appointments System (NAS)
- Scheduling and Workforce Management System (SWMS)
- Vessel Management System (VMS).

Caveats and disclosures

Calls to our national number

The service level measures the response time frame for answering calls to the 1800 number, not the overall response time frame where calls are transferred to second-level support.

Online general enquiries form

The service level measures the response time frame for answering queries lodged through the online form. When queries are referred to second-level support for resolution, the original query is treated as not meeting the 10-day service level target within the calculation of the service level agreement.

Treatments service standard – in scope

Entries that had one inspection or compliance verification direction and one direction from the listed treatment categories were considered in scope:

- Devitalisation
- Fumigation
- Heat treatment
- Irradiation
- Other treatments
- Destruction
- Disposal permission
- Export
- Re-export.

Treatments service standard – out of scope

Entries with multiple inspection or treatment directions were considered out of scope due to the complex business practices conducted by industry, including:

- piecemeal inspection of consignments – containers inspected one at a time and treatment options not considered until inspection of the final container
- consolidated or piecemeal treatment of consignments – if multiple containers require treatment, the client can choose a provider who can treat either a portion of the consignment as early as possible or the entire consignment at once.

Entries where the treatment direction was applied before or within 5 minutes of the inspection direction are deemed to be a mandatory treatment or a treatment not resulting from the inspection and are therefore out of scope.

Import documents lodged via COLS

We use a service charter clock to monitor our processing time for each service standard. Prior to September 2022, the service charter clock would continue counting from the point a paused assessment task within the CWMS was resumed instead of restarting at zero. This meant the clock did not provide a true indication of whether assessments were completed within service level agreements. We implemented a system change in September 2022 to ensure the clock would restart each time a task was resumed. The task status would then change from 'awaiting information' to 'assessment in progress'.

Performance results

Performance results can be affected by stakeholders' ability to meet their obligations, and the resources and technology available to our department. For these reasons, we set a realistic tolerance of 'partially achieved' across all service standards, despite striving to meet the full requirements of each standard.

Variation from corporate plan

Data sources were expanded to better represent the breadth of service standards. These were:

- Cargo Workflow Management System (CWMS)
- Cisco Unified Intelligence Centre (CUIC) – Contact Service Queue (CSQ) all fields report
- Client Contact Management System (CCMS) Compliments & Complaints Report
- Maritime and Aircraft Reporting System (MARS)
- Scheduling and Workforce Management System (SWMS)
- Vessel Management System (VMS).

We removed 2 client service standards that were part of this measure in the *Corporate Plan 2022–23* because they had the potential to affect the result:

- Bookings by phone or email – as part of updated system functionality, all bookings received will generate an automated response. As a result, this service standard will always be met and has therefore been removed.
- Visiting our offices to provide import documentation for assessment – during the COVID-19 pandemic, we ceased the small number of in-office import document assessments and moved to electronic lodgement.

We have reset our target for this measure in our *Corporate Plan 2023–24*.

Table 6 Service standard results for client contact, 2022–23

Category	Service standard description	Target (%)	Jul 22 (%)	Aug 22 (%)	Sep 22 (%)	Oct 22 (%)	Nov 22 (%)	Dec 22 (%)	Jan 23 (%)	Feb 23 (%)	Mar 23 (%)	Apr 23 (%)	May 23 (%)	Jun 23 (%)	2022–23 ^a (%)
Calls to our national contact number	We will answer calls received through the national contact number 1800 900 090 within 5 minutes.	80	59	47	66	71	77	71	77	66	74	60	66	71	67
Online general enquiries form	For enquiries made through our online contact form, we will immediately confirm we have received your enquiry and respond to your request within 10 business days.	80	61	64	60	62	65	53	63	67	69	71	65	44	62

^a 2022–23 result is the average for the period not the average of each month's result.

Table 7 Service standard results for imports, 2022–23

Category	Service standard description	Target (%)	Jul 22 (%)	Aug 22 (%)	Sep 22 (%)	Oct 22 (%)	Nov 22 (%)	Dec 22 (%)	Jan 23 (%)	Feb 23 (%)	Mar 23 (%)	Apr 23 (%)	May 23 (%)	Jun 23 (%)	2022–23 ^a (%)
Goods inspection at an approved premises	We will provide this service within 3 business days of confirmation of your scheduled appointment.	95	72	67	65	73	79	80	74	75	85	90	85	90	78
Non-commercial vessel inspection	If you are arriving at a port where we have a permanent staff presence, we will aim to provide an initial inspection within 1 business day from you advising us of your arrival.	95	100	98	100	100	95	100	100	100	100	100	84	92	97
Treatments	We will provide you or your representative with treatment direction within 2 business days following an inspection.	95	91	91	90	88	86	90	92	90	85	83	85	87	88
Import documents lodged via COLS	If we receive an urgent lodgement from you, we will process it within 1 business day.	80	66	53	64	95	98	98	97	98	97	95	96	99	79
	We will process non-urgent lodgements within 2 business days.	80	46	56	36	49	87	99	99	99	42	23	75	100	70

Category	Service standard description	Target (%)	Jul 22 (%)	Aug 22 (%)	Sep 22 (%)	Oct 22 (%)	Nov 22 (%)	Dec 22 (%)	Jan 23 (%)	Feb 23 (%)	Mar 23 (%)	Apr 23 (%)	May 23 (%)	Jun 23 (%)	2022–23 ^a (%)
Import documents lodged by email	We will process your lodgement within 3 business days of receiving it.	80	95	100	100	86	91	100	100	100	100	100	100	100	98
Import permits through BICON (all commodities)	We will issue import permits within 20 days of receiving payment and a completed application.	90	85	84	73	68	91	61	50	83	66	45	45	34	67

^a 2022–23 result is the average for the period not the average of each month's result. **BICON** Australian Biosecurity Import Conditions. **COLS** Cargo Online Lodgement System.

Table 8 Service standard results for exports, 2022–23

Category	Service standard description	Target (%)	Jul 22 (%)	Aug 22 (%)	Sep 22 (%)	Oct 22 (%)	Nov 22 (%)	Dec 22 (%)	Jan 23 (%)	Feb 23 (%)	Mar 23 (%)	Apr 23 (%)	May 23 (%)	Jun 23 (%)	2022–23 ^a (%)
Goods inspection at an export-registered establishment	An officer will inspect your goods within 3 business days of you requesting an appointment.	95	98	86	96	99	96	95	94	92	92	95	98	96	95
Goods inspection for airfreight exports	We will inspect your goods within 24 hours of you requesting an appointment.	95	80	79	84	76	87	78	83	73	67	76	79	86	79
Goods inspection for sea freight exports	We will inspect your goods within 3 business days of you requesting an appointment.	95	99	89	94	99	98	97	97	98	94	95	96	96	95
Bulk vessels for export inspection	We will inspect your vessel within 3 business days of a confirmed appointment.	95	99	89	94	99	98	100	97	98	94	94	96	96	96

^a 2022–23 result is the average for the period not the average of each month's result.

Key activity 2

Effectively detect biosecurity risk through intelligence-led targeting, technology-supported inspections and efficient detection methods.

Measure BI-03

BI-03	Reduction in risk of African swine fever (ASF) because of biosecurity measures implemented by the department.
Measure type	Effectiveness and regulatory.
Target	Assessment of reduced risk from risk-based interventions in mail and traveller pathways, including interception rates of pork products.
Result	Mail pathway: Achieved – 220% change improvement in interception rate. Traveller pathway: Achieved – 61% change improvement in interception rate.
Tolerances	<p>Achieved</p> <p>Mail: 50% or greater improvement in detection of non-letter class containing pork products compared to pre-ASF measures.</p> <p>Traveller: 50% or greater improvement in detection of travellers with pork products compared to pre-ASF measures.</p> <p>Partially achieved</p> <p>Mail: 1% to 49% improvement in detection of non-letter class containing pork products compared to pre-ASF measures.</p> <p>Traveller: 1% to 49% improvement in detection of travellers with pork products compared to pre-ASF measures.</p> <p>Not achieved</p> <p>Mail: No improvement in detection of non-letter class containing pork products compared to pre-ASF measures.</p> <p>Traveller: No improvement in the detection of travellers with pork products compared to pre-ASF measures.</p>

Context

We worked with state and territory departments, Animal Health Australia and industry to deliver optimal animal biosecurity outcomes for Australia. We imposed conditions on animals and animal-based products that entered the country via either the cargo pathway (for commercial imports) or via the mail and traveller pathways. These conditions reduced the likelihood of exotic diseases such as African swine fever (ASF) establishing in Australia and helped maintain Australia’s favourable animal health status.

For the commercial import of pork and pork products, we imposed specific conditions relating to country of origin, heat treatment, animal health certificate and post-entry processing at approved premises.

This performance measure aligns with regulator best practice Principle 2 Risk-based and data-driven, and Principle 3 Collaboration and engagement. Delivery against regulatory requirements will be reported in our 2023–24 annual report.

Analysis

This measure focused on the increased risk of an ASF incursion in Australia due to ongoing outbreaks of the disease in neighbouring countries.

In November 2018 we began implementing increased risk-mitigation activities to reduce the likelihood of ASF entering Australia via the international traveller and mail pathways.

These included:

- progressive rollout of education and awareness campaigns – for example, signage at international ports.
- increased screening of incoming mail and travellers from ASF-affected countries by detector dogs and 3D X-ray.
- enforcement through visa cancellations and increased fines for infringement notices.

Table 9 shows that the increased ASF measures have had a positive effect on biosecurity awareness among travellers and reduced the risk of ASF entering Australia. For example, the:

- interception rate of non-letter class mail articles containing pork products improved from 0.005% to 0.016%, a 220% change improvement.
- interception rate of incoming travellers carrying pork products improved from 1.190% to 1.919%, a 61% change improvement.

We are confident that in coming years we will see fewer interceptions of pork products in the traveller and mail pathways as the education and awareness activities and increased penalties for biosecurity breaches take effect.

Increased ASF measures at the border also helped to control the risk of other diseases of significance entering Australia – for example, foot-and-mouth disease (FMD). We continue to monitor these measures to ensure the risk remains at a level consistent with Australia’s ALOP.

Table 9 Effectiveness of pre-ASF measures (2015–16 to 2017–18) and post-ASF measures (2021–22 to 2022–23), by pathway

Pathway	Category	Unit	Pre-ASF measures average	Post-ASF measures average
Non-letter-class mail articles	Screened mail articles containing pork products	%	0.005	0.016
	Pork items seized	no.	4,110	3,626
	Weight of pork items seized	kg	4,834	4,503
Incoming travellers	Screened travellers detected with pork products	%	1.190	1.919
	Pork items seized	no.	34,599	26,143
	Weight of pork items seized	kg	28,897	23,090

Methodology

Airport and mail biosecurity officers entered data daily into the Mail and Passenger System (MAPS). We then aggregated the data to calculate the effectiveness of the ASF measures.

We compared data that pre-dated implementation of ASF measures (before 5 November 2018) with post-implementation data (after 5 November 2018).

Three years of pre-ASF measures data was analysed to establish benchmarks (averages) that were used to compare against post-ASF measures data.

MAPS is a standalone database system used widely within the department for reporting purposes. We ran quality assurance checks on all MAPS data, and reports were peer reviewed.

Data sources

Departmental system:

- Mail and Passenger System (MAPS).

Measure BI-04

BI-04	Number of consignments of imported goods arriving with khapra beetle reduced as a result of biosecurity measures implemented by the department.
Measure type	Effectiveness and regulatory.
Target	Assessment of reduced risk through a reduction in the number of consignments of imported goods where khapra beetle is detected.
Result	Partially achieved. – a reduction in interceptions across 3 out of 6 pathways from the 2020–21 baseline data.
Tolerances	Achieved: Reduction in number of khapra beetle interceptions across all import pathways. Partially achieved: Reduction in number of khapra beetle interceptions for at least one but not all import pathways. Not achieved: No reduction in number of khapra beetle interceptions in any import pathways.

Context

We safeguard Australia’s plant health status to achieve, maintain and expand access to overseas markets while at the same time protecting Australian agriculture, the economy and environment. During the year, we:

- provided scientific analysis and technical advice
- facilitated the safe importation of plants and plant products
- improved systems and market access, capacity building and stakeholder engagement
- identified plant diseases, advised on associated biosecurity risk and measures, and provided biosecurity training
- conducted surveillance and response activities
- delivered plant, animal and aquatic health surveillance in northern Australia, working closely with communities and Indigenous rangers to regulate biosecurity risk in the Torres Strait.

Khapra beetle is a serious and highly invasive pest that is not present in Australia. It is our second-highest National Priority Plant Pest and the highest-ranked pest for the grain industry. The introduction and spread of khapra beetle in Australia would have severe economic consequences, particularly for Australia’s agricultural industry.

During 2020 and 2021 we observed an increase in khapra beetle interceptions, including in consignments that previously had no association with the pest and from countries not known to have khapra beetle. To minimise the risk of khapra beetle entering Australia, we introduced phased urgent actions from September 2020. These included:

- a ban on imports of high-risk plant products within
 - unaccompanied personal effects and low-value freight
 - baggage carried by international travellers
 - mail articles

- offshore treatment of
 - sea containers packed with high-risk plant products in khapra beetle target risk countries
 - sea containers packed in a khapra beetle target risk country that will be unpacked in a rural Australian khapra risk postcode
 - high-risk plant products exported from a khapra beetle target risk country
- revised phytosanitary certification requirements for listed other goods, such as seeds, nuts, green coffee beans and seeds for sowing.

This performance measure aligns with regulator best practice Principle 2 Risk-based and data-driven, and Principle 3 Collaboration and engagement. Delivery against regulatory requirements will be reported in our 2023–24 annual report.

Analysis

The number of consignments of imported goods where khapra beetle was detected reduced from 19 in 2020–21 to 4 in 2021–22 and 9 in 2022–23 (Table 10). The 2022–23 figure was an increase from the previous year but represented a sustained reduction in the number of khapra beetle detections since the implementation of the urgent actions. The reduction may also be attributed to our engagement with stakeholders on the risks of this pest.

Table 10 Number of consignments of imported goods with khapra beetle detections, by import pathway, 2020–21 to 2022–23

Category	Country of export	2020–21 baseline	2021–22	2022–23
High-risk plant products	Target-risk countries	6	0	4
	Other-risk countries	2	1	0
Other-risk plant products	Target-risk countries	0	0	1
	Other-risk countries	0	0	2
Other goods (including empty sea containers)	Target-risk countries	0	0	1
	Other-risk countries	11	3	1
All goods	All countries	19	4	9

Of the 9 detections this year:

- 3 were associated with goods carried by travellers arriving from khapra beetle target risk countries. This is likely due to an increase in international travel following the lifting of COVID-19 travel restrictions.
- 3 were associated with high-risk plant products arriving as commercial cargo from khapra beetle target risk countries. These consignments were certified as fumigated prior to export in accordance with the urgent actions. We took appropriate action to prevent future non-compliance, including:
 - notifying the treatment provider and the overseas certifying body (National Plant Protection Organisation)
 - requesting the overseas certifying body to investigate the source of non-compliance and propose corrective actions

- undertaking remote audits of the treatment provider (for example, documentary assessments, interviews and video recordings)
 - suspending the treatment provider (learn more about [investigation and suspension processes](#)).
- 3 were associated with other-risk plant products or other goods arriving as commercial cargo from countries not known to have khapra beetle. These detections were likely due to contamination of the sea container from previous cargoes. Our engagement with the international community has led to lobbying to change the design of sea containers and implement improved hygiene standards to address this risk.

Methodology

To establish benchmarks, we used the number of consignments of imported goods where khapra beetle was intercepted (including empty sea containers and post-biosecurity detections) prior to the introduction of the urgent actions in 2020–21. We then compared the number of khapra beetle interceptions per year in consignments of goods imported after we implemented the urgent actions.

We organised data sets to minimise the risk of data duplications and to exclude out-of-scope detections from the performance measure, such as detections of dead khapra beetle in treated goods.

Caveats and disclosures

The likelihood of a pest or disease entering Australia varies depending on the pathway – for example, it is higher for high-risk goods from high-risk countries. The import conditions we implement vary according to the country of export, type of goods and mode of arrival into Australia. The application of these import conditions reduces the overall risk across all pathways to the same level, which is very low, to achieve Australia’s ALOP. On this basis, weighting of detections by pathway was not considered necessary.

Data sources

Departmental sources:

- Incidents Client system – pest and disease notification
- Agriculture Import Management System (AIMS)
- high-risk plant product lists
- other risk plant products list
- khapra beetle target risk countries list
- postcode classification search tool
- treatment certificates.

Key activity 3

Minimise the impact of biosecurity incursions through appropriate post-biosecurity and post-border measures.

Measure BI-05

BI-05	Number and extent of biosecurity preparedness exercises completed.
Measure type	Effectiveness and regulatory.
Target	One preparedness exercise.
Result	Achieved – 6 exercises completed from the 2021–22 baseline set at 1 exercise.
Tolerances	Achieved: Quantity and complexity of preparedness exercise activities has increased. Partially achieved: Quantity or complexity of preparedness exercise activities has increased. Not achieved: Quantity and complexity of preparedness exercise activities has not increased.

Context

We managed policy and emergency management arrangements to improve the capability of our department and the Australian Government to prepare for, respond to and recover from biosecurity emergencies. We did this by facilitating:

- training programs
- exercises and application of lessons learned from previous preparedness exercises
- continual improvement processes.

Our work benefits agricultural industry stakeholders and the wider community by ensuring we maintain effective emergency management capabilities to protect Australian agriculture, the environment and economy from biosecurity threats.

We delivered a range of biosecurity measures to achieve an ALOP for Australia from biosecurity threats. Exercises that use controlled, objective-driven activities to practice, test and evaluate our capabilities are an essential component of emergency preparedness. We undertook exercises in 2022–23 to ensure we can respond to biosecurity emergencies effectively.

We are undertaking a multi-year national exercise series – Exercise Paratus. The aim is to explore the role of the Australian Government during a significant biosecurity crisis and the coordination of escalating biosecurity emergencies across multiple jurisdictions.

The extent (or level of complexity) will vary depending on the capability being tested in the exercise. For example, exercises that test a less developed capability are less complex than exercises that test a more developed capability. Exercises can be as simple as a planning group discussion of a new emergency plan to validate its concepts, or as complex as a multi-agency simulation that tests response arrangements for a major emergency. Regardless of the extent, each exercise will produce outputs that will inform the continual improvement of our emergency management capabilities.

This performance measure aligns with regulator best practice Principle 1 Collaboration and engagement. Delivery against regulatory requirements will be reported in our 2023–24 annual report.

Analysis

This measure considers the number of biosecurity preparedness exercises completed, and the extent or complexity of those exercises. The target is at least one exercise each year.

Due to the emerging risk posed by FMD in mid-2022, significant effort was allocated to mitigation measures. Several Exercise Paratus activities were rescoped to focus on FMD and ensure an enhanced level of readiness in the event of an incursion.

The Exercise Paratus series comprises 12 individual exercises conducted over several years. Nine of these exercises had been completed at 30 June 2023, 6 of which were completed in 2022–23. These were:

- 1) Exercise Paratus (Delta) – a series of 3 educational seminars focusing on decision-making and leadership in a crisis
- 2) Exercise Paratus (Echo) – a discussion exercise to determine key actions to take in the first 24 hours of an FMD outbreak
- 3) Exercise Paratus (Foxtrot) – a workshop to strengthen internal response arrangements
- 4) Exercise Paratus (Golf) – a discussion exercise to develop a crisis strategic plan focused on FMD
- 5) Exercise Paratus (India) – a discussion exercise to improve the structure and functions of the department’s Incident Management Team in the context of an FMD outbreak
- 6) Exercise Paratus (Juliett) – a discussion exercise to improve our crisis communication.

As a result of these 6 exercises, 25 recommendations were made to improve our biosecurity emergency management capability. The recommendations relate to:

- policy, processes and capability needs
- national coordination, leadership, and decision-making
- resourcing and support systems
- communications and situational awareness.

We use these recommendations to develop our capabilities and continually improve our response to biosecurity incidents. This results in better training for our response personnel, faster decision-making and greater interconnectivity with other response agencies. These actions help reduce the consequences of biosecurity incidents on Australian agriculture, the environment and economy.

These recommendations were also incorporated into our response arrangements. For example, the observations led to the development of an enhanced readiness protocol and communications plan that were subsequently validated in a follow-up activity – Exercise Paratus (Juliett). This exercise used a simulated scenario to test the operative functions of new arrangements. It shows how we use controlled, objective-driven exercise activities to practice, test, evaluate and improve our biosecurity emergency management capabilities, which contributes to our objective of strengthening our national biosecurity system.

Methodology

We recorded all exercise activities, counted the number of exercises undertaken each year, and described the extent of each activity using the ‘exercise style’ methodology in the Australian Disaster Resilience *Managing Exercises Handbook*.

Data sources

Departmental sources:

- records of preparedness exercises, including scoping and concept documents, plans, instructions, evaluations and reports.

Caveats and disclosures

The evaluation of Exercise Juliett, conducted on 28 June 2023, has not been finalised. Further recommendations may be made based on the evaluation of this exercise. Evaluations of exercises Delta and Foxtrot had not concluded at 30 June 2023.

Variation from corporate plan

The methodology description and data sources have been updated to more accurately reflect our approach to managing exercises.

Objective 3 Resilience and sustainability

Increase the contribution agriculture, fisheries and forestry make to a healthy, sustainable and low-emissions environment.

Key activity 1

Promote the sustainable management of Australian and regional fisheries and a sustainable fishing industry.

This activity has been removed because it was too narrowly focused to meaningfully contribute to the achievement of our purpose.

Measure RS-01

The number of Australian Government managed fish stocks assessed as ‘subject to overfishing’ or ‘uncertain’ in the ABARES Fishery status report.

This measure has also been removed because it duplicated the operational work of the Australian Fisheries Management Authority (AFMA). The performance measure did not reflect that we are responsible for developing longer-term strategic policy but that operational elements are the responsibility of AFMA.

Key activity 2

Increase the contribution that agriculture makes to a healthy, sustainable environment.

Measure RS-02

RS-02	The percentage of farms using sustainable management practices.
Measure type	Effectiveness.
Target	Share of farms using sustainable management practices is maintained or increases by 2025.
Result	On track – quantifiable data is not available to show an increase from the 2021 baseline. However, program investment is occurring that will help meet the 2025 target.
Tolerances	On track: Share of farms using sustainable management practices is on track to be maintained or increase by 2025. Not on track: Share of farms using sustainable management practices is not on track to be maintained or increase by 2025.

Context

We implemented several programs to enhance the sustainable use of natural resources on farms, including under the *National Soil Strategy* and the Natural Heritage Trust (NHT). Other related programs are implemented under the Future Drought Fund and through the agricultural innovation systems supported by the Rural Research and Development Corporations.

Analysis

Our intention was to track the impact of this work from the annual Grains Research and Development Corporation (GRDC) Farm Practices Survey report and selected ABARES natural resource management and drought resilience surveys.

According to the GRDC *Farm Practices Survey Report 2021*, 78% of cropping farms used stubble management practices in 2021. Stubble management in fallow is an aspect of sustainable agriculture for improving soil water capture and storage, and reducing the risk of erosion and nutrient loss.

The 2021 ABARES *Natural Resource Management and Drought Resilience survey of farm practices* found that 84% of farms across all industries retained stubble and 68% of farms destocked early in low rainfall periods to preserve groundcover.

These data established the 2021 baseline for the target to maintain or increase the share of farms using sustainable management practices by 2025.

The GRDC Farm Practices Survey report was not published in 2022–23. The ABARES Natural Resource Management and Drought Resilience survey is undertaken periodically. No data were collected in 2022–23. This means that we can report on activity undertaken during the year, but we were unable to accurately determine the outcomes and progress towards the 2025 target due to the lack of survey data. At 30 June 2023, there was no evidence to suggest the 2025 target will not be met. Program investment activity in 2022–23 is contributing towards sustainable farm practices.

The National Landcare Program Phase 2 (NLP2), which was completed in 2022–23 under the NHT, was one of several programs that we have implemented to enhance the sustainable use of natural resources on farms. The program contributed to the adoption of sustainable agricultural practices for participating farms through 2 complementary streams of investment:

- 1) \$136 million from the Smart Farms program
- 2) \$131 million from the broader Regional Land Partnerships (RLP) program.

These investments contributed to the government's objective to encourage changes in farming practice and drive greater sustainability.

The Smart Farms program funded 127 projects across Australia. These projects trialled and implemented new and innovative tools that led to changes in agricultural practices and more sustainable, productive and profitable agricultural industries and systems.

Through the RLP program:

- 93 individual sites were identified as suitable for delivering improved practices
- more than 116 groups were engaged in the delivery of sustainable land management practices

- practice change projects were implemented across 273,088 ha of agricultural land.

These NHT programs contributed to building capacity, knowledge and accelerating the uptake of sustainable agricultural practices. The extent of the impact could not be accurately determined in 2022–23.

Methodology

Data were taken from GRDC and ABARES farm practices surveys in 2021 to establish a baseline. To meet the target, the share of farms using sustainable management practices must be maintained or increase by 2025.

Data sources

Departmental and external sources:

- ABARES 2021 *Natural Resource Management and Drought Resilience survey of farm practices*
- GRDC *Farm Practices Survey Report 2021*
- program reporting data, including information from the Community Grants Hub
- TechnologyOne – financial management information system.

Caveats and disclosures

The Australian Government does not directly regulate or have responsibility for on-farm practices.

Surveys are not conducted in all years and survey questions and methodologies may change over time. Updates to survey results will be subject to consideration of future funding to support the data collection.

A new performance measure (RS-03) has been developed in the *Corporate Plan 2023–24* to complement broader drought policy and program indicators, as part of the Future Drought Fund.

Variation from corporate plan

Tolerances have been added to the measure. Additional data sources that were used in this report but were not listed in the *Corporate Plan 2022–23* are:

- program reporting data, including information from the Community Grants Hub
- TechnologyOne – financial management information system.

Part 2: Management and accountability

Governance

In June 2022, the Australian Government announced machinery of government changes that took effect on 1 July 2022. The Department of Agriculture, Water and the Environment became the Department of Agriculture, Fisheries and Forestry.

Our executive

Mr Andrew Metcalfe AO was the Secretary of the Department of Agriculture, Fisheries and Forestry in 2022–23. Mr Metcalfe was the department’s accountable authority and responsible for its efficient and effective operation. The secretary’s other roles included chairing the:

- Agriculture Senior Officials’ Committee
- Executive Board
- National Management Group for national emergency responses to pest and disease incursions.

The department had 7 deputy secretaries. They assisted and supported the secretary to deliver our objectives. Our deputy secretaries were:

- Chris Locke – Biosecurity and Compliance Group
- Cindy Briscoe – Portfolio Strategy and Services Group and Chief Operating Officer
- David Hazlehurst – Agricultural Trade Group (1 July to 18 September 2022)
- Emma Campbell – Agriculture, Fisheries and Forestry Policy Group (acting from 8 August to 30 November 2022)
- Matthew Koval PSM – Agricultural Trade Group (acting from 13 February 2023)
- Nicola Hinder PSM – Agricultural Trade Group (acting from 19 September 2022 to 12 February 2023)
- Rosemary Deininger – Agriculture, Fisheries and Forestry Policy Group.

Governance committees

Our Executive Board met 30 times in 2022–23. The members of the Executive Board were the secretary, deputy secretaries and advisers. The advisers were 2 Senior Executive Service (SES) Band 1 officers on 12-month rotation (selected via expression of interest), the chief of staff, chief risk officer, chief security officer, chief finance officer, chief people officer, chief counsel, and the communications and media officer.

The Executive Board was responsible for:

- setting and overseeing implementation of strategic priorities and directions
- shaping organisational culture and building a shared understanding of policy and delivery priorities
- monitoring progress and performance of major projects and strategic priorities

- ensuring effective governance, operations, and use of financial and non-financial resources
- monitoring and responding to strategic risks and risks that may materially impact the achievement of objectives
- ensuring our capacity to provide reliable, evidence-based advice
- ensuring we operate in accordance with legislative and regulatory requirements.

Our Executive Board was supported by the People and Culture Committee, Work Health and Safety Executive Committee, Security and Business Continuity Committee and the Strategic Investment Committee. Best-practice arrangements were in place for decision-making and tracking action items.

Audit and Risk Committee

The Audit and Risk Committee provided independent assurance and advice on the appropriateness of the department's annual financial statements, performance statements, performance reporting, system of risk oversight and management, and system of internal controls. Committee members were external to the department, engaged by the accountable authority and brought a range of private and public sector experience and skills (Table 11).

The committee is supported by specialised subcommittees for financial statements, performance statements and the internal audit program.

The former Department of Agriculture, Water and the Environment's Portfolio Audit Committee provided independent advice to 3 accountable authorities on the appropriateness of each entity's financial and performance reporting, system of risk oversight and management, and system of internal control. The accountable authorities were:

- Secretary of the Department of Agriculture, Water and the Environment
- Director of National Parks
- Board of the Sydney Harbour Federation Trust.

The Portfolio Audit Committee continued to support the Director of National Parks (DNP) and the Board of the Sydney Harbour Federation Trust (SHFT) until September 2022, when the Portfolio Audit Committee became the Department of Agriculture, Fisheries and Forestry Audit and Risk Committee.

The Audit and Risk Committee Charter was available during the year at agriculture.gov.au/about/reporting/risk-and-audit-committee-charter.

Audit and Risk Committee main meetings are held quarterly, but additional out-of-session or special meetings may be held. In 2022–23 the committee met 10 times, 5 of which were special meetings. Of the 10 meetings, 1 was for the DNP, 1 was for the SHFT, 1 was for the DNP, SHFT and our department, and 7 were for our department only. Members also attended subcommittee meetings for the department, the DNP and the SHFT.

Remuneration included committee activities for the DNP and the SHFT from 1 July to 30 September 2022.

Table 11 Audit and Risk Committee membership, 2022–23

Member name and qualifications	Knowledge, skills or experience	Number of meetings attended	Total number of meetings held	Total annual remuneration (\$ GST inclusive)	Additional information (including role on committee)
Peter Achterstraat AM, BCom, LLB, BEc (Hons), FAICD, FCA, FCPA, FGIA, FIPAA, FAIM	Mr Achterstraat has more than 30 years' experience in finance and governance. He was inducted into the Australian National University College of Business and Economics Hall of Fame and awarded a Member of the Order of Australia for significant service to public administration through financial management and governance roles. Mr Achterstraat is currently the NSW Productivity Commissioner, Chair of Bankstown Airport Limited, Chair of the ATO Audit and Risk Committee and Chair of the ASIC Audit and Risk Committee.	22	26	67,301	<ul style="list-style-type: none"> Chair Financial Statements Subcommittee attendee Performance Reporting Subcommittee attendee
Donna Hardman, BCom, MBA, GAICD, FGIA, MIPAA	Ms Hardman is a governance expert with experience in the private and public sectors. She has held multiple non-executive director positions over 10 years, including Chair of the Capital Allocations Committee and board member of a company during its listing on the ASX; Chair of the Remuneration and Nominations Committee, member of the Mergers and Acquisitions Committee and board member of another company during its sale and de-listing from the ASX. Her executive experience includes international strategy and general management positions in the financial services sector, and founder and chief executive officer of a consultancy specialising in transformational change and governance. Ms Hardman currently holds 2 independent governance appointments with another Australian Government department, including as Performance and Risk Committee Chair.	24	26	67,172	<ul style="list-style-type: none"> Independent member Performance Reporting Subcommittee Chair Internal Audit Program Subcommittee member Financial Statements Subcommittee member

Member name and qualifications	Knowledge, skills or experience	Number of meetings attended	Total number of meetings held	Total annual remuneration (\$ GST inclusive)	Additional information (including role on committee)
Mark Sercombe, BEc, FCA, PFIIA	Mr Sercombe has extensive experience in corporate governance, business management, financial management systems and public administration and corruption prevention in the public sector. He also founded and leads a boutique risk advisory firm serving private and public-sector organisations. He specialises in internal controls and IT risk, including projects, cybersecurity, business systems and privacy. Mr Sercombe is a member of the ATO Audit and Risk Committee, NSW Educational Standards Authority Audit and Risk Committee, member of the NSW Electoral Commission Audit and Risk Committee, Cumberland City Council Audit, Risk and Improvement Committee, Bayside Council Audit, Risk and Improvement Committee and Inner West Council Audit, Risk and Improvement Committee. He is also a sessional lecturer at the University of Sydney.	9	26	26,207	<ul style="list-style-type: none"> Independent member Internal Audit Program Subcommittee Chair from January 2023 Financial Statements Subcommittee member from January 2023
Alexandra Spark, BCom, FCA, GAICD	Ms Spark is a CA Risk Specialist with experience in risk management, regulation and corporate governance. Ms Spark has worked with a range of clients within Australia and internationally, in the public and private sectors. Ms Spark provides independent advisory services to the Australian Government and is currently a member of the Department of Employment and Workplace Relations Audit and Risk Committee and Chair of the Risk, Security and Governance Committee, member of the Department of Climate Change, Energy, the Environment and Water Audit and Risk Committee and Chair of the Financial Statements Subcommittee, member of the ACT Health Directorate Audit and Risk Management Committee, member of the Transport Canberra	7	26	14,718	<ul style="list-style-type: none"> Independent member Financial Statements Subcommittee Chair Performance Reporting Subcommittee member

Member name and qualifications	Knowledge, skills or experience	Number of meetings attended	Total number of meetings held	Total annual remuneration (\$ GST inclusive)	Additional information (including role on committee)
	and City Services Audit Committee and a non-executive director of 3 private entities.				
Michael Roche, BA (Accounting) FCPA, MACS (Snr)	Mr Roche is an independent consultant providing advice to government agencies and companies dealing with government on a range of strategic management issues. Mr Roche has wide-ranging experience in corporate and financial management at senior levels across the Australian Government. Before commencing his consulting practice, Mr Roche was Under Secretary, Defence Acquisition.	16	26	46,715	<ul style="list-style-type: none"> • Independent member • Financial Statements Subcommittee Chair until December 2022 • Performance Reporting Subcommittee member until August 2022, Chair from August to December 2022
Dr David Bryant, PhD MIS, BA (TM), BIT, ACS PCP, AIPM CPPD, FAIPM, FHEA, MACS, Practising Computer Professional, GAICD; accredited practitioner PRINCE2, MSP, Benefits Management and P30	Dr Bryant has 35 years of experience in ICT governance, risk management and delivery of ICT projects and services in the public sector. Dr Bryant teaches at the Australian National University. He is a member of several government governance and audit boards and is a director of DB Consulting.	0	26	600 ^a	<ul style="list-style-type: none"> • Independent member • Performance Reporting Subcommittee Chair until August 2022

^a Remuneration for several hours in support of the Performance Reporting Subcommittee following Dr Bryant's resignation in August 2022. **ASIC** Australian Securities and Investments Commission. **ASX** Australian Securities Exchange. **ATO** Australian Taxation Office.

Corporate Plan

The *Corporate Plan 2022–23* was our primary planning document. It integrated our operations and set our strategic direction by:

- setting the objectives and key activities to achieve our purpose
- describing how we measure and report performance under the Commonwealth Performance Framework.

Managing risk

Enterprise risk management

As part of the transition to the Department of Agriculture, Fisheries and Forestry, we improved our risk-management approach, capability and maturity. We enhanced our frameworks, tools, guidance, training and communications to better enable staff to embed effective risk management into everyday work.

We implemented the new *Enterprise Risk Management Framework and Policy (ERMFP)* and *Internal Control Framework (ICF)*. Both frameworks are based on best practice and are tailored to our new structure and our range of operational, policy, regulatory and program functions.

The ERMFP aligns with the department's Purpose, Objectives, Priorities, Vision and Values (POPVV) statement and ensures we comply with section 16 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Commonwealth Risk Management Policy*. The ERMFP, through its guiding principles, outlines the expectations, accountabilities and responsibilities for our staff in applying effective risk-management practices. It also provides an enhanced approach to identifying and managing specialist risks, such as work health and safety, climate change, biosecurity and security, and guidance on managing shared risk.

The ICF describes how to measure the performance and effectiveness of risk controls. This provides greater assurance that risks are being managed within tolerances and that objectives can be achieved.

The department leveraged the results of the recent Comcover Risk Management Benchmarking Survey and an internal risk culture review conducted in 2022. Key learnings included the need for the provision of improved risk-management awareness, practices, support and culture. We incorporated these learnings through initiatives such as:

- improved ERMFP, ICF and supporting risk-management materials
- a work plan for our new chief risk officer (CRO)
- a Risk Management Community of Practice.

Our CRO engaged regularly with the senior executive and staff to promote a positive risk culture across the department. Our CRO also reported to the senior executive on strategic risk, emerging risk and key risk-management activities.

Climate risk management

We outline our approach to the management of climate change risk through our ERMFP. The framework embeds climate change as a specialist risk requiring a tailored approach to its management and consideration, in accordance with government policy and procedures.

In October 2022, the Australian Government announced the Climate Risk and Opportunity Management Program. The program helped us to identify, manage and disclose physical and transitional climate risks across policies, programs, operations, assets and services. It builds on the Climate Compass framework and Climate Risk Disclosure Framework reported on in previous Department of Agriculture, Water and the Environment annual reports.

We participated in consultation led by the Department of Climate Change, Energy, the Environment and Water (DCCEEW) on the design phase of the program. Preparations have been made to support implementation, which is expected to begin in 2023–24.

We also contributed to inclusion of the agricultural industry in the National Climate Risk Assessment by:

- participating in a user-needs assessment to identify current and emerging climate-risk information
- providing input to the design of the methodology.

Mitigating COVID-19-related risk

We continued our evidence and risk-based approach to COVID-19. We monitored public health advice, and we responded early and proactively to protect our people, customers and stakeholders as needed.

The department stood down the COVID-19 National Incident Management Team on 1 March 2023. This followed the introduction of our new guiding principles and traffic light advice system. The system allows staff to easily identify an increased level of risk. It is aligned with state and territory health units to more effectively manage COVID-19 outbreaks in our workplace.

Strengthening integrity

We continued to ensure our integrity principles and practices remained meaningful and relevant for our people. This is critical to our organisational culture and operations. Integrity guides our standards and interactions with our stakeholders and each other.

During the year, we strengthened integrity by:

- maintaining our Integrity Framework guidance, policies and training
- focusing on the identification and prevention of wrongdoing.

We also engaged on fraud and corruption risk identification and management across our business processes and workforce, including through our *Fraud and Corruption Control Plan 2022 to 2024*, Foreign Interference Risk Engagement Program and design of a National Security Hub. These activities deliver innovative, practical and effective integrity services, messages and advice to the business.

We strengthened our partnerships with law enforcement stakeholders, including the Australian Commission for Law Enforcement Integrity, to develop new and seamless ways of working together. This improved our ability to prevent and mitigate against risks related to security, misconduct, fraud and corruption. We investigated allegations of wrongdoing, including suspected breaches of the Australian Public Service (APS) Code of Conduct and fraudulent and corrupt activity.

Grants

Information on grants awarded by the Department of Agriculture, Fisheries and Forestry during 2022–23 is available at [GrantConnect](#). Grants awarded by our department totalled \$347.3 million.

Disclosure of protected information

Section 590 of the *Biosecurity Act 2015* required the secretary to prepare an annual report on the use of protected information. In 2022–23 the secretary provided 25 written authorisations to disclose protected information under section 580(3) of the Act, prior to the information-sharing amendments which came into effect on 5 June 2023.

Freedom of information

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information under the Information Publication Scheme (IPS). Our [agency plan](#) shows the information we publish to comply with the IPS requirements. Learn more about the [information we publish under the IPS](#), which includes those documents released in response to FOI requests via a disclosure log.

In 2022–23 we received 95 requests for access under the FOI Act, 6 requests for internal review, and 6 requests for external review. We finalised 104 requests and 6 internal reviews.

Learn more about FOI requests processed by Commonwealth agencies at the [Office of the Australian Information Commissioner](#).

Building our capability

We commenced a program of organisational capability uplift to meet expectations of government and align with the APS Reform agenda.

In August 2022, the Executive Board commissioned the Designing DAFF Taskforce to set our new strategic direction and design a program of organisational capability improvement. The taskforce incorporated the findings of previous reviews and lessons learned from past work.

In December 2022, the secretary released the POPVV statement, which outlines our new strategic direction and signals a reorientation towards the government's broader agenda.

We agreed to the principles, priorities and initial actions recommended by the Designing DAFF Taskforce regarding organisational capability improvement. We commenced the implementation of these priorities:

- more streamlined and effective organisational governance
- better planning, performance and risk management
- enhancing stewardship of our financial and budget planning and management

- maximising the value of our people through reliable workforce data.

We agreed to the Australian National Audit Office (ANAO) cultural reform audit recommendations. This included setting a strategic direction for our organisational reform program, monitoring the delivery of activities, and regular review. Recommendations will be integrated into our future work on building departmental capability.

In May 2023, an independent senior review team commenced an agency capability review of the department. The review was supported by the Australian Public Service Commission (APSC). The senior review team engaged with external stakeholders and conducted focus groups and a survey with department staff. Findings from the review are expected in August 2023.

Our First Nations commitment

First Nations people have managed the lands and waters for thousands of generations, and this connection is a source of identity, spirituality, culture, economy and wellbeing.

In delivering our objectives and priorities, we commit to realising shared benefits with First Nations Australians. This includes working with First Nations people to activate the economic value of land, water and sea resource rights, and strengthening the crucial role of Indigenous ranger groups in Australia's biosecurity protection. We will also work together in genuine partnership to promote and encourage First Nations voices, and to support the achievement of the priority reforms and targets under the [National Agreement on Closing the Gap](#).

We are progressing work on developing our First Nations Platform, comprising 3 integrated elements:

- 1) Strategic framework – structures business thinking and guides our department in shaping its policies and strategies. The framework will provide a high-level view of our First Nations policy priorities and serve as a reference point for decision-making.
- 2) Roadmap – detailed plan of the specific actions, steps and timelines required to achieve our First Nations shared benefits and inclusiveness objective.
- 3) Maturity model – enables us to evaluate our ability to deliver on our First Nations commitment and identify areas for improvement to achieve higher levels of maturity.

Planning for our future

We continued to build a workforce with the right mix of skills and capabilities, in the right locations where they can perform their work effectively, safely and to the highest standards. During the year, we:

- developed a workforce planning program to build our capability and enable workforce decisions that align with our strategic goals and direction
- used reporting tools such as the Job Family Framework and Power BI
- developed group-level tactical workforce plans and surveys that will help us identify ways to attract and retain staff.

We revised our strategies to align our workforce capability with broader APS programs. During the year, we implemented activities informed by our *Stretch Reconciliation Action Plan 2021 to 2024*.

The action plan complements the *Commonwealth Aboriginal and Torres Strait Islander Workforce Strategy 2020–24* and Closing the Gap priority reforms.

We enhanced our capability through APS professional stream activities and our own initiatives related to:

- leadership and talent management
- recruitment
- graduate and other entry-level programs
- mobility and surge capacity
- integrity
- diversity and inclusion
- workplace relations.

Information and communication technology

We continued our commitment to uplift digital capabilities and we supported critical systems and operations throughout the year.

Our DesktopOne refresh of the department’s end-user computing environment helped unify, simplify and update our fundamental internal systems. This program led to an improvement in tools related to human resources, finance, travel, office productivity and collaboration. The enhanced technologies increased our cybersecurity maturity and improved staff capacity to work and collaborate flexibly in secure environments.

Our Digital Foundations Program provided robust and scalable foundations for the delivery of new digital services to stakeholders. For example, we established a new Microsoft Azure cloud computing platform, which enabled us to deliver new digital services to more users, more quickly and with greater security. This platform significantly increases the speed to market of new digital services while also improving scalability and security. We invested in maturing capabilities such as enhanced application monitoring and application programming interface management. We also continued to build on modern information communication technology (ICT) delivery practices such as Agile and DevOps. Our investment is enabling faster delivery of more robust and sustainable digital services to our stakeholders and staff.

We benefited from improved videoconferencing facilities in regional and national offices. The enhanced capability assisted geographically diverse staff and stakeholders to engage more seamlessly.

Investing in our people

At 30 June 2023, we employed 5,484 staff. They worked across Australia, in external territories and in overseas embassies and high commissions. Our diverse workforce included inspectors, policy and assessment officers, WHS advisers, program administrators, rangers, compliance officers, investigators, veterinarians, scientists, researchers, economists, accountants, legal advisers, ICT specialists, data analysts and auditors. We employed a large number of scientists to underpin our

policy and regulatory functions. We took an evidence-based approach to our public policy decision-making and regulation by focusing on data, research and analytics.

Flexible working arrangements

During the year, we supported modern, agile ways of working through flexible working arrangements. Arrangements were tailored to work for the individual and their team and to align with the department's *Working Arrangements Policy* and *Working Away from the Office Policy*.

Our POPVV statement encourages staff to find innovative ways of working, such as using Microsoft Teams and other online tools to stay connected and maintain relationships within our teams.

Where possible, we supported staff to work flexibly to balance their work and personal lives. We assessed our flexible working arrangements framework against the *Secure Jobs and Better Pay Act 2022* and commenced a review of these arrangements in May 2023.

Learning and development

In 2022–23, we provided both core and role-specific training to maintain and build the capability our people need to achieve our strategic objectives.

To support core training, our People, Property and Security Division developed a Core Capability Framework (CCF). The framework identifies the core capabilities required of staff to deliver on the department's POPVV. It also highlights our ambition to be future ready.

In July 2022, we launched a mobility framework and supporting resources to continue to build capability and increase employment engagement.

To support managers and uplift staff capability, we identified and developed learning solutions aligned to the APS Continuous Learning Model. This included a managers toolkit, conversation tools, and e-learning resources such as *Learning Bites* – single-page placemats containing links to key information.

Our online learning management system, Learnhub, and our subscription to LinkedIn Learning continued to support staff training. We also provided additional learning and development opportunities through study assistance and the engagement of external training providers.

The 'Essentials' mandatory training suite in Learnhub provided our staff with the resources to work lawfully, professionally and safely. The suite ensures compliance against legislated training obligations and is completed every 12 to 24 months. We shared our training packages with several other APS agencies. We also continued to work collaboratively with the APS Academy, sharing data, evaluations and training materials and promoting attendance for APS Academy courses.

We developed a new learning and development strategy to underpin our approach to capability development. This strategy aligns with broader government learning and development strategies and initiatives, including the APS Learning and Development Strategy, Action Plan, and associated frameworks, models and approaches.

Disability reporting mechanism

Australia's Disability Strategy 2021–2031 provided the framework for inclusive policies, programs and infrastructure. It ensured the principles of the United Nations Convention on the Rights of Persons with Disabilities were incorporated into policies and programs that affect people with disability, their families and carers. Progress reports are in [Australia's Disability Strategy Hub](#). Disability reporting is also in the [State of the Service reports](#) and the [APS Statistical Bulletin](#).

Investing in regulatory maturity

We delivered a range of measures to uplift the regulatory capability of our staff and support a culture of best practice regulation. The Regulatory Practice Committee updated our *Regulatory Practice Statement* and our *Compliance Policy* following the transfer of the environment and water functions to DCCEEW. Our first Regulatory Assurance Strategy was completed in 2023 and will be implemented in 2023–24.

During the year, we also:

- partnered with the APSC and Charles Sturt University to develop and deliver core regulator capability training
- implemented a program of work to recognise and support regulatory activities as a valuable and rewarding career path
- delivered the successful regulator symposium in August 2022
- partnered with DCCEEW to deliver our departmental Regulator Community of Practice.

Work health and safety

Initiatives and outcomes

Safety remained at the centre of our values statement. This symbolises our ongoing commitment to placing the safety of our people, customers and stakeholders at the centre of all we do. We take an evidence-based approach in our response to work health and safety (WHS) risks, such as the COVID-19 pandemic, Japanese encephalitis, and the potential rabies virus risk to imported dogs and cats at our post-entry quarantine (PEQ) facility located in Melbourne.

We partnered with industry and subject-matter experts to manage these risks. This included:

- engaging an infectious disease expert to improve PEQ staff awareness about potential health risks
- engaging with state and territory public health units
- reviewing processes to ensure they remain fit for purpose and protect our frontline staff.

During the year, we:

- continued to implement our *Work Health and Safety Strategic Plan 2021–2024*, focusing on the 5 pillars – staff support, risk management, safety culture, systems improvement and capability uplift
- reviewed and aligned the *Mental Health and Wellbeing Strategy 2021–2024* with our current operational context

- facilitated bespoke services to support the mental health and wellbeing of our people, including through the Employee Assistance Program (EAP)
- implemented a 4-stage process to support our compliance with WHS legislation, specifically the management of psychosocial hazards
- delivered our annual influenza vaccination program.

We continued to engage with our workforce and stakeholders to manage safety issues and ensure compliance. Guided by our preventative and risk-management frameworks, we improved physical and psychological safety and staff capability. The WHS Strategic Plan and the Mental Health and Wellbeing Strategy have led to an increased focus on health and wellbeing and a reduction in notifiable incident rates.

Notifiable incidents

Table 12 and Table 13 show the number of notifiable incidents, investigations, improvement notices, prosecutions and other matters that occurred in 2022–23. This information is provided in accordance with schedule 2, part 3 of the *Work Health and Safety Act 2011*.

Table 12 WHS incidents notified, 2022–23

Incident type	Number
Death that required notice under section 38	0
Serious injury or illness that required notice under section 38	0
Dangerous incident that required notice under section 38	3

Table 13 WHS investigations, improvement notices and prosecutions, 2022–23

Incident type	Number
Notices given to the department under section 191 (improvement notices)	1
Notices given to the department under section 195 (prohibition notices)	0
Notices given to the department under section 198 (non-disturbance)	0
Investigations conducted under part 10	0

External service providers

Procurement

Our procurement practices focused on value for money; encouraging competition; efficient, effective, economical and ethical procurement; and accountability and transparency. These practices comply with:

- relevant Commonwealth legislation
- the Commonwealth resource management framework, which includes the Commonwealth Procurement Rules and the PGPA Act
- our Accountable Authority Instructions.

Our staff were provided with guidance, specialist advice and assistance to meet our obligations.

Supporting Indigenous business and social enterprise

We supported the goals of the Commonwealth Indigenous Procurement Policy (IPP) by increasing our engagement with Indigenous businesses and promoting our Indigenous Procurement Policy. As a result, we exceeded the IPP target for contracts awarded to Indigenous businesses.

Supporting small and medium enterprises

The Department of Agriculture, Fisheries and Forestry supports small business participation in the Commonwealth Government procurement market. Small and medium enterprise (SME) and small enterprise participation statistics are available on the [Department of Finance's website](#).

The Department of Agriculture, Fisheries and Forestry recognises the importance of ensuring that 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](#).

Our procurement practices supported small and medium enterprises by using:

- the Commonwealth Contracting Suite for low-risk procurements valued at under \$1 million (inclusive of GST)
- small business engagement principles, such as communicating in clear, simple language and presenting information in an accessible format
- credit cards, where possible, for purchases under \$10,000 (inclusive of GST).

Supporting sustainable procurement

We upheld the principles of the *Sustainable Procurement Guide* and supported the *National Waste Policy Action Plan 2019* target to significantly increase our use of recycled content.

We lifted our sustainable procurement capability by:

- adhering to the Commonwealth Procurement Rules, which require all procurements to consider environmental sustainability and the use of recycled content when assessing value for money
- adhering to the *Sustainable Procurement Guide*, which requires staff to consider using recycled resources when undertaking procurement.

Consultancies

We engaged consultants where our department lacked specialist expertise or required independent research, review or assessment. These consultants were typically engaged to:

- investigate or diagnose a defined issue or problem
- carry out defined reviews or evaluations
- provide independent advice, information or solutions to assist in our decision-making.

Before we engaged consultants, we considered the skills and resources required for the task, the skills available internally and the cost-effectiveness of engaging external expertise. We made decisions to engage consultants in accordance with the PGPA Act and related rules, including the Commonwealth Procurement Rules.

We used our pool of consulting services firms sourced from the Digital Marketplace Panel to assist in implementing key reform projects and initiatives. These firms (known internally as strategic delivery partners) provided us with surge capacity and access to expertise when needed. Through the head agreements with firms, we aimed to identify opportunities for joint project delivery. This facilitated additional knowledge transfer and capability uplift to our staff. This arrangement ceased on 30 June 2023 as we transitioned to using the Department of Finance Management Advisory Services Panel.

Reportable consultancy contracts

During 2022–23, 38 new reportable consultancy contracts were entered into, involving total actual expenditure of \$7.619 million. In addition, 131 ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$19.872 million. Table 14 and Table 15 show actual expenditure on reportable consultancy contracts in 2022–23.

Table 14 Reportable consultancy contract expenditure, 2022–23

Item	Number	Expenditure (\$ GST inclusive)
New contracts entered into during the reporting period	38	7,618,728
Ongoing contracts entered into during a previous reporting period	131	19,872,494
Total	169	27,491,221

Table 15 Reportable consultancy contract expenditure, by organisation, 2022–23

Name of organisation	ABN	Expenditure (\$ GST inclusive)
Price Waterhouse Coopers Consulting (Australia) Pty Limited	20607773295	7,642,015
1 and One Pty Ltd	13637567947	3,239,369
Noetic Solutions Pty Limited	87098132024	2,279,492
Deloitte Touche Tohmatsu	74490121060	1,933,636
Nous Group Pty Ltd	66086210344	1,592,343

Note: Expenditure may be against multiple contracts.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the [AusTender website](#).

Reportable non-consultancy contracts

During 2022–23, 1,301 new reportable non-consultancy contracts were entered into, involving total actual expenditure of \$163.532 million. In addition, 2,193 ongoing reportable non-consultancy contracts were active during the period, involving total actual expenditure of \$556.765 million. Table 16 and Table 17 show actual expenditure on reportable non-consultancy contracts in 2022–23.

Table 16 Reportable non-consultancy contract expenditure, 2022–23

Contract	Number	Expenditure (\$ GST inclusive)
New contracts entered into during the reporting period	1,301	163,531,947
Ongoing contracts entered into during a previous reporting period	2,193	556,765,341
Total	3,494	720,297,288

Table 17 Reportable non-consultancy contract expenditure, by organisation, 2022–23

Name of organisation	ABN	Expenditure (\$ GST inclusive)
Jones Lang LaSalle (ACT) Pty Ltd	69008585260	78,325,280
DXC Enterprise Australia Pty Ltd	16612896527	48,503,891
Optus Billing Services Pty Limited	95088011536	28,922,609
Commonwealth Scientific and Industrial Research Organisation	41687119230	27,551,796
Hays Specialist Recruitment Australia Pty Ltd	47001407281	26,147,393

Note: Expenditure may be against multiple contracts.

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the [AusTender website](#).

Other contract information

During 2022–23 we had 18 contracts with values greater than \$10,000 (inclusive of GST). These contracts totalled \$19,490,599 (exclusive of GST) and were exempt from being published on AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

Table 18 shows the contracts entered into during the reporting period with a value of \$100,000 or greater (inclusive of GST) that did not include the standard Auditor-General access clause.

Table 18 Contracts that did not include Australian National Audit Office access clause, 2022–23

Name of contractor	Purpose	Total contract value (\$ GST inclusive)	Reason for not including access clauses
Falcon.io ApS	Social media management and monitoring platform	190,000	Standard industry practice to enter into supplier terms and conditions
EBSCO Australia	Information services	132,615	Standard industry practice to enter into supplier terms and conditions
EP2 Management Pty Limited	Venue hire	188,429	Standard industry practice to enter into supplier terms and conditions
Aboriginal Employment Strategy Limited	Recruitment services	200,000	Inadvertent exclusion of clause in supplier's standard contract
STARLIMS Pty Ltd	Cloud services uplift and hosting	108,029	Standard industry practice to enter into supplier terms and conditions
AA Radio Services Pty Ltd	Digital radios lease	170,000	Standard industry practice to enter into supplier terms and conditions

Advertising and market research

Advertising campaigns

During 2022–23 the Department of Agriculture, Fisheries and Forestry conducted the following advertising campaigns:

- foot-and-mouth disease

- international travellers and biosecurity.

Further information on the foot-and-mouth disease campaign is available at [Public awareness and education](#) and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the [Department of Finance website](#).

Expenditure

Table 19 lists our payments to market research organisations and media advertising organisations (including advertising and recruiting) in 2022–23.

Table 19 Advertising and market research expenditure, 2022–23

Type	Organisation	Description	Expenditure (\$ GST inclusive)
Market research	Whereto	Foot-and-mouth disease phase 2	36,890
Advertising	Universal McCann	Foot-and-mouth disease phase 2	400,812
	Universal McCann	Foot-and-mouth disease phase 1	57,956
	Universal McCann	International travellers and biosecurity	37,787
	Universal McCann	Recruitment advertising	12,265
	n/a	Total of several payments of less than \$15,200	9,058
	n/a	Total of several payments of less than \$15,200	58,366
	APSJobs	Recruitment advertising	56,766
	Department of Education	Marketing and recruitment costs for joint Indigenous Australian Government Development Program	25,639
	Universal McCann	Complex non-campaign; graduate program	29,490

n/a Not applicable.

Note: Under section 311A of the *Commonwealth Electoral Act 1918*, only payments exceeding \$15,200 require itemised disclosure.

External scrutiny

Courts and tribunals

In 2022–23 there were no judicial decisions or decisions of administrative tribunals that had a significant effect on the operations of the department.

Parliamentary committees

Committee reports

Parliamentary committees tabled 2 reports in 2022–23 that required a response from our portfolio (Table 20).

Table 20 Parliamentary committee reports, 2022–23

Committee	Report	Tabling date
Rural and Regional Affairs and Transport References Committee	<i>Fisheries quota system</i>	7 December 2022
Rural and Regional Affairs and Transport References Committee	<i>Adequacy of Australia's biosecurity measures and response preparedness, in particular with respect to foot-and-mouth disease and varroa mite</i>	8 December 2022

Government responses to committee reports

In 2022–23 there were no parliamentary committee reports relevant to the portfolio that required a response from the Australian Government.

Auditor-General

Reports on activities

In 2022–23 the Auditor-General tabled 2 reports about our activities (Table 21).

Table 21 Auditor-General reports, 2022–23

Report number	Audit	Published
6 of 2022–23	<i>Implementation of the Export Control Legislative Framework</i>	18 October 2022
17 of 2022–23	<i>Department of Agriculture, Fisheries and Forestry's cultural reform</i>	3 April 2023

Our responses to these reports are included in the reports published by the [Australian National Audit Office](#).

Audit of annual performance statements

During the year, the ANAO audited our annual performance statements against the requirements of the PGPA Act and PGPA Rule. [Part 1: Annual Performance Statements](#) describes the improvements to our performance measures that were made during this process.

Audit of annual financial statements

During the year, the ANAO audited our annual financial statements. The audit assessed whether our financial statements were prepared in accordance with the relevant legislation and frameworks, including the Australian Accounting Standards and other rules made under the PGPA Act, and accurately presented the department's financial position, financial performance and cashflows.

Commonwealth Ombudsman

In 2022–23 the Commonwealth Ombudsman did not release any reports about our operations.

Portfolio oversight

Inspector-General of Biosecurity

Mr Rob Delane was the Inspector-General of Biosecurity until 24 July 2022.

Dr Lloyd Klumpp was the Inspector-General of Biosecurity from 25 July 2022. The inspector-general independently evaluated and verified the performance of our biosecurity risk management measures and systems.

In 2022–23 the inspector-general published 2 reviews:

- 1) *Efficacy and adequacy of department's X-ray scanning and detector dog screening techniques to prevent entry of biosecurity risk material into Australia*
- 2) *Assurance review for arrangements to import live lumpy skin disease virus to CSIRO's Australian Centre for Disease Preparedness.*

We provided administrative support to the inspector-general. This included staff, office space and travel arrangements related to the reviews. Learn more about [current and completed reviews](#).

Inspector-General of Live Animal Exports

Mr Ross Carter was the Inspector-General of Live Animal Exports until 6 April 2023. The inspector-general independently reviewed systems and processes for the regulation of livestock exports.

In 2022–23 the inspector-general published 2 reviews:

- 1) *Communication and engagement in livestock export regulation*
- 2) *Livestock export licences and approved arrangements.*

We provided administrative support to the inspector-general. This included staff, office space and travel arrangements related to the reviews. Learn more about [completed reviews](#).

The inspector-general role was vacant at 30 June 2023. The government intends to establish an expanded Inspector-General of Animal Welfare and Live Animal Exports following the passage of relevant legislation.

Part 3: Annual reports on the operation of legislation

Biosecurity Amendment (Strengthening Biosecurity) Act 2022

Section 614G of the *Biosecurity Amendment (Strengthening Biosecurity) Act 2022* requires the secretary to prepare an annual report on the total amounts paid under arrangements or grants for dealing with risks posed by diseases and pests (and total number of such arrangements) that were made by the agriculture minister in that period.

In 2022–23 no arrangements or grants were awarded.

Biosecurity Act 2015

Section 590 of the *Biosecurity Act 2015* required the secretary to prepare an annual report on the use of protected information (see [disclosure of protected information](#)).

Farm Household Support Act 2014

Section 104 of the *Farm Household Support Act 2014* requires the secretary to prepare an annual report on the administrative operation of this Act (see [financial statements](#)).

Natural Resources Management (Financial Assistance) Act 1992

Section 26(1) of the *Natural Resources Management (Financial Assistance) Act 1992* requires an annual report on the operation of the Act and agreements made under the Act. This Act is jointly administered with the Department of Climate Change, Energy, the Environment and Water.

In 2022–23 no payments or agreements were made from the account.

National Residue Survey Administration Act 1992

Section 10 of the *National Residue Survey Administration Act 1992* requires the minister to provide an annual report to parliament on the operation of the National Residue Survey Special Account. This section provides the report for 2022–23.

Operation

The National Residue Survey monitored residues of pesticides, veterinary medicines and environmental contaminants in Australian food commodities. This monitoring was industry-funded, mainly through levies on tested commodities. The survey covered:

- animal commodities – cattle, sheep, pig, camel, deer, goat, horse, kangaroo, poultry (such as chicken, duck and turkey), wild boar, buffalo, honey, egg and aquatic species (both aquaculture and wild-caught seafood)
- horticulture – almond, apple, macadamia and pear

- grains – cereals (wheat, barley, oat, maize, millet, rye, sorghum and triticale), pulses (chickpea, cow pea, pigeon pea, field pea, faba bean, lentil, vetch, navy bean, mung bean, soybean, and lupin and adzuki beans) and oilseeds (canola, sunflower, safflower and linseed).

During the year, the compliance with Australian standards was:

- 99.78% across 43 animal products (based on 10,138 samples from meat, egg, honey and aquatic species)
- 97.67% across 28 plant products (based on 7,494 samples from grains and horticulture).

Compliance rates were based on the number of samples that complied with Australian standards. In a small number of samples, more than one chemical may be non-compliant with Australian standards.

Financial information

Table 22, Table 23 and Table 24 provide financial information on the National Residue Survey.

Table 22 National Residue Survey revenue and expenses, 2021–22 and 2022–23

Item	2021–22 (\$'000)	2022–23 (\$'000)
Sale of goods and rendering of services	452	444
Interest on investments	86	466
Levies	11,611	12,240
Revenue from government	4	30
Total revenue	12,153	13,180
Employee benefits	1,737	2,324
Analytical testing	7,678	8,136
Contractors and consultants ^a	834	633
Depreciation and amortisation ^a	390	392
Other ^a	932	1,454
Total expenses	11,571	12,939
Surplus/(deficit)	582	241

^a Comparative amounts for other expenses, depreciation and amortisation, and contractors have been reclassified for consistency with the current year's reporting requirements.

Table 23 National Residue Survey assets, liabilities and equity, 2021–22 and 2022–23

Item	2021–22 (\$'000)	2022–23 (\$'000)
Cash and cash equivalents	2,611	2,661
Trade and other receivables	54	17
Investments	16,000	16,000
Intangibles	184	98
Accrued revenue	1,914	2,394
Other assets	105	16
Total assets	20,868	21,186
Employee provisions	525	615
Other provisions	0	0
Suppliers and other payables	491	481
Operating lease payables	0	0
Total liabilities	1,016	1,096
Reserves	19,100	19,343
Other	752	747
Total equity	19,852	20,090

Table 24 National Residue Survey Account transactions, 2021–22 and 2022–23

Item	2021–22 (\$'000)	2022–23 (\$'000)
Balance brought forward from previous period	2,080	2,611
Appropriation for reporting period	4	30
Other receipts	28,263	29,665
Total receipts	28,267	29,695
Payments made to employees	-1,743	-2,324
Payments made to other	-25,993	-27,321
Total payments	-27,736	-29,645
Total balance carried to the next period	2,611	2,661

Part 4: Financial information

Financial performance

Introduction

In 2022–23 we experienced financial pressures associated with the under-recovery of regulatory costs, additional machinery of government costs and low cash reserves. We focused on alleviating these pressures, including by introducing a range of austerity measures to reduce costs. Additional funding was provided through the *Portfolio Additional Estimates Statements (PAES) 2022–23* to meet the balance of our financial pressures and to ensure the department remained financially sustainable.

A significant portion of our expenditure is funded from cost-recovered services. For example, in 2022–23 the resumption of international travel following the removal of COVID-19 travel restrictions boosted cost-recovery revenue from baggage storage and processing.

Our 2022–23 internal budget included an approved deficit and was aligned to the PAES. The 2022–23 full-year result was a small surplus of \$2.5 million after excluding unfunded depreciation and amortisation and the impacts of accounting adjustments under Australian Accounting Standards Board (AASB) 16 *Leases*.

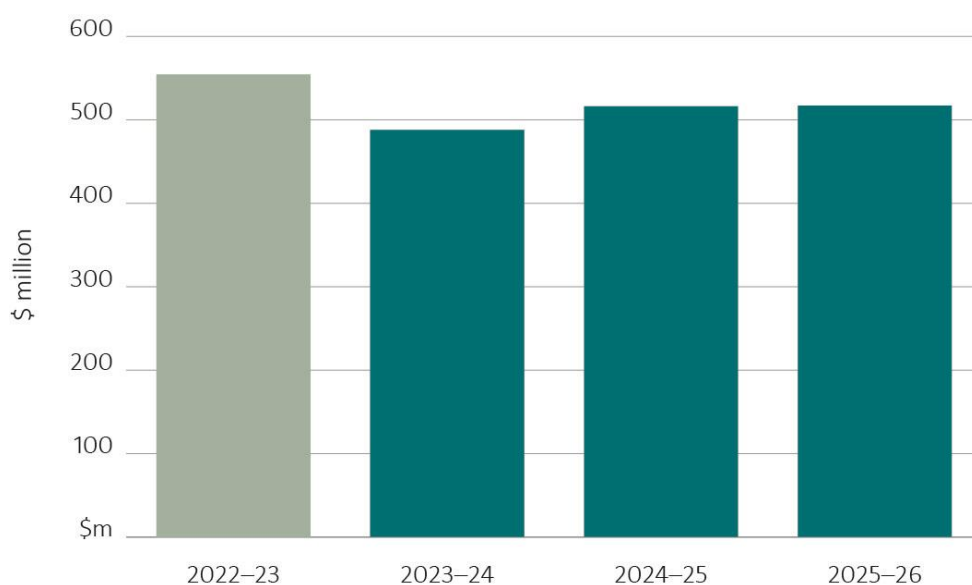
Significant non-compliance with finance law

No instances of significant non-compliance with finance law occurred during 2022–23.

Revenue

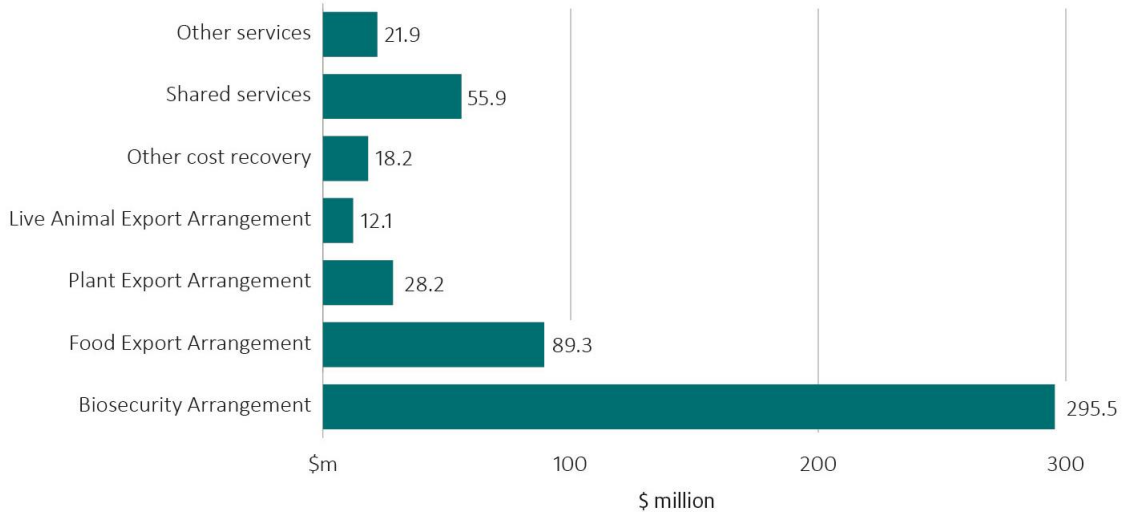
Our own-source income for 2022–23 was \$554.3 million. We recognised appropriation revenue of \$767.3 million. Figure 4 shows the actual own-source revenue for 2022–23 and budgeted revenue figures from 2023–24 to 2025–26.

Figure 4 Own-source revenue, 2022–23 to 2025–26



Our own-source income is mainly derived from contracts with customers. Figure 5 shows the breakdown of our revenue from contracts with customers, by cost-recovery arrangement.

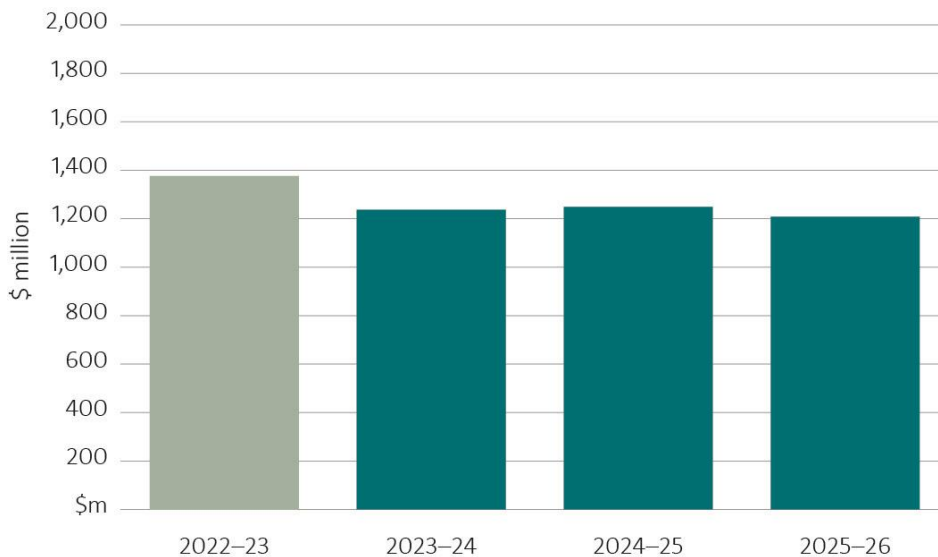
Figure 5 Revenue from contracts with customers, by cost-recovery activity, 2022–23



Departmental expenses

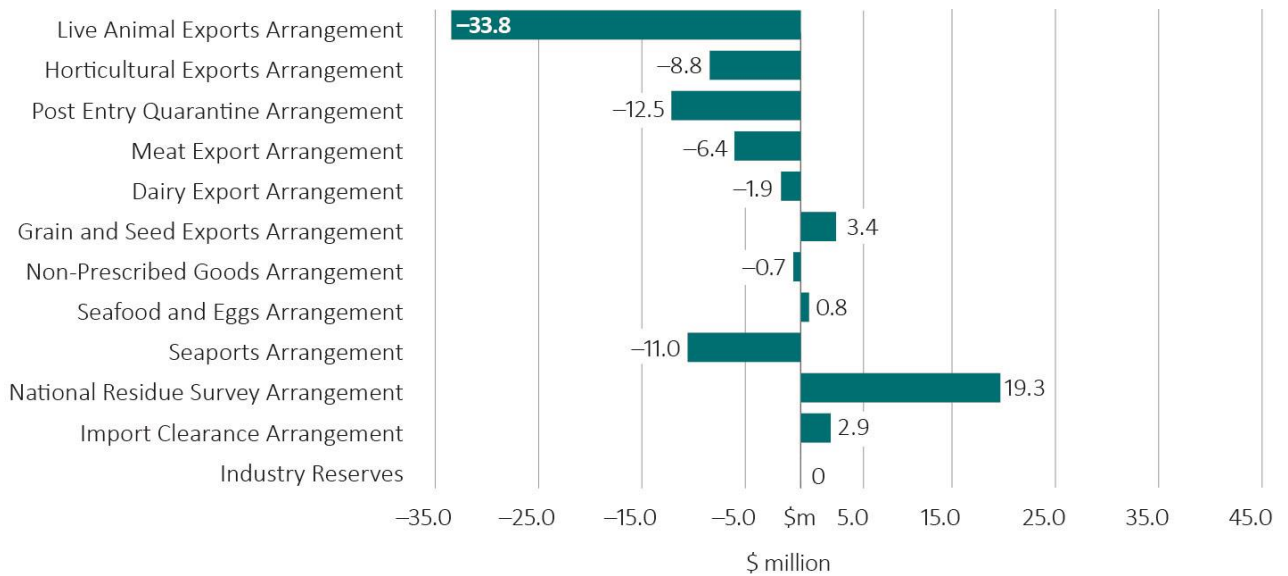
Our expenses totalled \$1.376 billion in 2022–23 against the revised budget of \$1.151 billion published in the October 2022–23 PAES. Figure 6 shows the actual departmental operating expenses for 2022–23 and budgeted expenditure figures from 2023–24 to 2025–26.

Figure 6 Departmental expenses, 2022–23 to 2025–26



Cost-recovery reserves

We operated cost-recovery arrangements across biosecurity, export certification and other services in accordance with the Australian Government charging framework. Figure 7 shows the cost-recovery reserve balances at the end of 2022–23.

Figure 7 Cost-recovery reserve balances, at 30 June 2023

Note: Balances represent accumulated results. Only surpluses were recorded in our financial statements. Under the Australian Government charging framework, fees and charges cannot be increased to recover accumulated deficits.

Managing our assets

Departmental activities

Our major investments are in land, buildings, ICT hardware and software, and right-of-use assets. At 30 June 2023 our asset base was valued at \$674.4 million, of which \$328.7 million were right-of-use assets. Most of these assets related to property leases for office accommodation, laboratories, data facilities and residences in remote and international locations. See our [financial statements 2022–23](#).

We made strategic investments to maintain and improve our services, consistent with government priorities and ongoing business needs. We managed capital investment through a comprehensive process that involved multiple governance bodies. The process helped us to prioritise and evaluate capital proposals and ensure investments were made effectively. In 2022–23 we funded capital property work to support regional offices. We also invested capital in major ICT infrastructure. All assets are managed and reported in accordance with relevant accounting standards and Commonwealth policies.

Administered activities

Farm Household Allowance

We assisted eligible farming families experiencing financial hardship by providing fortnightly income support, allowances for pharmaceuticals and household bills, a financial assessment of their farm business, training and skills development funding, and case management support. Assistance was delivered through Services Australia.

Future Drought Fund

We provided funding for drought resilience programs, grants and arrangements that support Australian farmers and associated communities to prepare for the impacts of drought.

Administered program performance

In 2022–23 we managed administered assets of \$3.774 billion on behalf of the Australian Government. This comprised \$3.529 billion in loans to farm businesses through the Regional Investment Corporation, and investments in 7 portfolio entities.

Administered income for 2022–23 was \$961.1 million. The main source of administered income was primary industry levies and charges.

Administered expenditure for 2022–23 was \$1.542 billion. These expenses are primarily:

- levy disbursements and Commonwealth contributions
- grants
- payments to corporate entities
- income support for farmers
- concessional loan discounts.

Financial Statements
Department of Agriculture, Fisheries and Forestry
for the period ended 30 June 2023

Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

To the Minister for Agriculture, Fisheries and Forestry

Opinion

In my opinion, the financial statements of the Department of Agriculture, Fisheries and Forestry (the Entity) for the year ended 30 June 2023:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by the Secretary and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

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

Key audit matter	How the audit addressed the matter
<p>Completeness and accuracy of Own Source Revenue</p> <p><i>Refer to Note 2A 'Revenue from contracts with customers' and Note 17 'Regulatory Charging Summary'</i></p> <p>I considered this area a key audit matter due to the significant value of revenue from import and export regulatory functions, the risk that the declaration process results in under-collection and/or reporting of import and export revenue because of the complex administrative and information technology (IT) system arrangements that support the collection of fees and charges.</p> <p>The Entity collects a range of legislated fees and charges for import and export regulatory functions. Information is captured through multiple business systems via manual data entry and online applications.</p> <p>As fees and charges revenue is dependent on the declared volume and nature of import and export activity, the Entity undertakes a revenue assurance program to obtain assurance that declarations made completely and accurately report the value, volume and nature of goods declared.</p> <p>For 2022–23 total own source revenue from import and export regulatory functions was \$521.1 million.</p>	<p>To audit the completeness and accuracy of own source revenue, I performed the following procedures:</p> <ul style="list-style-type: none"> • assessed the design, implementation and operating effectiveness of the Entity's revenue assurance programs that provide the Entity with assurance over the completeness and accuracy of own source revenue; • tested the design, implementation and operating effectiveness of IT general controls and application controls for key revenue and finance business systems; • agreed the fees and charges recorded in revenue business systems and the finance system, which are used to calculate own source revenue, to legislation; and • tested, on a sample basis, that revenue transaction calculations were accurate based on the applicable legislative rates, and that the transaction is valid and supported by appropriate documentary evidence.
<p>Key audit matter</p> <p>Completeness and accuracy of primary industry levies and charges</p> <p><i>Refer to Note 19A 'Levies and Charges'</i></p> <p>I considered this area a key audit matter as there is a risk of under-collection of levies and charges arising from the submission of inaccurate levy returns and declarations, whether accidental or deliberate.</p> <p>Levies are collected from primary industry producers and agents using a self-assessment regime based on levels of production.</p> <p>The Entity undertakes a risk based National Compliance Program to obtain assurance that levy returns and declarations completely and accurately report the value and quantity of agricultural commodities declared.</p> <p>For 2022–23 total levies were \$678.8 million.</p>	<p>How the audit addressed the matter</p> <p>To audit the completeness and accuracy of primary industry levies and charges revenue, I performed the following procedures:</p> <ul style="list-style-type: none"> • assessed the design, implementation and operating effectiveness of the IT general and application controls implemented by the Entity to confirm the integrity of data and calculation of levies within the levies' IT system. This included an assessment of the completeness and accuracy of data transferred between the levies' IT system and the finance system; • assessed the design, implementation and operating effectiveness of the Entity's National Compliance Program that provides the Entity with assurance over the accuracy and completeness of submitted returns and levies collected; • agreed changes of levy rates recorded in the levies IT system to approvals signed by the Minister; and • tested a sample of revenue transactions by agreeing calculations to supporting documentation, and sighted approvals.

Key audit matter**Valuation of Loans to State and Territory Governments and Farm Businesses**

Refer to Note 21B 'Trade, taxation and other receivables' and Note 24A 'Loan Commitments to Farm Businesses'

I considered this area a key audit matter given the significance of this balance to the Entity's receivable balances and the significant judgement in, and complexity of, calculations to determine the valuation of the loan balances.

The Entity is responsible for administering a range of low interest loans to farm businesses which are classified as concessional loans. Loans are made to the State and Territory Governments and to farm businesses through the Regional Investment Corporation, who are responsible for the ongoing maintenance and management of the loans and reporting to the Entity on loan transactions. Significant judgement is required by the Entity to estimate the market rate applicable to valuing the concessional discount applied to the loan.

Impairment of loan balances is calculated using a 12 month expected credit losses valuation model. This model is dependent on assumptions that require significant judgement about the value of security held against each loan, the impact of natural disasters, and macroeconomic factors including interest rates and commodity pricing.

The loans receivable balance at 30 June 2023 was \$2 729.0 million. The value of concessional loan discount expense for the year ended 30 June 2023 was \$13.2 million.

How the audit addressed the matter

To audit the valuation of the loans to State and Territory Governments and farm businesses, I performed the following procedures:

- agreed a sample of approvals of new loans, or variations to existing loans, to loan contracts and other supporting documentation;
- evaluated the application of the Entity's accounting policy for the recognition and measurement of the fair value of new loans in accordance with the Australian Accounting Standards, including any concessional component;
- assessed the reasonableness of the methodology and key assumptions applied to the impairment assessment supporting the valuation of the loans against accepted industry benchmarks; and
- assessed the Entity's monitoring of loans and service payments collected to assess the accuracy and completeness of information provided by the State and Territory Governments and the Regional Investment Corporation.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Secretary is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office



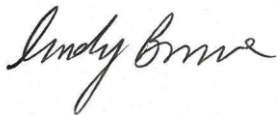
Rona Mellor PSM
Deputy Auditor-General

Canberra
11 September 2023

Statement by the secretary and chief finance officer

In our opinion, the attached financial statements for the year ended 30 June 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of Agriculture, Fisheries and Forestry will be able to pay its debts as and when they fall due.



Cindy Briscoe
A/g Secretary

08 September 2023



Matthew Geysen
A/g Chief Finance Officer

08 September 2023

Overview

The Department of Agriculture, Fisheries and Forestry (the department) conducts activities on behalf of the government to enhance Australia's agriculture, fisheries and forestry through regulation and partnership, with 2 outcomes focused on:

- More sustainable, productive, internationally competitive and profitable Australian agricultural, food and fibre industries; and
- Safeguarding Australia's animal and plant health status to maintain overseas markets and protect the economy and environment from the impact of exotic pests and diseases.

The department's central location is in Canberra, ACT and has offices throughout Australia. The department is an Australian Government controlled not-for-profit entity. The department's purpose is to improve the economic and social wellbeing of individuals and families in Australian communities through the implementation of a range of government policies, programs, services and payments.

The department's activities are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the department in its own right. Administered activities involve the management and oversight by the department, on behalf of the Australian Government, of items controlled or incurred by the Australian Government.

The continued existence of the department in its present form and with its present programs is dependent on Government policy and on continuing funding by parliament for the entity's administration and programs.

Impact of machinery of government changes

On 1 and 23 June 2022, the Governor-General issued Administrative Arrangements Orders resulting in machinery of government changes (movements of functions and responsibilities) between Commonwealth entities from 1 July 2022 as follows:

- Department of Agriculture, Water and the Environment became the Department of Agriculture, Fisheries and Forestry;
- Functions and responsibilities relating to environment and water transferred to the new Department of Climate Change, Energy, the Environment and Water; and
- The national soils advocate function transferred from the Department of Prime Minister and Cabinet.

Financial accounting and reporting disclosures have been prepared in accordance with the requirements of AASB 1004 *Contributions*, Section 26 of the PGPA (Financial Reporting) Rule 2015 (FRR) and the Public Governance, Performance and Accountability Rule 2014, which detail the reporting and disclosure requirements when a restructure occurs.

The department has prepared a set of financial statements which incorporates departmental revenues and expenses for environment and water functions until 31 August 2022, at which time the transfer of functions was finalised. Most departmental asset and liability balances were transferred to the Department of Climate Change, Energy, the Environment and Water on 1 September 2022. Employee provisions were transferred in 3 tranches on 1 July 2022, 15 September 2022 and

29 September 2022 in accordance with the finalisation of determinations under section 72 of the *Public Service Act 1999*. Administered asset and liability balances were transferred to the Department of Climate Change, Energy, the Environment and Water on 1 July 2022.

Details of assets and liabilities transferred are included at the Restructuring disclosures at [Note 9](#) and [Note 25](#).

The basis of preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with the:

- Public Governance, Performance and Accountability Rule 2014;
- FRR; and
- Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

New accounting standards

Adoption of New Australian Accounting Standard Requirements

Two amending standards (AASB 2021-2 and AASB 2021-6) were adopted earlier than the application date as stated in the standard. These amending standards have been adopted for the 2022–23 reporting period. The following amending standards were issued prior to the signing of the statement by the accountable authority and chief finance officer, and were applicable to the current reporting period:

Standard/Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB 2021-2)	AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate.
AASB 2021-6 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (AASB 2021-6)	AASB 2021-6 amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2. The details of the changes in accounting policies and adjustments are in the relevant notes to the financial statements. These amending standards do not have a material impact on the entity's financial statements for the current reporting period or future reporting periods.

Taxation

The department is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax (GST). Revenues, expenses, assets and liabilities are recognised net of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office and for receivables and payables.

Reporting of Administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes. Except where otherwise stated, administered items are accounted for on the same basis and using same policies as for departmental items, including the application of Australian Accounting Standards.

Breach of Section 83 of the Constitution

Section 83 of the *Commonwealth of Australia Constitution Act 1900* (the Constitution) provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation by law.

The department identified a special appropriation with statutory conditions for payments which could result in potential breaches of the Constitution. Payments made under the *Farm Household Support Act 2014* (FHA Act) of \$70.855 million were made during 2022–23. As at 30 June 2023, \$5.356 million worth of overpayments have been recorded as debts, and within this there may be amounts that relate to potential breaches. It is not possible to eliminate the potential for section 83 breaches for FHA Act payments made by Services Australia on behalf of the department. Information provided by customers is relied upon to assess the eligibility to receive payments. This information provided by customers is not always accurate or is subject to circumstances which can result in a breach of section 83 of the Constitution. There has been no information or circumstances where a breach has been identified in 2022–23.

Events after the reporting period

Departmental

There have been no events after the reporting period that had the potential to significantly affect the ongoing structure and financial activities of the department.

Administered

There have been no events after the reporting period that had the potential to significantly affect the ongoing structure and financial activities of the department.

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Departmental financial statements

Statement of comprehensive income for the period ended 30 June 2023

		2023	2022 ¹	Original Budget
	Notes	\$'000	\$'000	2023 \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1A	711 029	802 757	616 639
Suppliers	1B	531 751	799 443	450 686
Depreciation and amortisation	4	105 582	191 530	77 036
Grants	1C	5 626	11 516	4 924
Finance costs	1D	14 159	11 618	676
Impairment loss on financial instruments		733	222	-
Write-down and impairment of other assets	4	7 421	3 970	919
Other expenses		111	221	-
Total expenses		1 376 412	1 821 277	1 150 880
Own-source income				
Own-source revenue				
Revenue from contracts with customers	2A	521 057	434 844	443 143
Interest		466	86	439
Rental income	2B	859	839	-
Other revenue	2C	32 008	33 994	33 283
Total own-source revenue		554 390	469 763	476 865
Gains				
Other gains	2D	3 054	119 811	1 618
Total gains		3 054	119 811	1 618
Total own-source income		557 444	589 574	478 483
Net cost of services		818 968	1 231 703	672 397
Revenue from Government		767 334	1 130 684	638 151
Surplus/(deficit)		(51 634)	(101 019)	(34 246)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserves		(176)	88 403	-
Total other comprehensive income/(loss)		(176)	88 403	-

		2023	2022 ¹	Original Budget 2023
	Notes	\$'000	\$'000	\$'000
Total comprehensive income/(loss)		(51 810)	(12 616)	(34 246)

¹ Comparatives presented throughout the financial statements represent the activities of the former Department of Agriculture, Water and the Environment.

The above statement should be read in conjunction with the accompanying notes.

Statement of financial position as at 30 June 2023

		2023	2022	Original Budget 2023
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash and cash equivalents	3A	15 336	53 711	56 778
Trade and other receivables	3B	241 591	363 468	80 730
Investments in term deposits		16 000	16 000	15 500
Total financial assets		272 927	433 179	153 008
Non-financial assets¹				
Land and buildings	4	332 095	465 331	276 372
Leasehold improvements	4	85 790	30 370	-
Heritage and cultural assets	4	-	72 500	-
Research vessel	4	-	513 044	-
Property, plant and equipment	4	67 689	243 192	71 883
Computer software	4	188 849	185 880	231 082
Inventories		2 225	12 441	2 225
Prepayments		6 094	12 308	8 133
Total non-financial assets		682 742	1 535 066	589 695
Total assets		955 669	1 968 245	742 703
LIABILITIES				
Payables				
Suppliers		44 579	118 663	86 074
Grants		45	215	215
Other payables	5	51 907	45 569	32 142
Total payables		96 531	164 447	118 431

Notes to and forming part of the financial statements

		2023	2022	Original Budget 2023
	Notes	\$'000	\$'000	\$'000
Interest bearing liabilities				
Leases	6	413 938	302 143	278 474
Total interest bearing liabilities		413 938	302 143	278 474
Provisions				
Employee provisions	7A	196 956	255 265	180 813
Other provisions	7B	3 611	465 425	5 358
Total provisions		200 567	720 690	186 171
Total liabilities		711 036	1 187 280	583 076
Net assets		244 633	780 965	159 627
EQUITY				
Contributed equity		861 461	1 345 983	376 816
Asset revaluation reserves		610 372	631 147	26 658
Industry reserves		26 462	48 805	48 805
Accumulated results		(1 253 662)	(1 244 970)	(292 652)
Total equity		244 633	780 965	159 627

1 Right-of-use assets are included in Land and buildings and Property, plant and equipment.

The above statement should be read in conjunction with the accompanying notes.

Statement of changes in equity for the period ended 30 June 2023

	2023	2022	Original Budget 2023
	\$'000	\$'000	\$'000
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	1 345 983	1 229 864	1 345 983
Transactions with owners			
Distributions to owners			
Returns of Appropriations	(1 891)	(29 000)	-
Contributions by owners			
Equity injection - Appropriations	38 054	77 396	62 996
Departmental capital budget	12 638	67 723	12 637
Other		-	-

Notes to and forming part of the financial statements

		2023	2022	Original Budget 2023
		\$'000	\$'000	\$'000
Restructuring	9	(533 323)	-	(1 044 800)
Total transactions with owners		(484 522)	116 119	(969 167)
Closing balance as at 30 June		861 461	1 345 983	376 816

ACCUMULATED RESULTS

Opening balance				
Balance carried forward from previous period		(1 244 970)	(1 159 250)	(1 244 970)
Comprehensive income				
Surplus/(Deficit) for the period		(51 634)	(101 019)	(34 246)
Total comprehensive income/(loss)		(51 634)	(101 019)	(34 246)
Total comprehensive income attributable to Australian Government		(51 634)	(101 019)	(34 246)
Other		20 599	-	-
Restructuring		-	-	986 564
Transfers between equity components		22 343	15 299	-
Closing balance as at 30 June		(1 253 662)	(1 244 970)	(292 652)

ASSET REVALUATION RESERVE

Opening balance				
Balance carried forward from previous period		631 147	542 744	631 147
Comprehensive income				
Other comprehensive income/(loss)		(176)	88 403	-
Total comprehensive income		(176)	88 403	-
Total comprehensive income attributable to Australian Government		(176)	88 403	-
Other		(20 599)	-	-
Restructuring		-	-	(604 489)
Closing balance as at 30 June		610 372	631 147	26 658

INDUSTRY RESERVE

Opening balance				
Balance carried forward from previous period		48 805	64 104	48 805
Transfers between equity components		(22 343)	(15 299)	-
Closing balance as at 30 June		26 462	48 805	48 805

	2023	2022	Original Budget 2023
	\$'000	\$'000	\$'000
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	780 965	677 462	780 965
Comprehensive income			
Surplus/(Deficit) for the period	(51 634)	(101 019)	(34 246)
Other comprehensive income/(loss)	(176)	88 403	-
Total comprehensive income/(loss)	(51 810)	(12 616)	(34 246)
Total comprehensive income	(51 810)	(12 616)	(34 246)
Transactions with owners			
Distributions to owners			
Returns of Appropriations	(1 891)	(29 000)	-
Contributions by owners			
Equity injection - Appropriations	38 054	77 396	62 996
Departmental capital budget	12 638	67 723	12 637
Other	-	-	-
Restructuring	(533 323)	-	(662 725)
Total transactions with owners	(484 522)	116 119	(587 092)
Transfers between equity components	-	-	-
Closing balance as at 30 June	244 633	780 965	159 627

Accounting policy*Equity injections*

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets are recognised directly in contributed equity in that year.

Industry reserves

Each cost recovered program holds a separate industry reserve. Programs in surplus are held within the industry reserve balance. Programs in deficit are held against the accumulated results of the department.

The above statement should be read in conjunction with the accompanying notes.

Cash flow statement for the period ended 30 June 2023

	2023	2022	Original Budget
Notes	\$'000	\$'000	2023 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	859 615	1 245 527	671 929
Sale of goods and rendering of services	511 946	444 123	442 024
Interest	-	-	439
GST received	70 452	87 300	25 550
Other	65 201	98 266	32 753
Total cash received	1 507 214	1 875 216	1 172 695
Cash used			
Employees	706 069	821 394	616 639
Suppliers	570 711	894 725	472 588
Interest payments on lease liabilities	11 817	3 892	676
Grants	5 796	12 025	4 924
Section 74 receipts transferred to OPA	127 217	39 362	-
Other	15 054	7 867	-
Total cash used	1 436 664	1 779 265	1 094 827
Net cash from operating activities	70 550	95 951	77 868
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment	153	204	-
Investments realised	16 000	16 000	15 000
Interest	164	83	-
Total cash received	16 317	16 287	15 000
Cash used			
Purchase of land and buildings	75 696	15 410	4 490
Purchase of other property, plant and equipment	31 600	106 142	21 762
Purchase of software	53 273	72 900	77 463
Investments made	16 000	16 000	14 500
Total cash used	176 569	210 452	118 215
Net cash used by investing activities	(160 252)	(194 165)	(103 215)

		2023	2022	Original Budget 2023
	Notes	\$'000	\$'000	\$'000
FINANCING ACTIVITIES				
Cash received				
Contributed equity		59 902	109 046	62 996
Departmental capital budget		26 608	55 730	12 637
Total cash received		86 510	164 776	75 633
Cash used				
Principal payments of lease liabilities ¹		34 496	70 614	43 129
Restructure		687	-	4 090
Total cash used		35 183	70 614	47 219
Net cash from financing activities		51 327	94 162	28 414
Net increase/(decrease) in cash held		(38 375)	(4 052)	3 067
Cash and cash equivalents at the beginning of the reporting period		53 711	57 763	53 711
Cash and cash equivalents at the end of the reporting period	3A	15 336	53 711	56 778

¹ Total cash outflow for leases for the period ended 30 June 2023 was \$53.884 million (2022: \$113.422 million). It includes principal payments, interest payments and short-term or low value lease payments.

The above statement should be read in conjunction with the accompanying notes.

Budget variance commentary

The following tables provide a comparison of the original budget as presented in the 2022–23 October Portfolio Budget Statements (PBS) to the 2022–23 final outcome as presented in accordance with Australian Accounting Standards for the department. The Budget is not audited. Explanations of major variances are provided below.

Variances are considered to be ‘major’ based on the following criteria:

- the variance between budget and actual is greater than +/- 10% of the original budget and +/- \$10 million for a line item; or
- the variance between budget and actual is greater than +/- 2% of the relevant sub-total (i.e. total expenses, total income, total assets or total liabilities) and +/- \$10 million; or
- an item below this threshold but is considered important for the reader’s understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of the department.

Major variances and explanations	Affected line items
<i>Statement of comprehensive income</i>	
Total expenses were \$225.5 million higher than the original budget estimate due to:	
<ul style="list-style-type: none"> Additional supplier expenditure of \$81.1 million relating to the provision of shared services to DCCEEW (\$55.9 million) and expenditure recorded for the water and environment functions in July and August 2022 prior to the formal transfer of funding to DCCEEW (\$26.6 million). 	<ul style="list-style-type: none"> Suppliers
<ul style="list-style-type: none"> \$94.4 million increase in employee benefits compare to the original budget relating to employee expenditure recorded for the water and environment functions in July and August 2022 prior to the formal transfer of staff to DCCEEW (\$41.1 million) and \$44.9 million for additional unavoidable costs predominantly related to cost recovered activities, and increased biosecurity operations including frontline border operations and import clearances. 	<ul style="list-style-type: none"> Employee benefits
<ul style="list-style-type: none"> \$28.5 million higher than budget depreciation mainly due to right-of-use lease asset extensions (\$17.6 million), and depreciation of new asset additions not included in the budget. 	<ul style="list-style-type: none"> Depreciation
<ul style="list-style-type: none"> \$13.5 million higher than originally budgeted finance costs mainly due to lease accounting requirements for the new office location Agriculture House (\$9.3 million). 	<ul style="list-style-type: none"> Finance Costs
Total own-source income was \$77.5 million higher than the original budget. This is primarily due to \$78.0 million of additional revenue from contracts with customers relating to the provision of shared services to DCCEEW (\$55.9 million) and additional cost recovered activity (\$27.7 million).	<ul style="list-style-type: none"> Revenue from contracts with customers
Revenue from Government was \$129.2 million higher than the original budget due to new measures in the <i>Portfolio Budget Statements 2022–23</i> including departmental supplementation (\$127.0 million) and the phase out of live sheep exports (\$2.2 million).	<ul style="list-style-type: none"> Revenue from Government
<i>Statement of financial position</i>	
Total financial assets were \$119.9 million higher than the original budget estimate mainly because:	
<ul style="list-style-type: none"> notional allocations were used to estimate a budget for unspent appropriation balances to transfer to DCCEEW. An agreed balance was still being negotiated at the time of publishing the Portfolio Budget Statements. 	<ul style="list-style-type: none"> Trade and other receivables
<ul style="list-style-type: none"> Lower than budgeted special account funds (\$31.4 million) due to deficits in cost recovered activities. 	<ul style="list-style-type: none"> Cash and cash equivalents
Total non-financial assets were \$93.0 million higher than the original budget estimate because:	
<ul style="list-style-type: none"> The land and buildings budget did not incorporate the addition of Agriculture House (Net Book Value (NBV) \$254.7 million) and underestimated the restructuring transfer to DCCEEW by \$203.9 million. The asset transfer was under negotiation when the budget was finalised. 	<ul style="list-style-type: none"> Land and buildings
<ul style="list-style-type: none"> Leasehold improvements are \$85.8 million above the budget mainly because of the addition of the lease fit-out at Agriculture House (NBV \$69.7 million). 	<ul style="list-style-type: none"> Leasehold improvements
<ul style="list-style-type: none"> Computer Software was \$42.2 million under the original budget mainly due to over budgeted asset additions (\$24.3 million) and under budgeted amortisation (\$13.2 million). 	<ul style="list-style-type: none"> Computer software
Total payables were \$21.9 million lower than the original budget because:	
<ul style="list-style-type: none"> Budgeted suppliers payables are difficult to predict and are based on historical balances. The actual result was \$41.5 million lower than originally budget. 	<ul style="list-style-type: none"> Suppliers payables

Major variances and explanations	Affected line items
<ul style="list-style-type: none"> Other payables are \$19.8 million higher than budgeted due to the number of days used to calculate accrued employee costs. 	<ul style="list-style-type: none"> Other payables
Total interest-bearing liabilities were \$135.5 million higher than the original budget estimate because:	
<ul style="list-style-type: none"> New leases for Agriculture House and Moonee Ponds (\$364.1 million), partially offset by transfer of leases of \$248.8 million to DCCEEW. The lease transfer was under negotiation when the budget was finalised. 	<ul style="list-style-type: none"> Leases
Total Equity was \$85.0 million higher than the original budget estimate primarily because:	
<ul style="list-style-type: none"> Net assets relinquished to DCCEEW were \$129.4 million lower than the budget. The transfer of assets and liabilities was under negotiation when the budget was finalised. 	<ul style="list-style-type: none"> Contributed equity Asset revaluation reserve
Offset by:	<ul style="list-style-type: none"> Accumulated deficit
<ul style="list-style-type: none"> a larger than budgeted operating loss (\$17.6 million) and reduced capital injections (\$24.9 million). 	
NOTE: the external budget anticipated the transfer as part of the restructure of historical balances in contributed equity, asset revaluation reserves and accumulated results for environment and water functions. These adjustments were not required and the balances remain with the department.	
<i>Cash flow statement</i>	
The variance explanations above impacted on the cash received and cash used. The net decrease in cash held during 2022–23 was \$41.4 million higher than the original budget primarily due to the balance of the Biosecurity, Imported Food and Export Certifications Special Account 2020.	<ul style="list-style-type: none"> Net increases/(decreases) in cash held

Note 1: Expenses

<u>Note 1A: Employee benefits</u>	2023	2022
	\$'000	\$'000
Wages and salaries	527 628	608 257
Superannuation:		
Defined contribution plans	67 984	82 274
Defined benefit plans	32 588	51 283
Leave and other entitlements	66 029	51 642
Separation and redundancies	351	4 019
Other employee expenses	19 151	24 930
Total employee benefits (gross)	713 731	822 405
Special account administration activities	(2 702)	(19 648)
Total employee benefits (net)	711 029	802 757

Accounting policy

Employee benefits

Accounting policies for employee related expenses are contained in Note 5 and 7A.

Notes to and forming part of the financial statements

Note 1B: Suppliers	2023	2022
	\$'000	\$'000
Goods and services supplied or rendered		
Contractors and consultants	264 657	417 127
IT services	132 067	144 607
General goods and services	27 133	62 083
Travel	24 468	17 488
Property operating expense	22 260	29 217
Analytical testing	14 186	13 377
Office equipment, stores and consumables	10 920	20 738
Staff development and recruitment	9 925	17 887
Legal expenditure	7 884	16 759
Quarantine services	6 163	8 086
Audit fees ¹	1 002	1 716
Inventory consumed	-	23 686
Total goods and services supplied or rendered	520 665	772 771
Goods supplied	76 951	112 087
Services rendered	443 714	660 684
Total goods and services supplied or rendered	520 665	772 771
Other suppliers		
Short-term leases	7 571	38 904
Workers compensation expenses	6 003	8 948
Low value leases	-	12
Total other suppliers	13 574	47 864
Total suppliers (gross)	534 239	820 635
Special account administration activities	(2 488)	(21 192)
Total suppliers (net)	531 751	799 443

¹ \$0.680 million (2022: \$1.000 million) relates to the audit of the financial statements which is received free of charge. Refer Note 2C.

The department has short-term lease commitments of \$3.934 million as at 30 June 2023 (2022: \$39.183 million).

The above lease disclosures should be read in conjunction with the accompanying notes 1D, 2C, 4 and 6.

Comparative amounts for general goods and services and audit fees have been reclassified to conform with the current year's reporting presentation.

Accounting policy*Short-term leases and leases of low-value assets*

The department has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less, or leases of low-value assets (less than \$10 000). The department recognises the lease payments associated with these leases as an expense.

Note 1C: Grants	2023	2022
	\$'000	\$'000
Non-profit organisations	4 187	7 029
State and Territory Governments	365	1 721
Overseas	835	1 552
Universities	-	583
Australian Government entities (related parties)	49	375
For profit organisations	201	271
Total grants (gross)	5 637	11 531
Special account administration activities	(11)	(15)
Total grants (net)	5 626	11 516

Accounting policy*Special account administration activities*

The activities of the National Environment Protection Council Special Account, the Natural Heritage Trust of Australia Account, the Ozone Protection Account and the Water Efficiency Labelling Scheme Account were transferred to the Department of Climate Change, Energy, the Environment and Water on the 1 July 2022. These accounts form part of the Department of Climate Change, Energy, the Environment and Water administered financial statements.

In accordance with the department's cash management practices, the department makes some payments initially from the departmental bank account, including for employees, suppliers and grants costs. Such payments are subsequently adjusted to record payments as though they had been paid directly from the above mentioned special accounts in accordance with the PGPA Rule. For transparency purposes the department has shown the grossed-up amounts and an offsetting amount for each relevant departmental note. No amounts have been transferred from a special account to a departmental annual appropriation.

In 2022–23, the department paid a total of \$5.201 million (2022: \$40.856 million) that was later adjusted as payments made from special accounts.

Note 1D: Finance costs	2023	2022
	\$'000	\$'000
Unwinding of discount rates on makegood provision	2 342	7 708
Interest on lease liabilities	11 817	3 892
Other interest payments	-	18
Total finance costs	14 159	11 618

The above lease disclosures should be read in conjunction with the accompanying notes 1B, 2C, 4 and 6.

Note 2: Income

	2023	2022
	\$'000	\$'000
Own-Source Revenue		
<u>Note 2A: Revenue from contracts with customers</u>		
Rendering of services	521 032	434 844
Sale of goods	25	-
Total revenue from contracts with customers	521 057	434 844
Disaggregation of revenue from contracts with customers		
Cost recovery activity		
Biosecurity arrangement	295 501	286 280
Food export arrangement	89 300	80 994
Plant export arrangement	28 151	23 044
Live animal export arrangement	12 074	7 638
Other cost recovery	18 203	17 530
Shared services	55 908	-
Other services	21 920	19 358
Total revenue from contracts with customers	521 057	434 844

Accounting policy*Regulatory cost recovery activities*

The department's main source of revenue from contracts with customers is from the cost recovery of regulatory activities, including biosecurity, food export, plant export and live animal export arrangements. The department uses a combination of regulatory fees and charges depending on the charging legislation which governs the relevant activity.

The department's charging framework ensures that all user groups contribute to the regulatory system where they create the demand. Those user groups that use more regulatory resources contribute more to the regulatory framework, reflecting their higher usage of the system. All regulatory charging undertaken by the department is undertaken in accordance with the relevant charging legislation and is consistent with the requirements set out in the Australian Government Charging Framework. For further information refer to Note 17.

Fees are used to recover the costs of direct intervention and certification activities undertaken for regulated entities. The nature of the interventions and certifications is short-term and the department recognises revenue at a point in time on completion of services.

Cost recovery charges are imposed when activities are provided to a group of individuals or organisations. This recovers costs not directly linked to a specific individual or organisation but form part of the costs of the overall biosecurity regulatory system. This provides individuals access to the system and permission to undertake import and export activities.

From an accounting standards perspective, the department considers the charges to be akin to licences or permits. Payment by users provides them with permission to access the system. The department has opted to recognise the revenue using the short-term recognition exemption applicable to licences as the permissions provided are short-term for a financial year or for a specific export or import.

Shared and other services

The department also has revenue from general contracts that are enforceable through legal or equivalent means and have specific performance obligations that transfer goods or services to a customer. Contracts are considered to be enforceable where there are specific rights specified in the agreement, the parties can reasonably be expected to act on their obligations.

The department provides services to other entities and individuals, including undertaking functions or incurring costs on behalf of other Australian Government entities in accordance with Memorandum of Understandings.

Revenue is recognised over time as costs are incurred (where the department is entitled to recover the costs) or point in time on completion of services depending on the nature of the services being provided.

A contract liability for unearned revenue is recorded for obligations under contracts for which payment has been received in advance. Contract liabilities unwind as 'revenue from contracts with customers' upon satisfaction of the performance obligations under the terms of the contract. The department reports contract liabilities as unearned income in Note 5.

During the 2022–23 the department commenced providing ICT and payroll services to the Department of Climate Change, Energy, the Environment and Water.

Note 2B: Rental income	2023	2022
	\$'000	\$'000
Sub-leasing right-of-use assets	859	839
Total rental income	859	839

The department has sub-leases for rental of commercial space and staff housing. These leases are classified as operating leases for financial reporting purposes.

Maturity analysis of operating lease income receivables

Within 1 year	342	354
1 to 2 years	308	201
2 to 3 years	261	186
3 to 4 years	213	184
4 to 5 years	41	190
More than 5 years	-	48
Total undiscounted lease payments receivable	1 165	1 163

The above lease disclosures should be read in conjunction with the accompanying notes 1B, 1D, 4 and 6.

Note 2C: Other revenue	2023	2022
	\$'000	\$'000
Levies	12 180	11 671
Recovery from other agencies	10 930	141
Agricultural levies administration	3 689	4 418
State contributions	1 498	2 862
Resources received free of charge		
ANAO audit fee	680	1 000

Note 2C: Other revenue	2023	2022
	\$'000	\$'000
Air support for Australian Antarctic Division	-	2 759
Other	-	324
Research contributions	-	3 674
Insurance and other recoveries	-	2 342
Repayment of prior year grant expenditure	-	222
Grants received	-	6
Other	3 031	4 575
Total other revenue	32 008	33 994

Accounting policy*Resources received free of charge*

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another government entity as a consequence of a restructuring of administrative arrangements or as contributions by owners.

Note 2D: Other gains	2023	2022
	\$'000	\$'000
Decrease in makegood provisions	1 746	119 125
Foreign exchange gains	-	188
Reversal of impairment losses - financial asset	-	157
Write-down of provisions and payables	291	77
Assets now recognised	332	-
Gain from asset sales:		
Proceeds from sale	153	-
Carrying value of assets sold	(48)	-
Other	580	264
Total other gains	3 054	119 811

Accounting policy*Sale of assets*

Gains from the disposal of assets are recognised when control of the asset has passed to the buyer.

Other gains

Gains may be realised or unrealised and are recognised on a net basis.

Revenue from Government

Departmental amounts appropriated for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the department gains control of the appropriation. Appropriations receivable are recognised at their nominal amounts.

Note 3: Financial assets

<u>Note 3A: Cash and cash equivalents</u>	2023	2022
	\$'000	\$'000
Cash in special accounts	11 826	43 286
Cash on hand or on deposit	3 510	10 425
Total cash and cash equivalents	15 336	53 711

Accounting policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- cash on hand;
- demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value; and
- cash in special accounts.

<u>Note 3B: Trade and other receivables</u>	2023	2022
	\$'000	\$'000
Goods and services receivables		
Goods and services	38 365	33 777
Total goods and services receivables	38 365	33 777
Appropriations receivables		
Operating	169 475	167 572
Departmental capital budget	-	37 481
Equity injection	18 539	85 298
Total appropriations receivables	188 014	290 351
Other receivables		
Statutory receivables	6 905	18 434
Departmental supplementations	-	13 533
Interest	353	51
Advances	11	28
Other	12 214	11 103
Total other receivables	19 483	43 149
Total trade and other receivables (gross)	245 862	367 277
Less expected credit loss allowance	(4 271)	(3 809)
Total trade and other receivables (net)	241 591	363 468

During the 2023 financial year, credit terms for goods and services were within 30 days (2022: 30 days).

Accounting policy

Financial assets

Trade receivables, loans and other receivables are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance. These are held for the purpose of collecting the contractual cash flows where the payments are of principal and interest only.

Note 4: Non-financial assets**Reconciliation of the opening and closing balances of property, plant and equipment and intangibles**

	Land and buildings ¹	Leasehold improvements ¹	Heritage and cultural ²	Research vessel ¹	Other property, plant and equipment ¹	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2022							
Gross book value	626 441	33 804	72 500	513 044	251 512	259 024	1 756 325
Work in progress	34 422	10 921	-	-	74 413	93 841	213 597
Accumulated depreciation, amortisation and impairment	(195 532)	(14 355)	-	-	(82 733)	(166 985)	(459 605)
Total as at 1 July 2022	465 331	30 370	72 500	513 044	243 192	185 880	1 510 317
Additions							
By purchase or internally developed	164	74 521	-	-	31 600	53 135	159 420
Right-of-use assets	307 627	-	-	-	2 571	-	310 198
Restructuring	(418 960)	(11 518)	(72 500)	(508 213)	(174 328)	(19 548)	(1 205 067)
Impairments recognised in the net cost of services	-	-	-	-	(202)	(61)	(263)
Reclassification	13 648	-	-	-	(13 648)	-	-
Depreciation and amortisation expense	(3 374)	(7 539)	-	(4 831)	(15 896)	(24 700)	(56 340)
Depreciation on right-of-use assets	(44 991)	-	-	-	(4 251)	-	(49 242)
Remeasurement of right-of-use assets	12 650	-	-	-	(44)	-	12 606
Disposals							
By write-off	-	(44)	-	-	(1 257)	(5 857)	(7 158)
By sale	-	-	-	-	(48)	-	(48)
Total as at 30 June 2023	332 095	85 790	-	-	67 689	188 849	674 423
Total as at 30 June 2023 represented by:							
Gross book value	389 941	85 313	-	-	57 612	226 662	759 528

	Land and buildings ¹	Leasehold improvements ¹	Heritage and cultural ²	Research vessel ¹	Other property, plant and equipment ¹	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Work in progress	-	8 805	-	-	36 704	91 205	136 714
Accumulated depreciation, amortisation and impairment	(57 846)	(8 328)	-	-	(26 627)	(129 018)	(221 819)
Total as at 30 June 2023	332 095	85 790	-	-	67 689	188 849	674 423
Carrying amount of right-of-use assets³	325 907	-	-	-	2 766	-	328 673

1 These classes of assets are held at fair value except for those classified as right-of-use assets under AASB 16 which are carried at cost. **2** Land, buildings and other property, plant and equipment that met the definition of a heritage and cultural item were disclosed in the heritage and cultural asset class. The department no longer controls any heritage and cultural assets as they were transferred to the Department of Climate Change, Energy, the Environment and Water. **3** The above lease disclosure should be read in conjunction with Statement of Financial Position and the accompanying notes 1B, 1D, 2C and 6.

Disposal of non-financial assets

No significant items of non-financial assets included in Note 4 are expected to be sold or disposed of within the next 12 months.

Contractual commitments for the acquisition of property, plant, equipment and intangible assets

Capital commitments relate to contractual payments for new assets and assets under construction. Commitments are GST inclusive where relevant.

<u>2022–23 Capital Commitments</u>	< 1 year	1 year to 5 years	> 5 years	Total
	\$'000	\$'000	\$'000	\$'000
Buildings	3 253	-	-	3 253
Leasehold improvements	-	-	-	-
Property, plant and equipment	5 216	-	-	5 216
Research vessel	-	-	-	-
Intangibles	193	-	-	193
Total commitments	8 662	-	-	8 662

<u>2021–22 Capital Commitments</u>	< 1 year	1 year to 5 years	> 5 years	Total
	\$'000	\$'000	\$'000	\$'000
Buildings	897	-	-	897
Leasehold improvements	1 627	107	-	1 734
Property, plant and equipment	4 046	-	-	4 046
Research vessel	14 190	16	-	14 206
Intangibles	2 966	-	-	2 966
Total commitments	23 726	123	-	23 849

Accounting policy

Assets are recorded at cost on acquisition except as stated. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the [Statement of financial position](#). During 2022–23 the department applied the respective thresholds as outlined in the following table:

	2023	2022
Land and buildings	\$50 000	\$50 000
Leasehold improvements	\$150 000	\$150 000
Property, plant and equipment (including research vessel)	\$7 000 individual purchases/\$50 000 group purchases	\$7 000 individual purchases/\$50 000 group purchases
Internally developed software	\$200 000	\$200 000
Purchased software	\$150 000	\$150 000

Purchases under the asset recognition thresholds are expensed in the year of acquisition.

Asset values include an estimate of the cost of dismantling and removing the item, and restoring the site on which it is located. This is particularly relevant to restoration provisions in property leases taken up by the department, where an obligation exists to restore the property or location to its original condition. These costs are included in the value of the department's leasehold improvements.

The department's intangible assets comprise internally developed software and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Right of Use (ROU) assets

ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount and initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by the department as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

ROU assets continue to be measured at cost after initial recognition.

Revaluations and fair value measurement

All property, plant and equipment assets are measured at fair value.

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from their fair values at the reporting date. Expert revaluations for property, plant and equipment are conducted every 3 years, with the next revaluation due to be conducted in 2023–24. Further valuations are undertaken dependent upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus or deficit. Revaluation decrements for a class of assets are recognised in the surplus or deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Recurring and non-recurring fair value measurements – valuation processes

An independent professional valuer conducted a detailed external valuation of non-financial assets (excluding intangibles) for the department at 30 June 2021. An independent professional valuer also conducted a materiality assessment over the department's non-financial assets (excluding intangibles) at 30 June 2023 and the department has relied upon those outcomes to establish carrying amounts.

Depreciation and amortisation

The department has made a significant estimate in determining the useful lives over which its assets are depreciated. This estimation is based on the historical experience of similar assets and has been based on valuations provided by independent valuers. The useful lives are assessed on an annual basis and adjustments are made when necessary.

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the department using, in all cases, the straight-line method of depreciation.

Intangible assets are amortised on a straight-line basis over their anticipated useful lives.

As for the assessment undertaken on asset capitalisation thresholds, the department also reviewed the useful lives of the asset classes below as a result of the machinery of government change.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2023	2022
Buildings	16 to 35 years	3 to 70 years
Leasehold improvements	Lesser of useful life or lease term	Lesser of useful life or lease term
Property, plant and equipment	1 to 25 years	1 to 100 years
Internally developed software	2 to 20 years	2 to 18 years
Purchased software	3 to 20 years	3 to 20 years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

All non-financial assets were assessed for impairment at 30 June 2023. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the department were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use.

Inventories

Inventory is held for distribution and valued at cost, adjusted for any loss of service potential.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- a) raw materials and stores – purchase cost on a first-in-first-out basis;
- b) fuel – weighted average cost; and
- c) finished goods and work-in-progress – cost of direct materials and labour plus attributable costs that can be allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

Inventory valued at \$0 (2022: \$23.686 million) (Note 1B Suppliers) held for distribution has been recognised as an expense. No items of inventory were recognised at fair value less cost to sell.

Note 5: Payables

<u>Note 5: Other payables</u>	2023	2022
	\$'000	\$'000
Salaries and wages	14 481	15 278
Superannuation	8 958	6 917
Separations and redundancies	74	181
Prepayments received/unearned income	14 003	15 621
Employee leave entitlement transfers	10 179	6 641
Other	4 212	931
Total other payables	51 907	45 569

Accounting policy*Separation and redundancy*

Provision is made for separation and redundancy benefit payments. The department recognises a provision for termination when it has developed a detailed formal plan for the terminations, identified the positions affected, assessed expressions of interest from employees and made formal offers. Separation and redundancy is reported as a payable when an agreement has been reached with the relevant employee.

Superannuation

The majority of the department's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap). However, some staff have elected to be members of other private superannuation funds.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The department makes employer contributions to the defined benefits superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The department accounts for the contributions as if they were contributions to defined contribution schemes.

The liability for superannuation recognised at 30 June 2023 represents outstanding contributions.

Suppliers

Settlement is usually made within 20 days (2022: 20 days).

Note 6: Interest bearing liabilities

<u>Note 6: Leases</u>	2023	2022
	\$'000	\$'000
Lease liabilities	413 938	302 143
Total leases	413 938	302 143
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	34 638	48 088

<u>Note 6: Leases</u>	2023	2022
	\$'000	\$'000
Between 1 and 5 years	138 865	126 508
More than 5 years	425 501	151 602
Total leases	599 004	326 198

The department has a large, diverse and geographically dispersed lease portfolio which includes commercial and residential properties (domestic and international) and motor vehicles.

The majority of the lease liability balance relates to property leases which are typically long term and contain extension options. Where practicable, the department seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the department and not by the lessors. The department assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The department reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The department in its capacity as lessee has leasing arrangements with below market terms. This primarily relates to the Post Entry Quarantine facility in Mickleham, Victoria owned by the Department of Finance and occupied by the department at no cost to assist with protecting Australia from biosecurity threats. The department also has leasing arrangements at international airports and seaports around Australia to assist with biosecurity operations.

The above lease disclosures should be read in conjunction with the accompanying notes 1B, 1D, 2C and 4.

Accounting policy

For all new contracts entered into, the department considers whether the contract contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease (if that rate is readily determinable), or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

Note 7: Provisions

<u>Note 7A: Employee provisions</u>	2023	2022
	\$'000	\$'000
Leave	186 779	239 546
Superannuation	10 177	15 719
Total employee provisions	196 956	255 265

Accounting policy

Liabilities for short-term employee benefits and termination benefits due within 12 months of the end of the reporting period are measured at their nominal amounts.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply at the time the leave is taken, including the department's employer superannuation contribution rates to the extent that leave is likely to be taken during service rather than paid out on termination.

The department's previous actuarial review was performed in 2020–21 by the Australian Government Actuary. It is recommended to conduct the actuarial review every 3 financial years unless there has been a significant change in the department's staffing profile. Significant changes to the staffing profile have occurred in the 2022–23 financial year due to the Administrative Arrangements Orders made on 23 June 2022 and commencing on 1 July 2022. Therefore, an actuarial review has been performed for 2022–23. The discount rates for the employee leave provisions are updated to reflect the changes in the Australian Government bond rates at 30 June 2023. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

Employee provisions include anticipated payments relating to the underpayment of superannuation resulting from interpretations of Enterprise Agreements and other employee arrangements.

Note 7B: Reconciliation of other provisions	Antarctic solid waste disposal sites¹	Antarctic regions²	Provision for restoration - other localities³	Other provisions	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2022	141 222	306 970	7 238	9 995	465 425
Amounts reversed	-	-	(1 746)	(291)	(2 037)
Amounts used	-	-	-	(6)	(6)
Amounts transferred as part of restructure	(142 106)	(308 248)	(2 214)	(9 721)	(462 289)
Change in discount rate			176	-	176
Unwinding of discount ⁴	884	1 278	142	38	2 342
Total as at 30 June 2023	-	-	3 596	15	3 611

1 The provision for restoration of the Antarctic solid waste disposal sites was transferred in the restructure. Refer Note 9.

2 The provision for restoration of Antarctic regions was transferred in the restructure. Refer Note 9. **3** The impact of the change in valuation and the change in the discount rate on the provision for other localities was taken to the asset revaluation reserve and to the Statement of comprehensive income. **4** Unwinding of the discount associated with the provisions is recorded as finance costs in the Statement of comprehensive income.

Accounting policy**Accounting judgements and estimates***Provision for restoration obligations – other localities*

Where the department has a contractual obligation to undertake remedial work upon vacating leased properties, the estimated cost of that work is recognised as a liability. An equal value asset is created at the same time and amortised over the life of the lease of the underlying leasehold property.

The department currently recognises 30 (2022: 35) provisions for premises requiring restoration to their original condition at the conclusion of the lease. The provision reflects the present value of these obligations.

Other provisions

The department currently recognises other provisions for a billing error related to export meat inspection activities. The provision reflects the present value of the obligation.

Note 8: Current/non-current distinction assets and liabilities

	2023	2022
	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	15 336	53 711
Trade and other receivables	241 591	363 468
Other investments	16 000	16 000
Prepayments	6 010	11 827
Inventories	-	10 216
Total no more than 12 months	278 937	455 222
More than 12 months		
Land and buildings	332 095	465 331
Leasehold improvements	85 790	30 370
Research vessel	-	513 044
Heritage and cultural assets	-	72 500
Property, plant and equipment	67 689	243 192
Computer software	188 849	185 880
Prepayments	84	481
Inventories	2 225	2 225
Total more than 12 months	676 732	1 513 023
Total assets	955 669	1 968 245
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	44 579	118 663
Grants	45	215
Other payables	51 907	45 493
Leases	35 835	57 370

	2023	2022
	\$'000	\$'000
Employee provisions	61 705	83 101
Other provisions	1 649	3 268
Total no more than 12 months	195 720	308 110
More than 12 months		
Other payables	-	76
Leases	378 103	244 773
Employee provisions	135 251	172 164
Other provisions	1 962	462 157
Total more than 12 months	515 316	879 170
Total liabilities	711 036	1 187 280

Note 9: Restructuring

Note: 9 Departmental restructuring

	2023	2022
	Environment and Water	Water enforcement and compliance
	Department of Climate Change, Energy, the Environment and Water¹	Murray–Darling Basin Authority
	\$'000	\$'000
FUNCTIONS ASSUMED		
Assets recognised		
Cash and cash equivalents	-	518
Trade and other receivables	-	-
Total assets recognised	-	518
Liabilities recognised		
Employee provisions	-	518
Total liabilities recognised	-	518
Net assets assumed	-	-
Expenses assumed		
Recognised by the receiving entity	-	9 521
Recognised by the losing entity	-	445
Total expenses assumed	-	9 966
FUNCTIONS RELINQUISHED		
Assets relinquished		
Cash and cash equivalents	687	-
Trade and other receivables	118 235	-
Land and buildings	418 960	-
Leasehold improvements	11 518	-
Property, plant and equipment	755 041	-

Note: 9 Departmental restructuring		
	2023	2022
	Environment and Water	Water enforcement and compliance
	Department of Climate Change, Energy, the Environment and Water¹	Murray–Darling Basin Authority
	\$'000	\$'000
Computer software	19 548	-
Inventories	10 216	-
Prepayments	4 448	-
Total assets relinquished	1 338 653	-
Liabilities relinquished		
Suppliers	21 194	-
Other payables	4 663	-
Leases	249 036	-
Employee provisions	68 148	-
Other provisions	462 289	-
Total liabilities relinquished	805 330	-
Net assets relinquished²	533 323	-

1 Environment and water functions of the department were relinquished to the Department of Climate Change, Energy, the Environment and Water during 2022–23 due to the Administrative Arrangement Orders on 1st and 23rd June 2022.

2 Includes research vessel, heritage and cultural assets. **3** The net assets relinquished to the Department of Climate Change, Energy, the Environment and Water were \$533.323 million.

The National Soils Advocate function was assumed by the department from the Department of Prime Minister and Cabinet during 2022–23 due to the Administrative Arrangement Orders on 23 June 2022. No assets or liabilities were assumed or relinquished.

Note 10: Contingent assets and liabilities

	Claims for damages or costs	
	2023	2022
	\$'000	\$'000
Contingent assets		
Balance from previous period	1 661	216
New contingent assets recognised	-	3 787
Amounts transferred as part of restructure	(1 661)	-
Assets realised	-	(2 342)
Total contingent assets	-	1 661
Net contingent assets (liabilities)	-	1 661

Quantifiable contingencies

At 30 June 2023, the department had no contingent assets (2022: \$1.661 million). At 30 June 2022, the contingent assets related to insurance recoveries for losses arising from insured events and

insurance claims which were still pending at that date. These were transferred in the department's restructure.

Unquantifiable contingencies

At 30 June 2023, the department is involved in a number of legal claims for which the department may receive its costs. It is not possible to estimate the amounts of any eventual recoveries in relation to these claims.

At 30 June 2023, the department had a number of legal claims lodged against it for damages and costs. The department is responding to the legal claims in accordance with its obligations under the Legal Services Directions 2017. In addition, the department has also received a claim for Compensation for Detriment caused by Defective Administration (CDDA) which is still under review. It is not possible to estimate the amount of any eventual payments in relation to the legal claims or the claim for CDDA.

One particular contingent liability which was detailed in the Budget Statement of Risks relates to a number of claims and class action proceedings related to the 2016 outbreak of white spot syndrome virus in Queensland. Costs associated with either litigation, or any future litigation relating to 2016 outbreak of white spot syndrome virus are not quantifiable until the matter is determined by the Court or otherwise resolved.

At 30 June 2023, the department has unquantifiable contingencies in relation to potential under or over payment of employee entitlements resulting from interpretations of enterprise agreements and other employee arrangements. A quantifiable contingency has not yet been determined and uncertainty exists. These were not included in the above table.

The department is reviewing charging practices for staff allocated to meat export establishments. The objective of the review is to provide clarity to the legislative framework supporting our regulatory activities. The review will draw attention to some services that have potentially been charged without a clear statutory basis and could lead to affected parties seeking restitution. There is no suggestion that charges were not related to services provided. The value possibly collected without a clear statutory basis is unclear. It will require detailed analysis of agreements, timesheets and invoices to quantify.

Accounting policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Note 11: Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the department, directly or indirectly, including any director (whether executive or otherwise) of the department. This includes those personnel who have temporarily performed the relevant roles for a period of more than 12 weeks. The department has

determined the key management personnel to be all ministers and assistant ministers of the department, the secretary and members of the Executive Board. Key management personnel remuneration is reported in the table below:

Department of Agriculture, Fisheries and Forestry	2023	2022
	\$'000	\$'000
Short-term employee benefits	2 563	3 506
Post-employment benefits	341	495
Other long-term benefits	64	77
Termination benefits	-	-
Total key management personnel remuneration expenses¹	2 968	4 078

1 The above key management personnel remuneration excludes the remuneration and other benefits of the ministers and assistant ministers of the department. The ministers' and assistant ministers' remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the department.

The total number of key management personnel that are included in the above table is 7, being 4 substantive officers for the whole period, 1 substantive officer for part of the year and 2 officers that acted for part of the year (2022: 9, being 6 substantive officers for the whole period, 1 substantive officer for part of the year, 1 officer that acted for the whole period, and 1 officer that commenced the year acting and became substantive).

Note 12: Related party disclosures

Related party relationships

The department is an Australian Government controlled entity. Related parties to the department are key management personnel, including the minister for the department and ministers of other Australian Government entities.

Transactions with related parties

Given the breadth of government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period, the department has determined there are no related party transactions that require separate disclosure (2022: Nil).

Note 13: Financial instruments

<u>Note 13A: Categories of financial instruments</u>	2023	2022
	\$'000	\$'000
Financial assets at amortised cost		
Investments in term deposits ¹	16 000	16 000
Cash and cash equivalents	15 336	53 711
Trade and other receivables (net)	46 661	41 122
Total financial assets at amortised cost	77 997	110 833
Total financial assets	77 997	110 833
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	44 579	118 663
Grants payable	45	215
Total financial liabilities measured at amortised cost	44 624	118 878
Total financial liabilities	44 624	118 878

¹ At 30 June 2023, there are 10 (2022: 10) certificates of deposit maturing at different dates within the next 12 months. Interest rates range from 4% to 4.95% (2022: 0.34% to 2.75%) payable upon maturity.

<u>Note 13B: Net gains or losses from financial assets</u>	2023	2022
	\$'000	\$'000
Financial assets at amortised cost		
Interest revenue	466	86
Impairment	(733)	(222)
Net (losses) on financial assets at amortised cost	(267)	(136)
Net gains/(losses) on financial assets	(267)	(136)

Accounting policy*Financial assets*

Under AASB 9 Financial Instruments the department classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on both the department's business model for managing the financial assets and contractual cash flow characteristics of the item on initial recognition. Financial assets are recognised when the department becomes a party to the contract and, as a consequence, has legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon a trade date.

Financial assets at amortised cost

Financial assets included in this category need to meet 2 criteria:

- 1) the financial asset is held in order to collect the contractual cash flows; and
- 2) the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test.

Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets either doesn't meet the criteria of financial assets held at amortised cost or at FVOCI (i.e. mandatorily held at FVTPL) or may be designated.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the simplified approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if the risk has not increased.

The department has used the simplified approach for trade, contract and lease receivables. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or 'other financial liabilities'. Financial liabilities are recognised and derecognised upon 'trade date'. All of the department's financial liabilities are categorised as other financial liabilities.

Financial liabilities at amortised cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

All payables are expected to be settled within 12 months unless otherwise indicated.

Note 14: Appropriations**Note 14A: Annual and unspent appropriations ('recoverable GST exclusive')**

	2023	2022
	\$'000	\$'000
Ordinary annual services		
Annual appropriation		
Operating ¹	858 558	1 118 016
Capital Budget ²	35 818	67 723
PGPA Act section 74 receipts	127 419	39 362
PGPA Act section 75 transfers	(113 723)	-
Total available appropriation	908 072	1 225 101
Appropriation applied (current and prior years)	(893 340)	(1 294 676)
Variance³	14 732	(69 575)
Opening unspent appropriation balance	224 022	293 597
Prior year appropriation acts repealed	(2 000)	-
Prior year PGPA Act section 75 transfers	(57 225)	-
Closing unspent appropriation balance	179 529	224 022
Balance comprises appropriations as follows:⁴		
<i>Appropriation Act (No. 1) 2019–2020⁵</i>	-	2 000
<i>Appropriation Act (No. 1) 2020–2021</i>	5 679	5 679
<i>Cash at bank - Appropriation Act (No.1) 2021–2022</i>	-	10 425
<i>Appropriation Act (No. 1) 2021–2022</i>	865	205 918
<i>Supply Act (No. 3) 2022–2023</i>	6 552	-
<i>Appropriation Act (No. 3) 2022–2023</i>	162 923	-
<i>Cash at bank - Appropriation Act (No.1) 2022–2023</i>	3 510	-
Total unspent appropriation - ordinary annual services	179 529	224 022
Other Services		
Annual appropriation		
Equity injections	50 488	77 396
PGPA Act section 75 transfers	(12 434)	-
Total available appropriation	38 054	77 396
Appropriation applied (current and prior years)	(57 950)	(109 047)
Variance⁶	(19 896)	(31 651)
Opening unspent appropriation balance	115 509	147 160
Prior year Appropriation Acts repealed	(32 103)	-
Prior year PGPA Act section 75 transfers	(44 972)	-
Closing unspent appropriation balance	18 538	115 509
Balance comprises appropriations as follows:⁴		
<i>Appropriation Act (No. 2) 2019–2020⁵</i>	-	30 212
<i>Appropriation Act (No. 4) 2019–2020⁵</i>	-	1 891

Note 14A: Annual and unspent appropriations ('recoverable GST exclusive')

	2023	2022
	\$'000	\$'000
<i>Appropriation Act (No. 2) 2020–2021</i>	4	19 833
<i>Supply Act (No. 2) 2020–2021</i>	-	12 818
<i>Appropriation Act (No. 2) 2021–2022</i>	-	50 755
<i>Appropriation Act (No. 4) 2021–2022</i>	350	-
<i>Supply Act (No. 4) 2022–2023</i>	18 184	-
Total unspent appropriation - other services	18 538	115 509
Total unspent appropriation	198 067	339 531

1 The amount appropriated through the Appropriation Acts is different to the revenue from Government shown on the Statement of Comprehensive Income due to the impact of PGPA Act section 75 transfers of \$90.543 million and supplementation appropriation of \$0.681 million recognised in 2021–22. **2** Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of the ordinary annual services, and are not separately identified in the Appropriation Acts. **3** The current year variance of (\$14.732 million) between the total amount appropriated of \$908.072 million less the amount applied of \$893.340 million relates to the movement in unspent appropriations between the current and prior financial year. **4** The unspent annual appropriation is shown inclusive of PGPA Act section 51 withholdings against: *Appropriation Act (No. 1) 2020–2021* of \$5.679 million – this has been withheld to support a 2021–22 Budget measure; *Appropriation Act (No. 1) 2021–2022* of \$0.865 million – this has been withheld due to a reclassification from operating appropriations to equity injections. **5** *Appropriation Act (No. 1) 2019–2020*, *Appropriation Act (No. 2) 2019–2020*, and *Appropriation Act (No. 4) 2019–2020* self-repealed on 1 July 2022. **6** The current year variance of (\$19.896 million) between the total amount appropriated of \$50.488 million less the amount applied of \$57.950 million and \$12.434 million for PGPA Act section 75 transfers.

Note 15: Net cash appropriation arrangements

	2023	2022
	\$'000	\$'000
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	(51 810)	(12 616)
<i>Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)^{1,2}</i>	45 431	107 456
<i>Plus: depreciation of right-of-use assets funded through appropriations²</i>	29 769	52 476
<i>Less: lease principal repayments funded through appropriations²</i>	(20 855)	(58 964)
Net Cash Operating Surplus/(Deficit)	2 535	88 352

1 The department's depreciation charges for 2022–23 were comprised of: amounts funded by cost recovery arrangements totalling \$30.382 million (2022: \$31.598 million); and unfunded depreciation totalling \$75.200 million (2022: \$159.932 million). **2** As outlined in Note 2A, the department undertakes a number of cost recovery activities including biosecurity, food export, plant export and live animal export arrangements. Non-financial assets are used to support and deliver these activities. For assets funded through cost recovery arrangements, depreciation/amortisation and lease principal repayments are excluded from this note.

From 2010–11, the government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with appropriation through equity injections reported in a separate department capital budget statement. Capital budgets are provided

to meet costs associated with replacement of minor assets or maintenance costs that are eligible to be capitalised.

The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the cash impact on implementation of AASB 16 *Leases* and it does not directly reflect a change in appropriation arrangements.

Note 16: Special accounts

	Biosecurity, Imported Food and Export Certification Special Account 2020 ¹		National Residue Survey Account ²	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	40 675	51 839	2 611	2 080
Increases	528 746	597 052	13 695	12 267
Increases - Investments	-	-	16 000	16 000
Total increases	528 746	597 052	29 695	28 267
Available for payments	569 421	648 891	32 306	30 347
Decreases	(560 256)	(608 216)	(13 645)	(11 736)
Decreases - Investments	-	-	(16 000)	(16 000)
Total departmental decreases	(560 256)	(608 216)	(29 645)	(27 736)
Total decreases	(560 256)	(608 216)	(29 645)	(27 736)
Total balance carried to the next period	9 165	40 675	2 661	2 611
Balance made up of:				
Cash held in the Official Public Account	6 431	38 926	2 661	2 611
Cash held in entity bank accounts	2 734	1 749	-	-
Total balance carried to the next period	9 165	40 675	2 661	2 611

The following special account is appropriated under *Public Governance, Performance and Accountability Act 2013* section 78:

Special Account	Establishing Instrument	Purpose
1. Biosecurity, Imported Food and Export Certification Special Account 2020	PGPA Act Determination (Biosecurity, Imported Food and Export Certification Special Account 2020)	<p>This special account commenced on 3 September 2020. An amount equal to the closing balance of the Australian Quarantine and Inspection Service Special Account was credited into this new special account on 3 September 2020.</p> <p>For the purposes of providing biosecurity, inspection and certification services for:</p> <ul style="list-style-type: none"> • passengers, cargo, mail, animals, plants, and animal or plant products arriving in Australia; and • agricultural products and food exported from Australia.

The following special account is appropriated under *Public Governance, Performance and Accountability Act 2013* section 80:

Special Account	Establishing Instrument	Purpose
2. National Residue Survey Account	<i>National Residue Survey Administration Act 1992</i> ; section 6(1)	<p>For the purposes of conducting national residue surveys and to provide for collection of the National Residue Survey levy imposed by various acts.</p> <p>The department held \$16 000 000 in term deposits as a result of investments made under section 58 of the PGPA Act. This includes amounts realised and automatically reinvested in term deposits.</p>

Note 17: Regulatory charging summary

	2023	2022
	\$'000	\$'000
Amounts applied		
Departmental		
Annual appropriations	110 398	115 964
Own source revenue	466 824	444 801
Total amounts applied	577 222	560 765
Expenses		
Departmental	597 464	534 435
Total expenses	597 464	534 435
External revenue		
Departmental	446 407	416 629
Total external revenue	446 407	416 629
Amounts written off		
Departmental	276	207
Total amounts written off	276	207

Departmental regulatory charging activities

- Dairy Exports Program Services
- Fish and Egg Export Program Services
- Grain and Seed Export Program Services
- Horticulture Exports Program Services
- Import Clearance Program Services
- Levies Revenue Service
- Live Animal Export Program Services
- Meat Export Program Services
- National Residue Survey Services
- Non-Prescribed Goods Export Program Services
- Passenger Program Services
- Post Entry Plant Quarantine Program Services
- Seaports Program Services

Documentation (Cost Recovery Implementation Statements) for the above activities is available at:

- For Exports Cost Recovery Implementation Statements: agriculture.gov.au/about/fees/cost-recovery-2022-23
- For the Biosecurity Cost Recovery Implementation Statement: agriculture.gov.au/about/fees/biosecurity-cris

Industry rebates and program results

The cost recovered activities including biosecurity, export certification, quota management and National Residue Survey are maintained on a program basis with many of the programs aligning to an industry sector. The management of each program, including the establishment of the level and structure of fees and charges, is conducted in consultation with an Industry Consultative Committee, as applicable, and the Department of Finance.

Where fees and charges are collected for a cost recovered program exceed its costs during a financial year, the excess revenue is reported in total compressive income/(loss) for the period. The amount of excess revenue is transferred from accumulated results into an industry reserve.

Each cost recovered program holds a separate reserve. In years where the costs exceed revenue, the deficit is first met from the individual program's surplus industry reserve balance, where this exists. Accumulated deficits are maintained in the department's accumulated results balance until such time as there is a sufficient surplus for the cost recovered program to report a surplus in the individual reserve. Transfers are made between the reserves and accumulated results as determined by the position of the reserves at the end of each reporting period.

Administered financial statements

Administered schedule of comprehensive income for the period ended 30 June 2023

		2023	2022	Original Budget
	Notes	\$'000	\$'000	2023 \$'000
NET COST OF SERVICES				
Expenses				
Levy disbursements and Commonwealth contributions	18A	1 105 416	1 000 895	1 025 091
Grants	18B	200 670	552 545	352 478
Payments to corporate Commonwealth entities	18C	44 406	249 537	33 473
Suppliers	18D	81 773	319 117	113 423
Direct personal benefits - income support for farmers		70 855	101 972	92 989
Council of Australian Governments Reform Fund		19 795	-	-
Depreciation and amortisation	21A	-	8 358	-
Concessional loan discount		13 217	23 055	58 606
Impairment loss on financial instruments	18E	51	32 713	2 419
Write-down and impairment of assets	18F	5 983	7 587	31 515
Other expenses	18G	-	15 057	-
Total expenses		1 542 166	2 310 836	1 709 994
Income				
Revenue				
Taxation revenue				
Levies and charges	19A	678 749	652 330	622 922
Total taxation revenue		678 749	652 330	622 922
Non-taxation revenue				
Revenue from contracts with customers	19B	-	22 693	-
Agriculture Future Drought Resilience Special Account		100 000	100 000	100 000
Interest	19C	151 256	83 650	78 998
Other revenue	19D	10 096	13 395	34 645
Total non-taxation revenue		261 352	219 738	213 643
Total revenue		940 101	872 068	836 565
Gains				
Reversal of impairment losses		20 133	1 897	-
Other gains	19E	842	19 836	-
Total gains		20 975	21 733	-
Total income		961 076	893 801	836 565
Net (cost of)/contribution by services		581 090	1 417 035	873 429
Surplus/(deficit)		(581 090)	(1 417 035)	(873 429)

		2023	2022	Original Budget
	Notes	\$'000	\$'000	2023 \$'000
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserves		-	84 731	-
Items subject to subsequent reclassification to net cost of services				
Gains/(losses) on financial assets at fair value through other comprehensive income		216 349	192 994	-
Total comprehensive (loss)/income		(364 741)	(1 139 310)	(873 429)

The above statement should be read in conjunction with the accompanying notes.

Administered schedule of assets and liabilities as at 30 June 2023

		2023	2022	Original Budget
	Notes	\$'000	\$'000	2023 \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	20A	86 682	2 209 143	14 865
Loan receivables	20B	2 728 903	2 618 075	2 948 005
Trade, taxation and other receivables	20C	153 180	140 625	116 620
Investments in corporate Commonwealth entities	20D	800 845	1 663 211	584 496
Total financial assets		3 769 610	6 631 054	3 663 986
Non-financial assets				
Land	21A	-	618	-
Infrastructure	21A	-	615 240	-
Plant and equipment	21A	-	1 614	-
Flooding easements	21A	-	814	-
Heritage and cultural	21A	-	985	-
Water entitlements	21A	-	4 024 726	-
Inventories	21B	-	10 755	-
Prepayments		5 292	6 371	5 157
Total non-financial assets		5 292	4 661 123	5 157
Total assets administered on behalf of Government		3 774 902	11 292 177	3 669 143

		2023	2022	Original Budget 2023
	Notes	\$'000	\$'000	\$'000
LIABILITIES				
Payables				
Levy disbursements and Commonwealth contributions	22A	188 386	136 559	108 750
Grants	22B	5 768	30 545	24 325
Suppliers		4 038	93 472	1 638
Personal benefits - income support to farmers		893	2 052	2 052
Corporate Commonwealth entities		-	3 410	-
Other payables		-	439	-
Total payables		199 085	266 477	136 765
Provisions				
Loan commitments to farm businesses	23A	1 888	10 658	-
Remediation provision	23B	-	47 888	-
Total provisions		1 888	58 546	-
Total liabilities administered on behalf of Government		200 973	325 023	136 765
Net assets		3 573 929	10 967 154	3 532 378

The above statement should be read in conjunction with the accompanying notes.

Administered reconciliation schedule for the period ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Opening assets less liabilities as at 1 July		10 967 154	9 154 778
Adjusted opening assets less liabilities		10 967 154	9 154 778
Net (cost of)/contribution by services			
Income		961 076	893 801
Expenses			
Payments to entities other than corporate Commonwealth entities		(1 497 760)	(2 061 299)
Payments to corporate Commonwealth entities		(44 406)	(249 537)
Other comprehensive income			
Revaluations transferred to reserves			
Non-financial assets		-	84 731
Investments in corporate Commonwealth entities		216 349	192 994
Transfers (to)/from the Australian Government			
Appropriation transfers from Official Public Account			
Administered assets and liabilities appropriations		150 000	1 659 458
Annual appropriations			
Payments to entities other than corporate Commonwealth entities		272 846	710 531

		2023	2022
	Notes	\$'000	\$'000
Payments to corporate Commonwealth entities		44 406	387 204
Special appropriations (limited)			
Payments to entities other than corporate Commonwealth entities		-	-
Payments to corporate Commonwealth entities		-	-
Special appropriations (unlimited)			
Payments to entities other than corporate Commonwealth entities		631 521	651 942
Payments to corporate Commonwealth entities		498 225	447 071
Special account statutory credits		-	105 000
Appropriation transfers to Official Public Account			
Transfers to Official Public Account		(914 445)	(1 009 334)
Restructuring	25	(7 710 437)	60
Personal benefits - withholding		(600)	(246)
Closing assets less liabilities as at 30 June		3 573 929	10 967 154

The above statement should be read in conjunction with the accompanying notes.

Accounting policy

Administered cash transfers to and from the Official Public Account (OPA)

Revenue collected by the department for use by the government rather than the department is administered revenue. Collections are transferred to the OPA which is maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under parliamentary appropriation on behalf of government. These transfers to and from the OPA are adjustments to the administered cash held by the department on behalf of the government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

The above statement should be read in conjunction with the accompanying notes.

Administered cash flow statement for the period ended 30 June 2023

		2023	2022
	Notes	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Taxes		667 958	632 194
Sales of goods and rendering of services		-	23 858
Special account transfers		100 154	100 000
GST received		65 832	96 559
Interest		616	340
Other		5 072	8 884
Total cash received		839 632	861 835

Notes to and forming part of the financial statements

	Notes	2023 \$'000	2022 \$'000
Cash used			
Levy disbursements and Commonwealth contributions		1 107 055	1 048 927
Grants		219 490	569 560
Suppliers		74 995	321 284
Personal benefits		75 501	102 926
Payments to corporate Commonwealth entities		44 406	246 127
Other		20 501	9 092
Total cash used		1 541 948	2 297 916
Net cash from/(used by) operating activities		(702 316)	(1 436 081)
INVESTING ACTIVITIES			
Cash received			
Repayments of loans		154 535	263 802
Interest received from loans		23 553	7 037
Total cash received		178 088	270 839
Cash used			
Loan advances		149 589	1 659 458
Corporate Commonwealth entity investments		-	141 077
Purchase of water entitlements		-	13
Total cash used		149 589	1 800 548
Net cash from/(used by) investing activities		28 499	(1 529 709)
FINANCING ACTIVITIES			
Cash used			
Restructure		2 131 197	-
Total cash used		2 131 197	-
Net cash from/(used by) financing activities		(2 131 197)	-
Net increase/(decrease) in cash held		(2 805 014)	(2 965 790)
Cash and cash equivalents at the beginning of the reporting period		2 209 143	2 223 061
Cash from Official Public Account for			
Appropriations		1 596 998	3 856 206
Special accounts		-	105 000
Total cash from Official Public Account		1 596 998	3 961 206
Cash to Official Public Account for:			
Appropriations		914 445	1 009 334
Total cash to Official Public Account		914 445	1 009 334
Cash and cash equivalents at the end of the reporting period	20A	86 682	2 209 143

The above statement should be read in conjunction with the accompanying notes.

Budget variance commentary

The following tables provide a comparison of the original budget as presented in the 2022–23 October Portfolio Budget Statements to the 2022–23 final outcome as presented in accordance with Australian Accounting Standards for the department. The budget is not audited. Explanations of major variances are provided below.

Certain budget figures have been reclassified from the disclosure in the department's Portfolio Budget Statements to align budget reporting with the disclosure and classification in the financial statements.

Variances are considered to be 'major' based on the following criteria:

- the variance between budget and actual is greater than +/- 10% of the original budget and +/- \$10 million for a line item; or
- the variance between budget and actual is greater than +/- 2% of the relevant sub-total (i.e. total expenses, total income, total assets or total liabilities) and +/- \$10 million; or
- an item below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of the department.

Major variances and explanations	Affected line items
Administered schedule of comprehensive income	
Total expenses were \$167.8 million lower than the original budget mainly due to:	<ul style="list-style-type: none"> • Total expenses
<ul style="list-style-type: none"> • Higher than budgeted levy disbursements and Commonwealth contributions of \$80.3 million primarily the result of favourable production conditions and prices of field crops. 	<ul style="list-style-type: none"> • Levy disbursements and Commonwealth contributions
<ul style="list-style-type: none"> • Lower than budgeted grant, supplier and Council of Australian Governments Reform Fund expenses of \$163.7 million primarily due to delays in programs under the Agriculture Future Drought Resilience Special Account, milestone delays in the Pest and Disease Preparedness and Response program, delays in the Agriculture 2030 Soil and Stewardship programs, and negotiation delays with states and territories in the Strengthen Australia's Frontline Biosecurity Capability and Domestic Preparedness program. 	<ul style="list-style-type: none"> • Grant expenses • Supplier expenses • Council of Australian Governments Reform Fund
<ul style="list-style-type: none"> • Higher than budgeted payments of \$10.9 million, primarily for tourism funding provided to Wine Australia. 	<ul style="list-style-type: none"> • Payments to corporate Commonwealth entities
<ul style="list-style-type: none"> • Lower than budgeted personal benefits expenses of \$22.1 million primarily due to a decrease in demand for Farm Household Allowance income support. 	<ul style="list-style-type: none"> • Direct personal benefits expense
<ul style="list-style-type: none"> • Lower than budgeted concessional loan discount expense of \$45.4 million primarily due to lower-than-expected loan approvals by the Regional Investment Corporation. 	<ul style="list-style-type: none"> • Concessional loan discount expense
<ul style="list-style-type: none"> • Lower than budgeted write-down and impairment of assets of \$25.5 million primarily due to a reduction in waiver of Farm Household Allowance. 	<ul style="list-style-type: none"> • Write-down and impairment of assets

Major variances and explanations	Affected line items
<p>Total income was \$124.5 million higher than the original budget mainly due to:</p> <ul style="list-style-type: none"> • Higher than budgeted levies and charges revenue of \$55.8 million primarily the result favourable production conditions and prices of field crops. • Higher than budgeted interest revenue of \$72.3 million primarily due to Regional Investment Corporation loans finishing their interest free period and increased interest rates. • Lower than budgeted other revenue of \$24.5 million primarily due to a reduction in recoveries of Farm Household Allowance. • Higher than budgeted reversal of impairment losses of \$20.1 million primarily due to changes in the risk overlays applied to impairment of state and territory and Regional Investment Corporation concessional loans. 	<ul style="list-style-type: none"> • Total income • Levies and charges • Interest • Other revenue • Reversal of impairment losses
<p>Total other comprehensive income was \$211.7 million higher than original budget due to an increase in net assets of portfolio corporate Commonwealth entities for Grains Research and Development Corporation and Cotton Research and Development Corporation.</p>	<ul style="list-style-type: none"> • Total other comprehensive income • Gains on financial assets at fair value through other comprehensive income
Administered schedule of assets and liabilities	
<p>Total assets balance was \$105.8 million higher than the original budget mainly due to:</p> <ul style="list-style-type: none"> • Higher than budgeted cash and cash equivalents of \$71.8 million primarily driven by lower than budgeted payments from the Agriculture Future Drought Resilience Special Account. • Lower than budgeted loan receivables of \$219.1 million primarily due to lower than anticipated new loans to farm businesses and early loan repayments. • Higher than budgeted trade, taxation and other receivables balance of \$36.6 million primarily due to higher accruals in levies and charges as a result of increased agricultural production and prices of field crops. • Higher than budgeted investments in corporate Commonwealth entities of \$216.3 million primarily due to an increase to the departments proportional interest in net assets of the Grains Research and Development Corporation. 	<ul style="list-style-type: none"> • Total assets • Cash and cash equivalents • Loan receivables • Trade, taxation and other receivables • Investments in corporate Commonwealth entities
<p>Total liabilities balance was \$64.2 million higher than the original budget mainly as a result of:</p> <ul style="list-style-type: none"> • Higher than budgeted accruals of \$79.6 million for research and development activities primarily the result of favourable production conditions and prices of field crops. • Lower than budgeted grant payables of \$18.6 million due to the high variability in the timing of grant payments, this includes old programs ending, new programs starting and programs with varied milestones. 	<ul style="list-style-type: none"> • Total payables • Total provisions • Levy disbursements and Commonwealth contributions • Grants

Note 18: Administered – expenses

	2023	2022
	\$'000	\$'000
<u>Note 18A: Levy disbursements and Commonwealth contributions</u>		
Levy disbursements		
Corporate Commonwealth entities	345 962	299 856
Non-profit organisations	322 738	325 579
Commonwealth contributions		
Corporate Commonwealth entities	206 988	162 838
Non-profit organisations	229 728	212 622
Total levy disbursements and Commonwealth contributions	1 105 416	1 000 895

Refer to Note 19A for more details on levy disbursements and Note 26 for more details on the Commonwealth contributions.

	2023	2022
	\$'000	\$'000
<u>Note 18B: Grants</u>		
Non-profit organisations	65 896	163 723
Australian Government entities (related parties)	9 987	34 042
Local governments	297	25 972
For profit organisations	53 684	58 658
State and territory governments	6 375	167 876
Individuals	-	4 507
Universities	54 869	91 520
Other	9 512	5 697
Overseas	50	550
Total grants	200 670	552 545

Accounting policy

The department administers a number of grant schemes on behalf of the government. Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made.

When the government enters into an agreement to make these grants but services have not been performed or criteria satisfied, this is considered a commitment.

	2023	2022
	\$'000	\$'000
<u>Note 18C: Payments to corporate Commonwealth entities</u>		
Murray–Darling Basin Authority	-	94 411
Director of National Parks	-	104 725
Australian Pesticides and Veterinary Medicines Authority	1 801	2 059
Wine Australia	10 000	10 000
Sydney Harbour Federation Trust	-	2 465

Notes to and forming part of the financial statements

Note 18C: Payments to corporate Commonwealth entities	2023	2022
	\$'000	\$'000
Regional Investment Corporation	22 965	26 317
AgriFutures Australia	9 640	9 460
Fisheries Research and Development Corporation	-	100
Total payments to corporate Commonwealth entities	44 406	249 537

Note 18D: Suppliers	2023	2022
	\$'000	\$'000
Goods and services supplied or rendered		
South East Trawl Fishery	19 491	-
Membership fees	18 403	17 379
General goods and services	15 693	8 145
Contractors	12 266	82 807
Climate Services for Agriculture	7 324	8 796
Drought Resilience Self-Assessment Tool	3 691	3 860
Purchase of data	3 117	-
Administration charge - loans	1 214	1 214
Consultants	574	15 825
Regional Land payments	-	90 676
NHT implementation costs	-	30 670
Statutory fees and charges	-	24 987
OPSGG implementation costs	-	11 945
Reef Trust implementation costs	-	3 970
National Recycling Campaign	-	18 707
Legal services	-	136
Total goods and services supplied or rendered	81 773	319 117
Goods supplied	3 224	242
Services rendered	78 549	318 875
Total goods and services supplied or rendered	81 773	319 117
Total supplier expenses	81 773	319 117

Comparative amounts for General Goods and Services, Climate Services for Agriculture and Drought Resilience Self-Assessment Tool have been reclassified to conform with the current year's reporting presentation.

Accounting policy*Membership fees*

Expenses associated with annual fees for Australia's participation in international organisations, councils and forums.

South East Trawl Fishery

To support commercial fishing operators as they adjust to changes to protect fish stocks and halt species decline within the South East Trawl Fishery. The government will purchase the surrender of boat statutory fishing rights to cancel the entitlements.

Drought Resilience Self-Assessment Tool

Enables farmers to assess their resilience against climate change including drought and other climate risks.

Climate Services for Agriculture

Provides farmers and communities climate information for their local area to help them better prepare for climate risks.

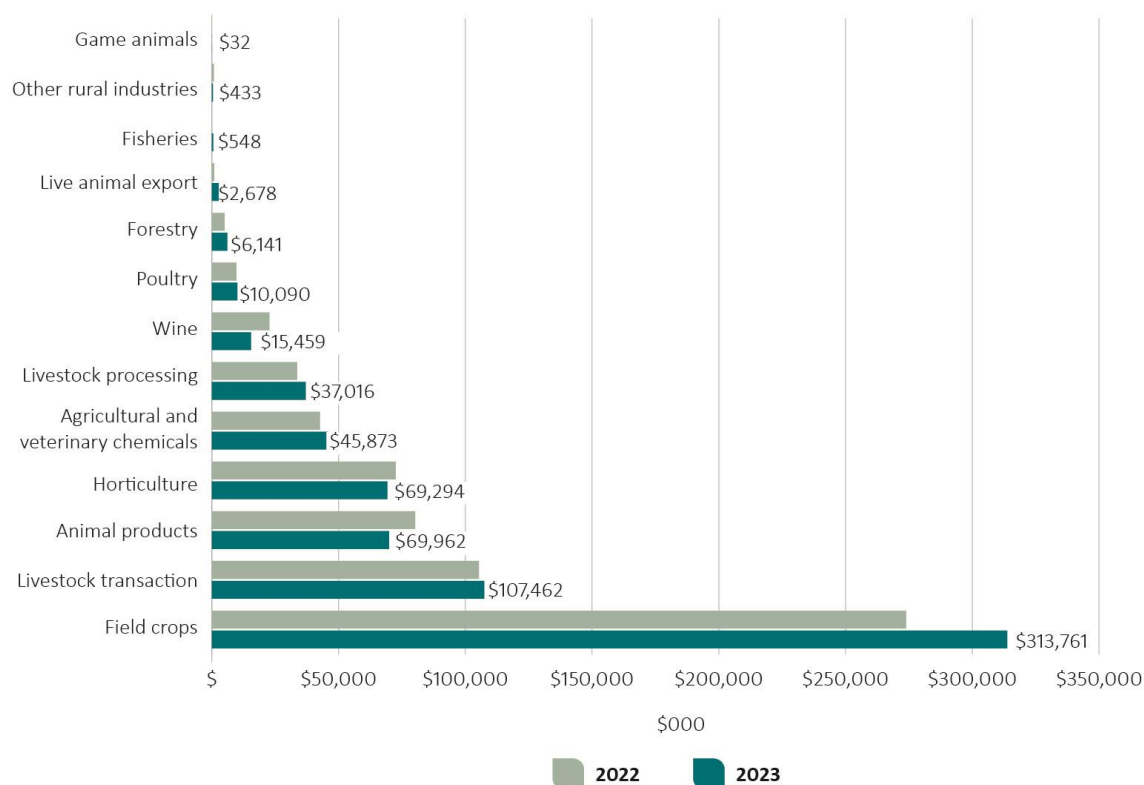
Administration charge - loans

Administrative fees are paid to the jurisdictions for the delivery of administrative services relating to loans. These services include establishment, application processing, customer service and record keeping activities.

<u>Note 18E: Impairment loss on financial instruments</u>	2023	2022
	\$'000	\$'000
Impairment on loans	-	32 648
Impairment on trade and other receivables	51	65
Total impairment loss on financial instruments	51	32 713
<u>Note 18F: Write-down and impairment of assets</u>		
Write-off and impairment on water assets	-	1 423
Impairment on financial assets	1 626	3 357
Debt waiver of personal benefits receivable	3 651	1 915
Remissions - levies and charges	706	879
Write-off of non-financial assets	-	13
Total write-down and impairment	5 983	7 587
<u>Note 18G: Other expenses</u>		
Unwinding of discount	-	207
Increase in remediation provision	-	14 850
Total other expenses	-	15 057

Note 19: Administered – income

Revenue	2023	2022
Taxation Revenue	\$'000	\$'000
Note 19A: Levies and charges		
Primary industry levies	667 956	637 187
Primary industry charges	10 793	10 551
Other indirect levies	-	4 592
Total levies and charges	678 749	652 330

Figure 8 Primary levies and charges revenue, by industry, 2021–22 to 2022–23**Accounting policy****Levies and charges**

The department collects, administers and disburses agricultural levies and charges on behalf of Australia's primary industries. Agricultural levies collected by the department are disbursed, in conjunction with any relevant Commonwealth contribution, to research and development corporations and authorities for biosecurity preparedness, emergency plant pest and animal disease responses, marketing, research and development and residue testing.

Agricultural levies revenue are recognised on an accrual basis when the following conditions apply:

- the levy payer/commodity group can be reliably identified;
- the amount of levy payable can be reliably measured; and
- it is probable that the levy payable will be collected.

The amount of the levies revenue accrual recognised relies on the estimation of the amount of probable future levy return lodgements, which relate to leviable commodity transactions that have occurred in the current

financial year, with reference to production in prior year and current year forecasts provided by the industries services bodies.

Non-Taxation Revenue	2023	2022
	\$'000	\$'000
Note 19B: Revenue from contracts with customers		
Rendering of services	-	22 371
Sale of goods	-	322
Total revenue from contracts with customers	-	22 693
Major product/service line:		
Regulatory fees	-	21 711
Service delivery	-	660
Sales of inventory	-	322
Total	-	22 693

Accounting policy

Revenue

All administered revenues relate to ordinary activities performed by the department on behalf of the Australian Government. As such, administered appropriations are not revenues of the department, who oversees distribution, or expenditure of the funds as directed.

Note 19C: Interest	2023	2022
	\$'000	\$'000
Loans	33 009	8 364
Unwinding of concessional loan discount	117 631	74 946
Other interest	616	340
Total interest	151 256	83 650

Note 19D: Other revenue	2023	2022
	\$'000	\$'000
Refunds of prior year payments	6 070	9 569
Fines and penalties	4 026	1 059
Contributions from state and territory governments	-	1 301
Resources received free of charge - NHT audit fee	-	60
Other	-	1 406
Total other revenue	10 096	13 395

Accounting policy*Fines and penalties*

The department's fines and penalties are primarily biosecurity penalties and fines collected by the Department of Home Affairs. As reporting is the responsibility of the principal department, these collections are recognised in the department's financial statements as administered items.

Gains	2023	2022
	\$'000	\$'000
Note 19E: Other gains		
Resources received free of charge - water entitlements	-	1 173
Joint operation gains	-	520
Change in fair value through profit or loss	842	317
Gains arising from lapse of appropriation	-	17 735
Other	-	91
Total other gains	842	19 836

Note 20: Administered – financial assets

Note 20A: Cash and cash equivalents	2023	2022
	\$'000	\$'000
Cash in special accounts	70 588	2 199 085
Cash on hand or on deposit	16 094	10 058
Total cash and cash equivalents	86 682	2 209 143

Note 20B: Loan receivables	2023	2022
	\$'000	\$'000
Loans		
State and territory governments	224 735	268 802
Farm businesses	2 531 960	2 397 198
Total loans (gross)	2 756 695	2 666 000
Less credit loss allowance	(27 792)	(47 925)
Total loans (net)	2 728 903	2 618 075

Note 20C: Trade, taxation and other receivables	2023	2022
	\$'000	\$'000
Goods and services receivables		
Goods and services	263	1 476
Total goods and services receivables	263	1 476
Taxation receivables		
Levies and charges	105 013	93 541
Indirect tax	-	3 297
Total taxation receivables	105 013	96 838

Note 20C: Trade, taxation and other receivables	2023	2022
	\$'000	\$'000
Other receivables		
Statutory receivables	23 821	27 209
Personal benefits	5 356	6 803
Emergency response receivables	9 902	9 664
Interest receivable from loans	14 878	5 422
Other	-	1 540
Total other receivables	53 957	50 638
Total trade, taxation and other receivables (gross)	159 233	148 952
Less impairment loss allowance		
Goods and services receivables	(60)	(64)
Taxation receivables	(2 913)	(2 284)
Other receivables	(3 080)	(5 979)
Total impairment loss allowance	(6 053)	(8 327)
Total trade, taxation and other receivables (net)	153 180	140 625

Credit terms for goods and services were within 30 days (2022: 30 days).

Loans to state and territory governments

As at 30 June 2023, state and territory governments owed the Commonwealth for loans relating to 5 historical schemes. The loans were conditional on the state and territory governments entering into subsequent loans with farm businesses. Any amounts that were not loaned were returned to the Commonwealth. State and territory loan schemes are closed and no longer accept loan applications. Loans to state and territory governments were made under the Farm Finance and Drought loan schemes for periods up to 5 years and the Dairy Recovery, Drought Recovery and Farm Business loan schemes for up to 10 years.

Loans are subject to biannual impairment assessments. No security is required on these loans to government agencies, but a charge over assets is registered by jurisdictions issuing the loans to farmers. If a state or territory government is unable to recover loans provided to program recipients, the respective liability to the Commonwealth will be reviewed in accordance with the applicable loan agreements.

For 5-year loans, principal is repaid in full at maturity, whereas 10-year loans are partially amortised during years 6 to 10, with the balance paid at maturity. Interest rates are variable with a 6 monthly review period. Effective interest rates averaged 3.69% (2022: 1.86%) for Farm Finance loans, 3.19% (2022: 1.36%) for Drought loans, 2.68% (2022: 1.27%) for Dairy Recovery and Drought Recovery loans and 3.08% (2022: 1.67%) for Farm Business loans. Interest payments to the Commonwealth are due on the 10th business day of the month following collection.

Loans to farm businesses

As at 30 June 2023, the Regional Investment Corporation (RIC) administered 6 loan programs targeted to farm businesses, primary production-related small businesses and other eligible

businesses. Loans were made under the Farm Investment, Drought, AgBiz, AgRebuild and AgriStarter schemes for periods up to 10 years. No loans have been issued under the 20-year Plantation loan scheme. The AgRebuild scheme is now closed to new applications.

Loans are subject to biannual impairment assessments. Farm businesses must provide security on these loans. If the RIC are unable to recover loans provided to program recipients, the respective liability to the Commonwealth will be reviewed in accordance with section 11 of the Regional Investment Corporation Operating Mandate Direction 2018.

Principal is partially amortised during years 6 to 10 with the balance paid at maturity. Interest rates are variable with a 6-monthly review period. Effective interest rates averaged 3.60% (2022: 2.00%) for RIC loans. Interest payments and loan repayments are returned to the Commonwealth on the day they are received by the RIC.

Accounting judgements and estimates

Loans to state and territory governments and farm businesses

The impairment provision for the loans provided to state and territory governments and farm businesses has been calculated using an Expected Credit Loss (ECL) methodology and represents a best estimate of the potential loss that may arise in the event of loan default. The ECL calculation is a result of 3 key parameters:

Probability of default - the likelihood of a loan recipient defaulting on repayment obligations,

Loss given default - the financial loss to the Commonwealth if a loan defaults; and

Risk overlays - uncertainty inherent in the loan portfolio.

Estimated assumptions used within the ECL calculations have been updated to reflect current industry benchmarks. In addition, the methodology applied for risk overlays has been updated to ensure overlays are sensitive to the underlying risk factors which drive potential losses. The overlay now captures risks associated with ECL model data limitations and economic uncertainty. The change in overlay methodology has led to an \$18.665 million decrease in the overlay provision.

Emergency response receivables

Emergency response receivables relate to arrangements where the Commonwealth initially funds an affected industry's share of the response to emergency plant pest or animal disease incursions. The industry must ensure that the Commonwealth is repaid within a reasonable period (usually defined as within 10 years). These receivables are usually repaid through statutory biosecurity levies. As there are no fixed repayment amounts, and only a maximum period of time in which to repay, these receivables are held at fair value through profit or loss. To estimate the fair value of the receivable balance, the department uses a discounted cash flow approach to adjust the receivable to the net present value of the anticipated cash flows.

Note 20D: Investments in corporate Commonwealth entities	2023	2022
	\$'000	\$'000
AgriFutures Australia	56 112	56 111
Australian Pesticides and Veterinary Medicines Authority	35 972	30 282
Cotton Research and Development Corporation	34 315	22 973
Fisheries Research and Development Corporation	25 280	27 315
Grains Research and Development Corporation	629 440	420 946

Note 20D: Investments in corporate Commonwealth entities	2023	2022
	\$'000	\$'000
Murray–Darling Basin Authority	-	176 072
Regional Investment Corporation	14 173	15 719
Wine Australia	5 553	11 150
Director of National Parks	-	389 500
Sydney Harbour Federation Trust	-	513 143
Total investments in corporate Commonwealth entities	800 845	1 663 211

The department transferred Sydney Harbour Federation Trust, Director of National Parks and Murray–Darling Basin Authority to the Department of Climate Change, Energy, the Environment and Water on 1 July 2022.

Accounting policy

Administered investments

Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is relevant only at the whole-of-government level.

Administered investments are not held-for-sale and measured at their fair value through other comprehensive income as at 30 June 2023. Fair value has been taken to be the Australian Government's proportional interest in the net assets of the investment as at the end of the reporting period.

Gains on financial assets at fair value were \$216.349 million (2022: gain \$192.994 million) in the administered schedule of comprehensive income. The gains reflect the net asset movements in the corporate Commonwealth entities.

Note 21: Administered – non-financial assets**Note 21A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles**

	Land	Infrastructure	Plant and equipment	Flooding easements	Heritage and cultural	Water entitlements	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2022								
Gross book value	618	977 746	4 884	814	996	4 061 314	2 799	5 049 171
Accumulated depreciation, amortisation and impairment	-	(362 506)	(3 270)	-	(11)	(36 588)	(2 799)	(405 174)
Total as at 1 July 2022	618	615 240	1 614	814	985	4 024 726	-	4 643 997
Additions	-	-	-	-	-	-	-	-
Revaluations recognised in other comprehensive income	-	-	-	-	-	-	-	-
Impairments recognised in net cost of services	-	-	-	-	-	-	-	-
Reversal of impairments recognised in net cost of services	-	-	-	-	-	-	-	-
Restructuring	(618)	(615 240)	(1 614)	(814)	(985)	(4 024 726)	-	(4 643 997)
Depreciation expense	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
By write-off	-	-	-	-	-	-	-	-
Total as at 30 June 2023	-	-	-	-	-	-	-	-

	Land \$'000	Infrastructure \$'000	Plant and equipment \$'000	Flooding easements \$'000	Heritage and cultural \$'000	Water entitlements \$'000	Computer software \$'000	Total \$'000
Total as at 30 June 2023 represented by:								
Gross book value	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment	-	-	-	-	-	-	-	-
Total as at 30 June 2023	-	-	-	-	-	-	-	-

The department transferred all property, plant and equipment and intangibles to the Department of Climate Change, Energy, the Environment and Water on 1 July 2022.

Joint operations

The Australian Government is a joint operator in River Murray Operations and the Living Murray Initiative. The department controlled the government's share in these operations until 30 June 2022. The department transferred its share in the jointly controlled assets to the Department of Climate Change, Energy, the Environment and Water on 1 July 2022.

	Principal activity	Share of output	
		2023	2022
		%	%
River Murray Operations joint operation	Asset management	0	20
Living Murray Initiative joint operation	Asset management	0	20

The department's interest, as a joint operator, in assets employed in the above joint operations is detailed below. The amounts are included in the financial statements under their respective asset categories:

	2023	2022
	\$'000	\$'000
Joint operations		
Non-current assets		
Land		
River Murray Operations	-	618
Infrastructure		
River Murray Operations	-	615 240
Plant and equipment		
River Murray Operations	-	1 614
Flooding easements		
River Murray Operations	-	814
Water entitlements		
Living Murray Initiative	-	134 369
Total non-current assets	-	752 655
Total assets	-	752 655

Note 21B: Inventories	2023	2022
	\$'000	\$'000
Inventories held for sale		
Finished goods		10 755
Total inventories held for sale		10 755
Total inventories		10 755

The department transferred operation of the National Halon Bank to the Department of Climate Change, Energy, the Environment and Water on 1 July 2022.

Note 22: Administered – payables

Note 22A: Levy disbursements and Commonwealth contributions	2023	2022
	\$'000	\$'000
Levy disbursements	61 024	55 759
Commonwealth contributions	127 362	80 800
Total levy disbursements and Commonwealth contributions	188 386	136 559

Note 22B: Grants	2023	2022
	\$'000	\$'000
Public sector		
Non-profit organisations	4 357	3 095
State and Territory Governments	-	14 260
Australian Government entities	506	348
Local Governments	-	189
Private sector		
Universities	-	12 097
Individuals	-	137
For profit organisations	905	419
Total grants	5 768	30 545

All grants and suppliers are expected to be settled within the next 12 months. Settlement of grants was made according to the terms and conditions of each grant. This was usually within 20 days of grant recipients meeting their performance or eligibility criteria. Settlement of suppliers was usually made within 20 days (2022: 20 days).

Note 23: Administered – provisions

Note 23A: Loan commitments to farm businesses	Loans to farm businesses
	\$'000
As at 1 July 2022	10 658
Additional commitments made	13 217
Commitments used	(21 226)
Commitments reversed	(761)
Total as at 30 June 2023	1 888

Accounting policy

Concessional loan commitments represent the concessional cost of commitments to provide loan advances at a below-market interest rate. Commitments to Farm Businesses and Farm-Related Small Businesses reflect the concessional cost of loan advances that were committed, but not paid, by the RIC on behalf of the department as at 30 June 2023. All advances are expected to be paid in the 2023–24 financial year.

Accounting judgements and estimates

Concessional loan commitments are initially measured at their fair value, calculated as the present value of cash flows associated with loan advances committed, but not paid, at the time the commitment is made,

discounted at the commercial market interest rate. The provision is subsequently measured at amortised cost and reduced for the concessional component as each loan is advanced.

Commercial market interest rates are obtained from farmers and validated by the RIC. Farm enterprises may consist of several facilities, each with their own interest rate. In these circumstances, the RIC calculates the average interest rate.

Note 23B: Remediation provision	Remediation provision
	\$'000
As at 1 July 2022	47 888
Unwinding of discount	-
Amounts used	-
Amounts transferred as part of restructure	(47 888)
Additional provisions made	-
Total as at 30 June 2023	-

The department transferred responsibilities to support the Jabiru township transition to a post mining environment as a result of the closure of the Ranger Uranium Mine to the Department of Climate Change, Energy, the Environment and Water on 1 July 2022.

Note 24: Administered – current/non-current distinction for assets and liabilities

Note 24: Administered current/non-current distinction for assets and liabilities	2023	2022
	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	86 682	2 209 143
Loan receivables	8 433	13 547
Trade, taxation and other receivables	145 969	133 294
Inventories	-	168
Prepayments	2 564	2 429
Total no more than 12 months	243 648	2 358 581
More than 12 months		
Loan receivables	2 720 470	2 604 528
Trade, taxation and other receivables	7 211	7 331
Investments in corporate Commonwealth entities	800 845	1 663 211
Land	-	618
Infrastructure	-	615 240
Plant and equipment	-	1 614
Flooding easements	-	814
Heritage and cultural	-	985
Water entitlements	-	4 024 726

Note 24: Administered current/non-current distinction for assets and liabilities	2023	2022
	\$'000	\$'000
Inventories	-	10 587
Prepayments	2 728	3 942
Total more than 12 months	3 531 254	8 933 596
Total assets	3 774 902	11 292 177
Liabilities expected to be settled in:		
No more than 12 months		
Levy disbursements and Commonwealth contributions	188 386	136 559
Grants	5 768	30 545
Suppliers	4 038	93 472
Personal benefits - income support to farmers	893	2 052
Corporate Commonwealth entities	-	3 410
Other payables	-	439
Loan commitments to farm businesses	1 888	10 658
Remediation provision	-	24 436
Total no more than 12 months	200 973	301 571
More than 12 months		
Remediation provision	-	23 452
Total more than 12 months	-	23 452
Total liabilities	200 973	325 023

Note 25: Administered – restructuring

Note 25: Administered restructuring	2023	2022
	\$'000	\$'000
Environment and water		Rural Financial Counselling Service
Department of Climate Change, Energy, the Environment and Water¹		National Recovery and Resilience Agency
FUNCTIONS RELINQUISHED		
Assets relinquished		
Cash and cash equivalents	2 131 197	-
Trade, taxation and other receivables	15 096	6
Investments in corporate Commonwealth entities	1 078 715	-
Land	618	-
Infrastructure	615 240	-
Plant and equipment	1 614	-
Flooding easements	814	-
Heritage and cultural	985	-
Water entitlements	4 024 726	-

Note 25: Administered restructuring	2023	2022
	Environment and water	Rural Financial Counselling Service
	Department of Climate Change, Energy, the Environment and Water¹	National Recovery and Resilience Agency
	\$'000	\$'000
Inventories	10 755	-
Total assets relinquished	7 879 760	6
Liabilities relinquished		
Grants	25 680	66
Suppliers	91 906	-
Other payables	439	-
Corporate Commonwealth entities	3 410	-
Remediation provision	47 888	-
Total liabilities relinquished	169 323	66
Net assets relinquished²	7 710 437	(60)

1 Environment and water functions of the department were relinquished to the Department of Climate Change, Energy, the Environment and Water on 1 July 2022 as a result of the Administrative Arrangement Orders on 1st and 23rd of June 2022.

2 The net assets relinquished to the Department of Climate Change, Energy, the Environment and Water were \$7.710 billion.

Note 26: Administered – contingent assets and liabilities

Quantifiable contingencies

There are no quantifiable contingent assets or liabilities at 30 June 2023 (2022: \$0).

Unquantifiable contingencies

The Australian Government encourages expenditure on research and development to increase the competitiveness and sustainability of industries within Australia. Under several Acts, the Commonwealth provides contributions to a number of nominated entities responsible for undertaking research and development activities in respect of portfolio industries. These contributions are typically made on a matching basis. Under legislation, entities are eligible for matching contributions which are subject to annual 'caps' based on the total cumulative amount of levies collected, amounts spent on qualifying research and development and the annual level of the determined gross value of production. The operation of these annual caps can result in annual entitlements being limited to less than full cumulative levy collections and/or cumulative qualifying research and development expenditure. However, matching contributions may still be payable in later years, depending on the level of the caps determined in future years and eligible amounts are therefore carried forward from year to year.

At 30 June 2023, the Commonwealth had a maximum potential liability in respect of matching payments of approximately \$810 million (2022: \$781 million). The Commonwealth's actual future liability is contingent on a combination of several currently indeterminable independent factors which are beyond the control of both the department and the recipient entities, in particular the future annual levels of levy collections and determined gross values of production. The likelihood of

meeting the eligibility requirements and the amount of future payments is uncertain. Hence, the total liability is considered unquantifiable.

The department has not collected the cattle or livestock transaction levy on transactions involving the sale of cattle or livestock from Australian exporters to overseas importers as required under the *Primary Industries (Excise) Levies Act 1999*. At 30 June 2023 the amount of the uncollected levy since 1999 is unquantifiable and likelihood of collecting the levy is low. It is difficult to predict the scope of claims that may arise in relation to the non-collection of the levy. The department is reviewing the legislation that imposes the charges and mechanisms for resolving this matter.

The unquantifiable contingencies reported at 30 June 2022 relating to the Baseline Diversion Limit and Jabiru have been transferred in the department's restructure.

Accounting policy

Indemnities

The maximum amounts payable under the indemnities given is disclosed. At the time of completion of the financial statements, there was no reason to believe that the indemnities would be called upon, and no recognition of any liability was therefore required.

Note 27: Administered – financial instruments

Note 27A: Categories of financial instruments	2023	2022
	\$'000	\$'000
Financial assets at amortised cost		
Cash and cash equivalents	86 682	2 209 143
Goods and services	203	1 412
Loans	2 728 903	2 618 075
Other receivables	-	105
Interest receivable from loans	14 878	5 422
Total financial assets at amortised cost	2 830 666	4 834 157
Financial assets at fair value through profit or loss		
Emergency response receivables	9 902	9 664
Total financial assets at fair value through profit or loss	9 902	9 664
Financial assets at fair value through other comprehensive income		
Investments in corporate Commonwealth entities	800 845	1 663 211
Total financial assets at fair value through other comprehensive income	800 845	1 663 211
Total financial assets	3 641 413	6 507 032
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	4 038	93 472
Grants payable	5 768	30 545
Total financial liabilities at amortised cost	9 806	124 017
Total financial liabilities	9 806	124 017

Note 27B: Net gains or losses on financial assets	2023	2022
	\$'000	\$'000
Financial assets at amortised cost		
Interest revenue	151 256	83 650
Impairment	(51)	(32 713)
Concessional loan discount	(13 217)	(23 055)
Net gains/(losses) on financial assets at amortised cost	137 988	27 882
Financial assets at fair value through profit and loss		
Gains/(losses) recognised in income statement	842	317
Net gains/(losses) on financial assets at fair value through profit and loss	842	317
Financial assets at fair value through other comprehensive income		
Gains/(losses) recognised in equity	216 349	192 994
Net gains/(losses) on financial assets at fair value through other comprehensive income	216 349	192 994
Net gains/(losses) on financial assets	355 179	221 193

The net interest income/expense from financial assets not at fair value through profit or loss is \$151.256m (2022: \$83.650m).

Note 27C: Net gains or losses on financial liabilities

There are no net gains or losses on financial liabilities.

Note 28: Administered – appropriations

Note 28A: Annual and unspent appropriations ('recoverable GST exclusive')	2023	2022
	\$'000	\$'000
Ordinary annual services		
Annual appropriations		
Operating	631 650	1 291 620
Payments to corporate Commonwealth entities	24 628	216 200
PGPA Act section 74 receipts	13 216	1 738
PGPA Act section 75 transfers	(320 265)	(40 000)
Total available appropriation	349 229	1 469 558
Appropriation applied (current and prior years)	(258 573)	(856 794)
Variance¹	90 656	612 764
Opening unspent appropriation balance	998 736	689 247
Prior year PGPA Act section 75 transfers	(737 132)	(159)
Prior year Appropriation Acts repealed	(158 583)	(303 116)
Closing unspent appropriation balance	193 677	998 736
Balance comprises appropriations as follows:²		
<i>Supply Act (No 1) Operating 2019–20³</i>	-	6 479
<i>Appropriation Act (No 1) Operating 2019–20³</i>	-	131 281

Note 28A: Annual and unspent appropriations ('recoverable GST exclusive')	2023	2022
	\$'000	\$'000
<i>Appropriation Act (No 3) Operating 2019–20³</i>	-	3 088
<i>Appropriation Act (No 5) Operating 2019–20 - APVMA³</i>	-	17 735
<i>Supply Act (No 1) Operating 2020–21⁴</i>	2 565	51 631
<i>Appropriation Act (No 1) Operating 2020–21⁴</i>	20 709	150 332
<i>Appropriation Act (No 1) Operating 2021–22</i>	78 434	637 672
<i>Appropriation Act (No 3) Operating 2021–22</i>	-	518
<i>Supply Act (No 1) Operating 2022–23</i>	19 561	-
<i>Supply Act (No 3) Operating 2022–23</i>	48 253	-
<i>Appropriation Act (No 1) Operating 2022–23</i>	24 155	-
Total unspent appropriation - ordinary annual services	193 677	998 736
Other services		
Annual appropriations		
Administered assets and liabilities	236 499	530 000
Payments to corporate Commonwealth entities	-	141 077
Total available appropriation	236 499	671 077
Appropriation applied (current and prior years)	(143 964)	(1 795 705)
Variance⁵	92 585	(1 124 628)
Opening unspent appropriation balance	891 830	2 685 680
Prior year PGPA Act section 75 transfers	(32 906)	-
Prior year Appropriation Acts repealed	-	(669 222)
Closing unspent appropriation balance	951 459	891 830
Balance comprises appropriations as follows:⁶		
<i>Appropriation Act (No 2) 2020–21⁴</i>	336 473	375 515
<i>Cash at bank - Appropriation Act (No. 2) 2021–22</i>	-	10 008
<i>Appropriation Act (No 2) 2021–22</i>	385 669	506 307
<i>Supply Act (No 2) 2022–23</i>	75 315	-
<i>Supply Act (No 4) 2022–23</i>	137 958	-
<i>Cash at bank - Appropriation Act (No. 2) 2022–23</i>	16 044	-
Total unspent appropriation - other services	951 459	891 830
Total unspent appropriation	1 145 136	1 890 566

1 The variance of \$90.656 million comprises of unspent current year appropriations of \$91.969 million offset by prior years appropriation applied in 2023 of \$1.313 million. **2** The unspent annual appropriation is shown inclusive of PGPA Act section 51 withholdings against: *Supply Act (No. 1) 2020–2021* of \$2.565 million; and *Appropriation Act (No. 1) 2020–2021* of \$20.709 million; and *Appropriation Act (No. 1) 2020–2021* of \$17.882 million; and *Supply Act (No. 3) 2022–2023* of \$32.844 million; and *Appropriation Act (No. 1) 2022–2023* of \$17.850 million. **3** *Supply Act (No. 1)*, *Appropriation Act (No. 1) 2019–2020*, *Appropriation Act (No. 3) 2019–2020* and *Appropriation Act (No. 5) 2019–2020* self-repealed on 1 July 2022. **4** *Supply Act (No. 1) 2020–2021*, *Appropriation Act (No. 1) 2020–2021* and *Appropriation Act (No. 2) 2020–2021* will self-repeal on 1 July 2023. **5** The variance of \$92.585 million is comprised of unspent current year appropriations of \$219.359 million offset by prior years appropriation applied in 2023 of \$126.774 million. **6** The unspent annual appropriation is shown inclusive of PGPA Act section 51 withholdings against: *Appropriation Act (No. 2) 2021–2022* of \$30.000 million.

Note 28B: Special appropriations ('recoverable GST exclusive')	Appropriation applied	
	2023	2022
	\$'000	\$'000
Authority		
<i>Agricultural and Veterinary Chemicals (Administration) Act 1992</i>	(41 400)	(32 270)
<i>Australian Animal Health Council (Live-stock Industries) Funding Act 1996</i>	(7 313)	(7 525)
<i>Australian Meat and Live-stock Industry Act 1997</i>	(222 308)	(224 827)
<i>Dairy Produce Act 1986</i>	(58 426)	(53 905)
<i>Egg Industry Service Provision Act 2002</i>	(10 936)	(10 249)
<i>Farm Household Support Act 2014¹</i>	(75 501)	(102 926)
<i>Forestry Marketing and Research and Development Services Act 2007</i>	(12 557)	(11 069)
<i>Horticulture Marketing and Research and Development Services Act 2000</i>	(122 221)	(117 778)
<i>Pig Industry Act 2001</i>	(24 851)	(24 706)
<i>Plant Health Australia (Plant Industries) Funding Act 2002</i>	(10 440)	(9 024)
<i>Primary Industries Research and Development Act 1989</i>	(426 078)	(380 619)
<i>Public Governance, Performance and Accountability Act 2013</i>	(940)	(2 446)
<i>Sugar Research and Development Services Act 2013</i>	(29 837)	(27 621)
<i>Wine Australia Act 2013</i>	(30 747)	(34 182)
<i>Wool Services Privatisation Act 2000</i>	(56 191)	(59 866)
Total special appropriations applied	(1 129 746)	(1 099 013)

¹ The amount of \$75.501 million (2022: \$102.926 million) was transferred to Services Australia who made Farm Household Allowance payments on behalf of the department.

The following special appropriations had no transactions and budgets during the reporting and comparative years:

- *Australian Meat and Live-stock Industry (Repeals and Consequential Provisions) Act 1997*
- *Dairy Industry Service Reform Act 2003*
- *Egg Industry Service Provision (Transitional and Consequential Provisions) Act 2002*
- *Horticulture Marketing and Research and Development Services (Repeals and Consequential Provisions) Act 2000*
- *Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Act 2014.*

Note 29: Administered – special accounts

	Agriculture Future Drought Resilience Special Account ¹		Environment SOETM Special Account 2020		Environmental Water Holdings Special Account	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	67 873	41 831	660	546	97 308	90 550
Increases	100 154	100 000	-	542	-	35 426
Total increases	100 154	100 000	-	542	-	35 426
Available for payments	168 027	141 831	660	1 088	97 308	125 976
Decreases	(97 454)	(73 958)	(660)	(428)	(97 308)	(28 668)
Total decreases	(97 454)	(73 958)	(660)	(428)	(97 308)	(28 668)
Total balance carried to the next period	70 573	67 873	-	660	-	97 308
Balance made up of:						
Cash held in the Official Public Account	70 573	67 873	-	660	-	97 308
Total balance carried to the next period	70 573	67 873	-	660	-	97 308

	National Environment Protection Council Special Account		Natural Heritage Trust of Australia Account		Ozone Protection and SGG Account	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	5 308	5 188	451 451	462 493	40 516	40 817
Increases	-	845	-	148 799	-	17 163
Total increases	-	845	-	148 799	-	17 163
Available for payments	5 308	6 033	451 451	611 292	40 516	57 980
Decreases	(5 308)	(725)	(451 451)	(159 841)	(40 516)	(17 464)
Total decreases	(5 308)	(725)	(451 451)	(159 841)	(40 516)	(17 464)
Total balance carried to the next period	-	5 308	-	451 451	-	40 516
Balance made up of:						
Cash held in the Official Public Account	-	5 308	-	451 451	-	40 516
Total balance carried to the next period	-	5 308	-	451 451	-	40 516

	Reef Trust Special Account 2014		Water for the Environment Special Account	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	40 812	57 625	1 489 185	1 509 935
Increases	-	16 489	-	105 000
Total increases	-	16 489	-	105 000
Available for payments	40 812	74 114	1 489 185	1 614 935
Decreases	(40 812)	(33 302)	(1 489 185)	(125 750)
Total decreases	(40 812)	(33 302)	(1 489 185)	(125 750)
Total balance carried to the next period	-	40 812	-	1 489 185
Balance made up of:				
Cash held in the Official Public Account	-	40 812	-	1 489 185
Total balance carried to the next period	-	40 812	-	1 489 185

	Water Resources Special Account 2016		WELS Account	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	2 171	2 293	4 446	5 659
Increases	-	443	-	1 724
Total increases	-	443	-	1 724
Available for payments	2 171	2 736	4 446	7 383
Decreases	(2 171)	(565)	(4 446)	(2 937)
Total decreases	(2 171)	(565)	(4 446)	(2 937)
Total balance carried to the next period	-	2 171	-	4 446
Balance made up of:				
Cash held in the Official Public Account	-	2 171	-	4 446
Total balance carried to the next period	-	2 171	-	4 446

Responsibility for administering the Environment SOETM Special Account 2020, Environmental Water Holdings Special Account, National Environment Protections Council Special Account, National Heritage Trust of Australia Account, Ozone Protection and SGG Account, Reef Trust Special Account, Water for the Environment Special Account, Water Resources Special Account 2016 and the WELS Account transferred to the Department of Climate Change, Energy, the Environment and Water on 1 July 2022.

In addition to the above special accounts, the department had responsibility for the following special accounts that had no transactions debited or credited to it during the current or prior reporting period: Natural Resources Management Account and National Cattle Disease Eradication Account.

The following special accounts are appropriated under *Public Governance, Performance and Accountability Act 2013* section 80:

Special Account	Establishing instrument	Purpose
1. Agriculture Future Drought Resilience Special Account	<i>Future Drought Fund Act 2019</i> ; section 33	For the purpose of making payments associated with projects, research, advice, service and technology that will work towards achieving drought resilience.
2. Natural Resources Management Account	<i>Natural Resources Management (Financial Assistance) Act 1992</i> ; section 11	For the year ended 30 June 2023, the account had a nil balance and there were no transactions debited or credited to it during the current or prior reporting period. For the purposes of granting financial assistance in connection with projects relating to natural resources management.
3. National Cattle Disease Eradication Account	<i>National Cattle Disease Eradication Act 1991</i> ; section 4	For the year ended 30 June 2023, the total balance carried to the next period was \$15 161 (2022: \$15 161). There were no transactions debited or credited to the account during the current or prior reporting period. For the purpose of the eradication of any disease of cattle that is endemic in Australia.

Note 30: Administered – assets held in trust

Monetary assets – services for other entities and trust monies	2023	2022
	\$'000	\$'000
As at 1 July	660	546
Receipts	-	542
Payments	-	(428)
Amounts transferred as part of restructure	(660)	-
Total as at 30 June	-	660
Total monetary assets held in trust	-	660

The department transferred monies held in trust on behalf of Environment Protection Authority Victoria in relation to management of Hazardous Wastes, Substances and Pollutants program and the Environment Protection Authority New South Wales in relation to activities for the Australasian Environmental Law Enforcement and Regulators Network to the Department of Climate Change, Energy, the Environment and Water on 1 July 2022.

Note 31: Administered – regulatory charging

	2023	2022
Expenses	\$'000	\$'000
Administered	-	14 777
Total expenses	-	14 777
Revenue		
Administered	-	27 752
Total revenue	-	27 752
Amounts written off		
Administered	-	1
Total amounts written off	-	1

The department transferred all administered regulatory charging activities to the Department of Climate Change, Energy, the Environment and Water on 1 July 2022.

Part 5: Appendixes

Appendix A: Entity resource statement

Table A1 Entity resource statement subset summary, 2022–23

Category	Item	Actual available appropriation 2022–23 (a) (\$'000)	Payments made (b) (\$'000)	Balance remaining (a) – (b) (\$'000)
Departmental	Annual appropriations: ordinary annual services ^{c,d,e}	1,066,122	893,139	172,983
	Annual appropriations: other services – non-operating ^f	76,488	57,950	18,538
	Total departmental annual appropriations	1,142,610	951,089	191,521
	Special accounts ^g	601,727	589,901	11,826
	Total special accounts	601,727	589,901	11,826
	<i>Less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>-77,865</i>	<i>-77,865</i>	<i>0</i>
	Total departmental resourcing (A)	1,666,472	1,463,125	203,347
Administered	Annual appropriations: ordinary annual services ^{c,h}	337,812	258,573	79,239
	Annual appropriations: other services – non-operating ^f	410,781	143,964	266,817
	Total administered annual appropriations	748,593	402,537	346,056
	Administered special appropriations	1,129,746	1,129,746	0
	Total administered special appropriations	1,129,746	1,129,746	0
	Special accounts ^g	168,042	97,454	70,588
	Total special accounts	168,042	97,454	70,588
	<i>Less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>-100,000</i>	<i>-100,000</i>	<i>0</i>
	<i>Less payments to corporate entities from annual/special appropriations</i>	<i>-66,028</i>	<i>-66,028</i>	<i>0</i>
	Total administered resourcing (B)	1,880,353	1,463,709	416,644
Total resourcing and payments for Department of Agriculture, Fisheries and Forestry (A + B)		3,546,825	2,926,834	619,991

^c Supply Act (No. 1) 2022–2023, Supply Act (No. 3) 2022–2023, Appropriation Act (No. 1) 2022–2023 and Appropriation Act (No. 3) 2022–23. This includes prior year departmental appropriations and section 74 external revenue. ^d Departmental capital budgets are not separately identified in Appropriation Bill (No. 1, 3, 5) and form part of ordinary annual service items. ^e Excludes the following departmental annual appropriations amounts withheld under section 51 of the PGPA Act: ordinary annual services – prior year appropriations available: \$6.544 million. ^f Supply Act (No. 2) 2022–2023, Supply Act (No. 4) 2022–2023, and Appropriation Act (No. 2) 2022–2023. ^g Excludes special account balances transferred to the Department of Climate Change, Energy, the Environment and Water under machinery of government changes. ^h Excludes the following administered annual appropriations amounts withheld under section 51 of the PGPA Act: ordinary annual services – prior year appropriations available: Outcome 1 \$84.7 million, Outcome 2 \$29.7 million; other services: non-operating – prior year appropriations available: \$684.6 million.

Appendix B: Expenses by outcomes

Outcome 1

More sustainable, productive, internationally competitive and profitable Australian agricultural, food and fibre industries through policies and initiatives that promote better resource management practices, innovation, self-reliance and improved access to international markets.

Table B1 Expenses for Outcome 1, 2022–23

Program	Category	Activity	Budget ^c 2022–23 (a) (\$'000)	Actual expenses 2022–23 (b) (\$'000)	Variation 2022–23 (a) – (b) (\$'000)
Program 1.2 Sustainable Management – Natural Resources	Administered expenses: ordinary annual services (Appropriation Act No. 1)	Agriculture 2030 – Biosecurity – for reduction and prevention activities to reduce the economic and environmental burden of established feral animals, pests and weeds	4,960	1,060	3,900
		Agriculture 2030 – Soil and Stewardship: Develop and roll out an accreditation standard to enhance soil education and expertise	550	550	0
		Agriculture 2030 – Soil and Stewardship: Enhance the National Soil Resources Information System	52,222	18,299	33,923
		Agriculture 2030 – Soil and Stewardship: Implement a National Soils Science Challenge	6,797	6,564	233
		National Carp Control Plan	1,838	0	1,838
		Pest Animal and Weeds Management	5,473	5,470	3
		Total for Program 1.2	–	71,840	31,943
Program 1.3 Forestry Industry	Administered expenses: ordinary annual services (Appropriation Act No. 1)	A Better Plan for Forestry and Forest Products: Australia-wide National Institute for Forest Products Innovation	3,160	3,160	0
		A Better Plan for Forestry and Forest Products: Forestry Workforce Training Program	500	300	200
		Accelerate Adoption of Wood Processing Innovation	15,000	14,729	271
		Fisheries – establish new, Regional Forestry Hubs	3,250	3,250	0
		National Bushfire Recovery Fund – Forestry Recovery Development Fund	10,000	9,739	261
	Administered expenses: special appropriations	<i>Forestry Marketing and Research and Development Services Act 2007, s. 9(1) – payments and matching payments to an industry services body and Commonwealth administration expenses</i>	12,688	12,410	278
Total for Program 1.3	–	44,598	43,588	1,010	

Program	Category	Activity	Budget ^c 2022–23 (a) (\$'000)	Actual expenses 2022–23 (b) (\$'000)	Variation 2022–23 (a) – (b) (\$'000)
Program 1.4 Fishing Industry	Administered expenses: ordinary annual services (Appropriation Act No. 1)	Agriculture 2030 – Forestry and Fisheries – extend and broaden the Tuna Champions program	200	200	0
		Capacity Building for Fisheries Representatives	100	100	0
		Powering Australia – Development of Australia’s Seaweed Farming	2,400	2,400	0
		Fisheries Habitat Restoration	5,926	5,819	107
		Fisheries Resources Research Fund	638	542	96
		Forestry and Fishing – supporting the forestry and fishing industry to improve long-term sustainability of the South East Trawl Fishery and support fishers	20,000	19,491	509
	Administered expenses: special appropriations	<i>Primary Industries Research and Development Act 1989, s. 30A(3) and s. 30B(9) – Fisheries R&D Corporation</i>	24,855	22,369	2,486
Total for Program 1.4	–	54,119	50,921	3,198	
Program 1.5 Horticulture Industry	Administered expenses: special appropriations	<i>Horticulture Marketing and Research and Development Services Act 2000, s. 16(9) – payments to industry services body</i>	122,762	129,097	–6,335
		Total for Program 1.5	–	122,762	129,097
Program 1.6 Wool Industry	Administered expenses: special appropriations	<i>Wool Services Privatisation Act 2000, s. 31(4) – funding contract with research body</i>	66,500	55,400	11,100
		Total for Program 1.6	–	66,500	55,400
Program 1.7 Grains Industry	Administered expenses: special appropriations	<i>Primary Industries Research and Development Act 1989, s. 30(3) – Grains R&D Corporation – Other Grains</i>	154,008	161,191	–7,183
		<i>Primary Industries Research and Development Act 1989, s. 30(3) – Grains R&D Corporation – Wheat</i>	144,253	232,417	–88,164
	Total for Program 1.7	–	298,261	393,608	–95,347
Program 1.9 Meat and Livestock Industry	Administered expenses: special appropriations	<i>Australian Meat and Live-stock Industry Act 1997, s. 63(2) – payments to industry marketing body</i>	87,290	72,515	14,775
		<i>Australian Meat and Live-stock Industry Act 1997, s. 64(2) – payments to research body</i>	29,628	25,170	4,458
		<i>Australian Meat and Live-stock Industry Act 1997, s. 64A(2) – payments to livestock export marketing body</i>	2,227	2,345	–118

Program	Category	Activity	Budget ^c 2022–23 (a) (\$'000)	Actual expenses 2022–23 (b) (\$'000)	Variation 2022–23 (a) – (b) (\$'000)
		<i>Australian Meat and Live-stock Industry Act 1997, s. 64B(2) – payments to livestock research body</i>	446	469	–23
		<i>Australian Meat and Live-stock Industry Act 1997, s. 64C(2) – payments to meat processor marketing body</i>	7,138	6,895	243
		<i>Australian Meat and Live-stock Industry Act 1997, s. 64D(2) – payments to meat processor research body</i>	10,707	10,342	365
		<i>Australian Meat and Live-stock Industry Act 1997, s. 66(1) – Commonwealth contribution to research body</i>	98,917	96,246	2,671
		<i>Pig Industry Act 2001, s. 10(1) – payments under funding contract</i>	23,588	24,603	–1,015
	Total for Program 1.9	–	259,941	238,585	21,356
Program 1.10 Agricultural Resources	Administered expenses: ordinary annual services (Appropriation Act No. 1)	A Competitive Agriculture Sector: Boosting farm profits through rural research and development	5,595	5,529	66
		Agricultural and Veterinary Chemicals Minor Use Program	138	138	0
		Agriculture 2030 – Improving employment opportunities: Extend the Fair Farms program	1,027	1,023	4
		Agriculture 2030 – Improving employment opportunities: Pilot AgCAREERSTART program	3,081	3,069	12
		Agriculture 2030 – Improving employment opportunities: Pilot AgUP program	2,877	231	2,646
		Agriculture 2030 – Innovation: Innovation – expanded Australian Farm Data Code	120	120	0
		Agriculture 2030 – Supporting Trade: Extend the Improved Access to Agricultural and Veterinary Chemicals program	2,000	1,195	805
		Agriculture 2030 – Supporting Trade: Extend the Improved Access to Agricultural and Veterinary Chemicals program – Grants to Global Minor Use Foundation	50	50	0
		Agriculture 2030 – Supporting Trade: Fund projects in collaboration with the perishable agriculture goods industry that improve market transparency in the sector	2,000	1,447	553
		AgriFutures Australia	9,640	9,640	0
		Educating Kids about Agriculture	2,250	2,250	0
		National Farm Safety Education Fund	1,000	982	18

Program	Category	Activity	Budget ^c 2022–23 (a) (\$'000)	Actual expenses 2022–23 (b) (\$'000)	Variation 2022–23 (a) – (b) (\$'000)
		Supporting Agricultural Industries and Communities – Innovation – scaling up Agricultural Innovation Hubs	16,000	16,000	0
		Support for Regional Trade Events	3,450	3,450	0
		Wine Tourism and Cellar Door Grant	10,000	10,000	0
	Administered expenses: payments to corporate entities (draw-down)	Australian Pesticides and Veterinary Medicines Authority (APVMA)	1,638	1,663	-25
	Administered expenses: special appropriations	<i>Agricultural and Veterinary Chemicals (Administration) Act 1992 s. 58(6) – amounts payable to the APVMA</i>	38,418	45,865	-7,447
		<i>Egg Industry Service Provision Act 2002, s. 8(1) – payments under funding contract</i>	11,211	10,487	724
		<i>Primary Industries Research and Development Act 1989, s. 30(3) – Cotton R&D Corporation</i>	25,278	25,385	-107
		<i>Primary Industries Research and Development Act 1989, s. 30(3) – Rural Industries R&D Corporation</i>	29,143	33,671	-4,528
		<i>Sugar Research and Development Services Act 2013, s. 7 – payment to industry services body</i>	29,353	30,288	-935
		<i>Wine Australia Act 2013, s. 32 – payments to the authority</i>	31,003	32,053	-1,050
	Administered expenses: expenses not requiring appropriation in the Budget year	Write-down and impairment of assets	0	1,619	-1,619
	Total for Program 1.10	-	225,272	236,155	-10,883
Program 1.11 Drought Programs	Administered expenses: ordinary annual services (Appropriation Act No. 1)	Future Drought Fund – administration costs	179	101	78
	Administered expenses: payments to corporate entities (draw-down)	Regional Investment Corporation	18,274	19,182	-908
		Regional Investment Corporation – drought loans	3,489	3,489	0
		Regional Investment Corporation – AgriStarter loans	294	294	0
	Administered expenses: special account	Agriculture Future Drought Resilience Special Account	163,081	92,800	70,281

Program	Category	Activity	Budget ^c 2022–23 (a) (\$'000)	Actual expenses 2022–23 (b) (\$'000)	Variation 2022–23 (a) – (b) (\$'000)
	Administered expenses: expenses not requiring appropriation in the Budget year	Drought Recovery Concessional Loans Scheme – state administration	234	234	0
		Farm Business Concessional Loans Scheme – discount expenses	61,025	13,217	47,808
		Farm Business Concessional Loans Scheme – state administration	980	980	0
		Impairment loss on financial instruments	0	51	-51
	Total for Program 1.11	–	247,556	130,348	117,208
Program 1.12 Rural Programs	Administered expenses: special appropriations	<i>Farm Household Support Act 2014, s. 105</i> – payments for Farm Household Allowance	92,989	70,855	22,134
	Administered expenses: expenses not requiring appropriation in the Budget year	<i>Farm Household Support Act 2014, s. 105</i> – payments for Farm Household Allowance	31,515	0	31,515
		Write-down and impairment of assets	0	4,364	-4,364
	Total for Program 1.12	–	124,504	75,219	49,285
Program 1.13 International Market Access	Administered expenses: ordinary annual services (Appropriation Act No. 1)	Agriculture Trade and Market Access Cooperation Program	1,500	1,500	0
		Expansion of the Agricultural Trade and Market Access program – support improved market diversification	6,000	6,000	0
		Food and Agriculture Organization of the United Nations	17,665	15,611	2,054
		Indonesia–Australia Red Meat and Cattle Partnership	500	500	0
		International organisations contributions	2,026	2,415	-389
	Total for Program 1.13	–	27,691	26,026	1,665
Program 1.2 to Program 1.13	Total administered expenses	Ordinary annual services (Appropriation Act No. 1)	220,112	172,924	47,188
		Special appropriations	1,096,693	1,158,459	-61,766
		Special accounts	163,081	92,800	70,281
		Payments to corporate entities (draw-downs)	23,695	24,628	-933
		Expenses not requiring appropriation in the Budget year	93,754	20,465	73,289
	Total departmental expenses ^d	Departmental appropriations ^{e,f}	242,950	406,828	-163,878
		Expenses not requiring appropriation in the Budget year ^g	23,405	55,598	-32,193
	Total expenses for Outcome 1	–	1,863,690	1,931,702	-68,012

c Original budget as presented in the October 2022–23 Portfolio Budget Statements. Additional funding was received through Appropriation Bill No. 3 in June 2023. d The 2022–23 departmental expenses include amounts recorded for water and environment functions in July and August 2022 prior to the formal transfer to the Department of Climate Change, Energy, the Environment and Water. e Combines ordinary annual services (Appropriation Act No. 1) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*. f Allocations are notional and reflect the current structure of the department. g Includes depreciation expenses, amortisation expenses, write-down and impairment of assets and resources received free of charge. n/a Not applicable.

Table B2 Average staffing level for Outcome 1, 2022–23

Category	Budget 2022–23 (no.)	Actual 2022–23 (no.)
Average staffing level for Outcome 1	995	1,176

Outcome 2

Safeguard Australia’s animal and plant health status to maintain overseas markets and protect the economy and environment from the impact of exotic pests and diseases, through risk assessment, inspection and certification, and the implementation of emergency response arrangements for Australian agricultural, food and fibre industries.

Table B3 Expenses for Outcome 2, 2022–23

Program	Category	Activity	Budget ^c 2022– 23 (a) (\$'000)	Actual expenses 2022–23 (b) (\$'000)	Variation 2022–23 (a) – (b) (\$'000)
Program 2.1 Biosecurity and Export Services	Administered expenses: ordinary annual services (Appropriation Act No. 1)	Agriculture 2030 – Biosecurity – To ensure Australia continues to have a robust biosecurity preparedness and response capability in the event of a pest disease outbreak: Surveillance Animal	1,070	1,070	0
		Agriculture 2030 – Biosecurity – To ensure Australia continues to have a robust biosecurity preparedness and response capability in the event of a pest disease outbreak: Surveillance Plant	500	202	298
		Australian Trade System Support – Cultivating Australia’s Traceability – Promoting and Protecting Australian Premium Agriculture	25,068	15,426	9,642
		Bolstering Australia’s Biosecurity System – Protecting Australia from Escalating Exotic Animal Disease	1,213	477	736
		Bolstering Australia’s Biosecurity System – National Livestock Traceability Reform to Enhance Agricultural Biosecurity and Export	26,600	10,545	16,055
		Centre of Excellence for Biosecurity Risk Analysis and Research	1,890	1,882	8
		Enhancing Australia’s Biosecurity System – Priority Pest and Disease Planning and Response	2,834	2,150	684
		Modernising Agricultural Trade – Protecting Australia’s Clean, Green Brand	2,000	1,915	85
		Package Assisting Small Exporters	498	498	0

Program	Category	Activity	Budget ^c 2022– 23 (a) (\$'000)	Actual expenses 2022–23 (b) (\$'000)	Variation 2022–23 (a) – (b) (\$'000)
		Priorities for Australia’s Biosecurity System – Environmental Protection Officer	825	762	63
		Reducing Regulatory Burden and Streamlining Audit Arrangements in the Dairy Sector	4,060	467	3,593
	Administered expenses: expenses not requiring appropriation in the Budget year	Other expenses	0	119	-119
	Total for Program 2.1	–	66,558	35,513	31,045
Program 2.2 Plant and Animal Health	Administered expenses: ordinary annual services (Appropriation Act No. 1)	Agriculture 2030 – Biosecurity – continue to protect Australia from the biosecurity risk posed by African swine fever	392	302	90
		Animal Biosecurity and Response Reform	1,024	1,000	24
		Bolstering Australia’s Biosecurity System – protecting Australia from escalating exotic animal disease risks: Emergency funding to manage the risk of foot-and-mouth disease and lumpy skin disease	3,830	3,643	187
		Commonwealth Membership of Animal Health Australia and Plant Health Australia (PHA)	3,144	2,447	697
		International Organisations Contribution – World Organisation for Animal Health	258	377	-119
		Other Exotic Disease Preparedness Program	616	580	36
		Payment to CSIRO – contribution to the operating costs of the Australian Centre for Disease Preparedness	8,783	8,783	0
		Plant Biosecurity and Response Reform	1,444	909	535
		Stronger Farmers, Stronger Economy – strengthening research, skills and management of natural resources – immediate assistance fund	5,223	1,525	3,698
	Administered expenses: special appropriations	<i>Australian Animal Health Council (Live-stock Industries) Funding Act 1996, s. 5 – appropriation</i>	7,940	7,354	586
		<i>Plant Health Australia (Plant Industries) Funding Act 2002, s. 6 – appropriation</i>	9,416	6,842	2,574
		<i>Plant Health Australia (Plant Industries) Funding Act 2002, s. 10B – payments to PHA from EPPR levies and charges</i>	4,031	3,615	416
	Total for Program 2.2	–	46,101	37,377	8,724

Program	Category	Activity	Budget ^c 2022– 23 (a) (\$'000)	Actual expenses 2022–23 (b) (\$'000)	Variation 2022–23 (a) – (b) (\$'000)
	Special accounts	Biosecurity, Imported Food and Export Certification Special Account 2020	436,471	486,918	-50,447
		National Residue Survey Account – s. 80, PGPA Act 2013 [s. 6(1), <i>National Residue Survey Administration Act 1992</i>]	12,692	12,938	-246
Program 2.1 and Program 2.2	Administered expenses	Ordinary annual services (Appropriation Act No. 1)	91,272	54,960	36,312
		Special appropriations	21,387	17,811	3,576
		Expenses not requiring appropriation in the Budget year	0	119	-119
	Departmental expenses	Departmental appropriation ^{d,e}	413,054	402,832	10,222
		Special accounts	449,163	499,856	-50,693
		Expenses not requiring appropriation in the Budget year ^f	22,308	19,716	2,592
	Total expenses for Outcome 2	–	997,184	995,295	1,889

^c Original budget as presented in the October 2022–23 Portfolio Budget Statements. ^d Combines ordinary annual services (Appropriation Act No. 1) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*. ^e Allocations are notional and reflect the current structure of the department. ^f Includes depreciation expenses, amortisation expense, write-down and impairment of assets and resources received free of charge.

Table B4 Average staffing level for Outcome 2, 2022–23

Category	Budget 2022–23 (no.)	Actual 2022–23 (no.)
Average staffing level for Outcome 2	4,010	4,234

Appendix C: Ecologically sustainable development

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) requires an annual report on our contribution to the principles of ecologically sustainable development and measures to minimise our effect on the environment. This section provides the report for 2022–23.

Sustainable development

We prioritise programs that suit Australia’s unique environment, support our food and fibre needs and promote economic, environmental and social benefits for current and future generations.

In 2022–23 we funded programs that integrated innovation with management practices that conserved and, where possible, enhanced natural resources, including biodiversity, ecosystems, soils and environmental services. We delivered sustainable resource management programs, including through the Natural Heritage Trust, the Future Drought Fund (FDF) and our national soils program.

Our biosecurity objectives and programs were critical in maintaining biodiversity in Australia and overseas. Through international engagement, we contributed to policies and agreements that prioritised global biological diversity and ecological integrity.

2030 Agenda for Sustainable Development

The United Nations 2030 Agenda for Sustainable Development is a non-binding global roadmap for sustainable development. It includes 17 sustainable development goals (SDGs). We remain committed to being an active participant in the whole-of-government approach to the implementation of the 2030 Agenda and the SDGs.

SDG2 Zero hunger

We led the Australian Government’s work on SDG2. During the year, we:

- protected and strengthened food systems and value chains through our biosecurity work
- helped regional neighbours improve biosecurity and protect food systems
- invested \$302 million over 5 years to support sustainable agricultural practices and assist Australian farmers to be more climate-smart
- invested around \$300 million (along with industry levies of approximately \$500 million) in our 15 Rural Research and Development Corporations to increase the productivity, profitability and sustainability of the agricultural industry
- supported Australian farmers to prepare for the next drought and ensure they are more drought resilient, through the FDF
- continued to implement the National Soil Strategy to prioritise soil health, and worked with states and territories and other partners to develop the first National Soil Action Plan to help improve Australia’s soil health and long-term security
- promoted rules-based agricultural trade policies, including for avoiding market distortion and supporting science- and risk-based decision-making in multilateral forums.

SDG13: Climate action

We contributed to the Australian Government’s work on SD13 as it relates to the agricultural, fisheries and forestry industries. During the year, we:

- worked with states and territories on a national statement on climate change and agriculture – a commitment by all agriculture ministers to work with the industries to sustainably manage the impacts of climate change and grow the value of Australian agriculture
- invested \$8.1 million to help commercialise *Asparagopsis* seaweed for use as a low-emission feed supplement
- delivered enhancements to the Climate Services for Agriculture online platform, which helps bring together historical, seasonal and projected climate information for the agricultural industry
- progressed global efforts to help accelerate investment in climate-smart agriculture and food systems innovation through the Agriculture Innovation Mission for Climate
- joined the Forest and Climate Leaders’ Partnership and the Glasgow Breakthrough Agenda on Agriculture to boost international collaboration on climate solutions.

SDG14: Life below water

We contributed to the Australian Government’s work on SD14 as it relates to the fisheries industry. During the year, we continued to deliver on the National Fisheries Plan, which provides a shared vision and strategic framework for Australian governments to drive sustainable growth of the Australian fishing, aquaculture and seafood industries.

SDG15: Life on land

We contributed to the Australian Government’s work on SD15 by:

- joining the Forest and Climate Leaders’ Partnership, reiterating our commitment to SDG15 and the Global Forest Goals
- progressing a suite of initiatives totalling over \$300 million to support our forestry industry and strengthen sustainable forest management
- supporting the realisation of the post-2020 Global Biodiversity Framework under the Convention on Biological Diversity.

Environmental impact of operations

We complied with all relevant Commonwealth, state and territory environment-related legislation regulations, policies and initiatives. During the year, we minimised the impact of our operations on the environment by:

- procuring products that contain reputable eco-labels and environmental standards to improve environmental performance
- offsetting air-conditioning energy consumption in buildings with onsite solar power
- installing LED lighting and movement sensors and energy-efficient window blinds to reduce energy consumption

- using energy-saver mode for office equipment when not in use
- using electronic document management and collaboration to minimise paper use
- using technology, such as videoconferencing, to reduce the need for interstate travel
- encouraging the purchase of ethanol-blended fuel
- using electronic logbooks to monitor and manage vehicle use
- promoting environmental initiatives within our offices to promote sustainability.

We continued to explore opportunities to reduce grid-based electricity consumption and decarbonise energy mix through energy efficiency programs, onsite energy generation and third-party energy contracting.

We used environmentally sustainable and recyclable materials, where possible, in procurement and capital works.

Table C1 shows greenhouse gas emissions from our operations, as required under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* and the Australian Government's *APS Net Zero 2030* policy.

Table C1 Greenhouse gas emissions inventory, at 30 June 2023

Emission source	Scope 1 (kg CO ₂ -e)	Scope 2 (kg CO ₂ -e)	Scope 3 (kg CO ₂ -e)	Total (kg CO ₂ -e)
Electricity	n/a	7,025,560	654,496	7,680,056
Natural gas	1,681,16	n/a	135,774	1,816,943
Fleet vehicles	830,167	n/a	207,857	1,038,024
Domestic flights ^a	n/a	n/a	Not available	Not available
Other energy	0	n/a	0	0
Total	2,511,336	7,025,560	Not available	Not available

^a An estimated 7 kilotons of carbon dioxide equivalent emissions from domestic commercial flights are divided among the Department of Agriculture, Fisheries and Forestry, Department of Industry, Science and Resources, Department of Infrastructure, Transport, Regional Development, Communications and the Arts and Department of Climate Change, Energy, the Environment and Water. The exact allocation of domestic commercial flight emissions for each entity has not been determined yet due to machinery of government changes in the 2022–23 financial year. In future reports, the emissions data will be provided separately for each entity. **CO₂-e** Carbon dioxide equivalent. **Scope 1** Direct greenhouse gas emissions. **Scope 2** Indirect greenhouse gas emissions associated with purchased electricity. **Scope 3** Indirect emissions. Note: Our greenhouse gas emissions reporting methodology is consistent with the whole-of-government approach under the *APS Net Zero 2030* policy.

Energy efficiency

In 2022–23 we continued to review, report on and improve our environmental performance.

New leases incorporated tenancy and building owner National Australian Built Environment Rating System targets, where required.

Table C2 shows our performance against the *Energy Efficiency in Government Operations Policy* targets.

Table C2 Office energy performance, 2020–21 to 2022–23

Measures	Unit	EEGO target	2020–21	2021–22	2022–23
Office – tenant light and power	MJ per person	7,500	9,230	5,094	Not available
Office – central services	MJ per m ²	400	410	449	Not available

EEGO Energy Efficiency in Government Operations. **MJ** megajoule.

Note: Our energy reporting is in line with the *National Greenhouse and Energy Reporting Act 2007*.

Water conservation

Our new national office, Agriculture House, captures and stores rainwater to filter and re-use in the building's cooling towers. Bathrooms contain waterless urinals, water-saving shower heads, infrared motion-activated hand basins and dual-flush toilets. These initiatives contributed to a reduction in our reliance on the local water supply.

Our Mickleham PEQ facility purchased treated recycled water for non-potable water applications, such as toilet and urinal flushing.

Waste management

To minimise landfill, we supported recycling practices in our offices. We recycled toner cartridges, fluorescent light tubes and batteries. We provided separate bins for general waste, organic waste and commingled recycling in our national office.

We supported innovative re-use of waste. Organic waste from our Canberra office was converted into protein and fertiliser. Horse waste from quarantine consignments was repurposed as mulch to increase the sustainability of our PEQ facility. This process means 4,000 cubic meters of waste is strengthening the soil at the site each year, rather than being disposed of as landfill.

At smaller sites, where commercial waste management companies provide fewer services, we supported staff-led recycling initiatives.

In 2022–23 about 44% of the 79.98 tonnes of waste generated in our Canberra offices was recycled. This included:

- 11.04 tonnes of commingled recyclables
- 20.85 tonnes of paper and cardboard
- 2.74 tonnes of organic waste.

Appendix D: Employee statistics

Requirements for gender reporting were revised for the 2022–23 reporting period. In 2021–22 and 2022–23, our department used the term ‘X–Indeterminate’ in our data collection. This data has been reported as ‘uses a different term’, as per the [Australian Government Guidelines on the Recognition of Sex and Gender](#) and the [Standard for Sex, Gender, Variations of Sex Characteristics and Sexual Orientation Variables](#). We will revise our gender collection requirements for 2023–24. The 2021–22 data is for the Department of Agriculture, Water and the Environment prior to the machinery of government changes. As a result, 2021–22 data is not comparable with 2022–23 data.

All employees

Table D1 All ongoing employees, by location, gender and attendance type, at 30 June 2023

Location	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full-time	Part-time	Subtotal	Full-time	Part-time	Subtotal	Full-time	Part-time	Subtotal	Full-time	Part-time	Subtotal	Full-time	Part-time	Subtotal	
NSW	343	26	369	229	77	306	n/a	n/a	n/a	n/a	n/a	n/a	2	0	2	677
Qld	323	28	351	199	84	283	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	634
SA	83	12	95	50	29	79	n/a	n/a	n/a	n/a	n/a	n/a	2	0	2	176
Tas.	5	0	5	2	1	3	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	8
Vic.	354	20	374	245	69	314	n/a	n/a	n/a	n/a	n/a	n/a	1	0	1	689
WA	129	1	130	115	45	160	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	290
ACT	848	62	910	1,158	339	1,497	n/a	n/a	n/a	n/a	n/a	n/a	5	3	8	2,415
NT	11	7	18	16	6	22	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	40
External territories ^a	0	1	1	2	2	4	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	5
Overseas	12	0	12	10	0	10	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	22
Total	2,108	157	2,265	2,026	652	2,678	n/a	n/a	n/a	n/a	n/a	n/a	10	3	13	4,956

^a Includes Christmas Island, Cocos (Keeling) Islands and Norfolk Island. n/a Not applicable.

Note: Includes staff on leave without pay. Excludes statutory appointed positions.

Table D2 All non-ongoing employees, by location, gender and attendance type, at 30 June 2023

Location	Man/Male		Woman/Female		Non-binary		Prefers not to answer		Uses a different term		Total	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time		
NSW	12	32	44	9	14	23	n/a	n/a	n/a	0	0	67
Qld	21	29	50	24	30	54	n/a	n/a	n/a	0	0	104
SA	3	12	15	4	5	9	n/a	n/a	n/a	0	0	24
Tas.	1	3	4	1	1	2	n/a	n/a	n/a	0	0	6
Vic.	20	29	49	21	17	38	n/a	n/a	n/a	0	0	87
WA	4	13	17	9	13	22	n/a	n/a	n/a	0	0	39
ACT	52	11	63	87	30	117	n/a	n/a	n/a	0	0	180
NT	2	1	3	3	2	5	n/a	n/a	n/a	0	0	8
External territories ^a	1	6	7	0	6	6	n/a	n/a	n/a	0	0	13
Overseas	0	0	0	0	0	0	n/a	n/a	n/a	0	0	0
Total	116	136	252	158	118	276	n/a	n/a	n/a	0	0	528

^a Includes Christmas Island, Cocos (Keeling) Islands and Norfolk Island. **n/a** Not applicable. Note: Includes staff on leave without pay. Excludes statutory appointed positions.

Table D3 All ongoing employees, by location, gender and attendance type, at 30 June 2022

Location	Man/Male		Woman/Female		Uses a different term		Total
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	
NSW	338	21	359	70	299	0	658
Qld	319	24	343	79	275	0	618
SA	93	11	104	15	54	1	159
Tas.	191	12	203	42	147	1	351
Vic.	306	16	322	63	275	1	598

Location	Man/Male		Woman/Female		Uses a different term			Total	
	Full-time	Part-time	Subtotal	Full-time	Part-time	Full-time	Part-time		Subtotal
WA	104	2	106	83	45	128	0	0	234
ACT	1,348	114	1,462	1,990	584	2,574	8	4	4,048
NT	78	9	87	51	9	60	0	0	147
External territories ^a	16	2	18	8	2	10	0	0	28
Overseas	15	0	15	12	0	12	0	0	27
Total	2,808	211	3,019	2,925	909	3,834	11	4	6,868

^a Includes Australian Antarctic Territory, Christmas Island, Cocos (Keeling) Islands, Heard Island, Macquarie Island, McDonald Islands and Norfolk Island.

Note: Includes Parks Australia and staff on leave without pay and excludes statutory appointed positions.

Table D4 All non-ongoing employees, by location, gender and attendance type, at 30 June 2022

Location	Man/Male		Woman/Female		Uses a different term			Total	
	Full-time	Part-time	Subtotal	Full-time	Part-time	Full-time	Part-time		Subtotal
NSW	24	41	65	14	13	27	0	0	92
Qld	13	27	40	17	27	44	0	0	84
SA	5	11	16	6	6	12	2	0	30
Tas.	27	13	40	14	11	25	1	0	66
Vic.	39	23	62	22	20	42	0	0	104
WA	7	9	16	12	10	22	0	0	38
ACT	47	25	72	89	71	160	0	1	233
NT	12	71	83	17	60	77	0	1	161
External territories ^a	78	9	87	13	5	18	1	0	106
Overseas	0	1	1	0	0	0	0	0	1
Total	252	230	482	204	223	427	4	2	915

^a Includes Australian Antarctic Territory, Christmas Island, Cocos (Keeling) Islands, Heard Island, Macquarie Island, McDonald Islands and Norfolk Island.

Note: Includes Parks Australia and staff on leave without pay and excludes statutory appointed positions.

Classification and gender

Table D5 APS Act ongoing employees, by classification, gender and attendance type, at 30 June 2023

Classification	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full-time	Part-time	Subtotal	Full-time	Part-time	Subtotal	Full-time	Part-time	Subtotal	Full-time	Part-time	Subtotal	Full-time	Part-time	Subtotal	
SES 3	4	0	4	3	0	3	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	7
SES 2	12	0	12	13	1	14	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	26
SES 1	35	0	35	42	1	43	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	78
EL 2 ^a	263	10	273	261	39	300	n/a	n/a	n/a	n/a	n/a	n/a	1	0	1	574
EL 1 ^b	420	28	448	449	156	605	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	1,053
APS 6 ^c	398	34	432	474	151	625	n/a	n/a	n/a	n/a	n/a	n/a	2	1	3	1,060
APS 5 ^d	260	16	276	297	92	389	n/a	n/a	n/a	n/a	n/a	n/a	1	1	2	667
APS 4 ^e	675	60	735	452	185	637	n/a	n/a	n/a	n/a	n/a	n/a	6	1	7	1,379
APS 3 ^f	36	7	43	31	25	56	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	99
APS 2	3	0	3	2	2	4	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	7
APS 1	2	2	4	2	0	2	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	6
Other	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0
Total	2,108	157	2,265	2,026	652	2,678	n/a	n/a	n/a	n/a	n/a	n/a	10	3	13	4,956

^a EL2 includes VO3T principal legal officer, principal research scientist, senior public affairs officer and veterinary officer level 3T, 4 and 5 classifications. ^b EL1 includes public affairs officer level 3, veterinary officer level 3 and senior legal officer level 1 classifications. ^c APS6 includes APS meat inspector level 4, legal officers level 1, on-plant veterinarians, veterinary officer level 2 and public affairs officer level 2 classifications. ^d APS5 includes APS meat inspector level 3, legal officer level 1, public affairs officer level 1 and veterinary officer level 1 classifications. ^e APS4 includes APS meat inspector level 2 and legal officer level 1 classifications. ^f APS3 includes graduates and training broadbands. ^{n/a} Not applicable.

Note: Includes staff on leave without pay. Excludes statutory appointed positions.

Table D6 APS Act non-ongoing employees, by classification, gender and attendance type, at 30 June 2023

Classification	Man/Male		Woman/Female		Non-binary		Prefers not to answer		Uses a different term		Total
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	
SES 3	0	0	0	0	n/a	n/a	n/a	n/a	0	0	0
SES 2	0	0	0	0	n/a	n/a	n/a	n/a	0	0	0
SES 1	0	0	0	0	n/a	n/a	n/a	n/a	0	0	0
EL 2 ^a	6	0	3	0	n/a	n/a	n/a	n/a	0	0	9
EL 1 ^b	15	0	15	6	22	n/a	n/a	n/a	0	0	37
APS 6 ^c	32	33	65	27	63	n/a	n/a	n/a	0	0	128
APS 5 ^d	27	7	34	8	58	n/a	n/a	n/a	0	0	92
APS 4 ^e	33	81	114	52	61	113	n/a	n/a	0	0	227
APS 3	3	15	18	1	15	16	n/a	n/a	0	0	34
APS 2	0	0	0	0	1	1	n/a	n/a	0	0	1
APS 1	0	0	0	0	0	0	n/a	n/a	0	0	0
Other	0	0	0	0	0	0	n/a	n/a	0	0	0
Total	116	136	252	158	118	276	n/a	n/a	0	0	528

^a EL2 includes veterinary officer level 4 classifications. ^b EL1 includes public affairs officer level 3 classifications. ^c APS6 includes on-plant veterinarians, veterinary officer level 2 and public affairs officer level 2 classifications. ^d APS5 includes APS meat inspector level 3 and public affairs officer level 1 classifications. ^e APS4 includes APS meat inspector level 2 classifications. n/a Not applicable.

Note: Includes staff on leave without pay. Excludes statutory appointed positions.

Table D7 APS Act ongoing employees, by classification, gender and attendance type, at 30 June 2022

Location	Man/Male		Woman/Female		Uses a different term		Total
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	
SES 3	3	0	3	7	0	0	10
SES 2 ^a	22	0	22	19	19	0	41

Location	Man/Male		Woman/Female		Uses a different term			Total	
	Full-time	Part-time	Subtotal	Full-time	Part-time	Full-time	Part-time		Subtotal
SES 1	67	2	69	62	0	62	0	0	131
EL 2 ^b	399	58	457	420	18	438	1	0	896
EL 1 ^c	749	265	1,014	640	48	688	3	0	1,705
APS 6 ^d	719	248	967	588	53	641	2	1	1,611
APS 5 ^e	402	130	532	322	24	346	3	1	882
APS 4 ^f	462	165	627	647	51	698	1	2	1,328
APS 3 ^g	93	38	131	86	15	101	1	0	233
APS 2	5	3	8	12	0	12	0	0	20
APS 1	4	0	4	5	2	7	0	0	11
Other	0	0	0	0	0	0	0	0	0
Total	2,925	909	3,834	2,808	211	3,019	11	4	6,868

a SES2 includes chief of division 1 classification (classification of the chief scientist in Australian Antarctic Division). **b** EL2 includes VO3T principal legal officer, principal research scientist and senior public affairs officer, veterinary officer level 3T, 4 and 5 classifications. **c** EL1 includes public affairs officer level 3, veterinary officer level 3, and senior legal officer level 1 classifications. **d** APS6 includes APS meat inspector 4 classification and DAFF band 2 work level 6B classification. **e** APS5 includes APS meat inspector level 3, legal officer level 1, public affairs officer level 1, veterinary officer level 1 classifications. **f** APS4 includes APS meat inspector level 2 and legal officer level 1 classifications. **g** APS3 includes graduates and training broadbands. **h** APS2 includes staff on leave without pay. Excludes statutory appointed positions.

Table D8 APS Act non-ongoing employees, by classification, gender and attendance type, at 30 June 2022

Location	Man/Male		Woman/Female		Uses a different term			Total	
	Full-time	Part-time	Subtotal	Full-time	Part-time	Full-time	Part-time		Subtotal
SES 3	0	0	0	0	0	0	0	0	0
SES 2	1	1	2	0	0	0	0	0	2
SES 1	0	0	0	1	0	1	0	0	1
EL 2 ^a	11	3	14	11	8	19	0	0	33
EL 1 ^b	32	6	38	20	8	28	0	0	66

Location	Man/Male		Woman/Female		Uses a different term			Total
	Full-time	Part-time	Subtotal	Full-time	Part-time	Full-time	Subtotal	
APS 6 ^c	41	32	73	45	35	1	80	154
APS 5 ^d	29	8	37	30	12	0	42	79
APS 4 ^e	120	87	207	87	69	3	156	366
APS 3 ^f	17	32	49	8	48	0	56	106
APS 2	0	4	4	1	2	0	3	7
APS 1	1	57	58	1	41	0	42	101
Other	0	0	0	0	0	0	0	0
Total	252	230	482	204	223	4	427	915

a EL2 includes veterinary officer level 4 classifications. **b** EL1 includes public affairs officer level 3 classifications. **c** APS6 includes APS meat inspector level 4, on-plant veterinarians, veterinary officer level 2 and public affairs officer level 2 classifications. **d** APS5 includes APS meat inspector level 3 and public affairs officer level 1 classifications. **e** APS4 includes APS meat inspector level 2 classifications. **f** APS3 includes graduates.

Note: Includes Parks Australia and staff on leave without pay and excludes statutory appointed positions.

Employment type

Table D9 APS Act employees, by classification, employment and attendance type, at 30 June 2023

Classification	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Subtotal	Full-time	Part-time	Subtotal	
SES 3	7	0	7	0	0	0	7
SES 2	25	1	26	0	0	0	26
SES 1	77	1	78	0	0	0	78
EL 2 ^a	525	49	574	9	0	9	583
EL 1 ^b	869	184	1,053	31	6	37	1,090
APS 6 ^c	874	186	1,060	68	60	128	1,188
APS 5 ^d	558	109	667	77	15	92	759
APS 4 ^e	1,133	246	1,379	85	142	227	1,606

Classification	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Subtotal	Full-time	Part-time	Subtotal	
APS 3 ^f	67	32	99	4	30	34	133
APS 2	5	2	7	0	1	1	8
APS 1	4	2	6	0	0	0	6
Other	0	0	0	0	0	0	0
Total	4,144	812	4,956	274	254	528	5,484

a EL2 includes VO3T principal legal officer, principal research scientist and senior public affairs officer and veterinary officer level 3T, 4 and 5 classifications. **b** EL1 includes public affairs officer level 3, veterinary officer level 3 and senior legal officer level 1 classifications. **c** APS6 includes APS meat inspector level 4, legal officer level 1, on-plant veterinarians, veterinary officer level 2 and public affairs officer level 2 classifications. **d** APS5 includes APS meat inspector level 3, legal officer level 1, public affairs officer level 1 and veterinary officer level 1 classifications. **e** APS4 includes APS meat inspector level 2 and legal officer level 1 classifications. **f** APS3 includes graduates and training broadbands.

Note: Includes staff on leave without pay. Excludes statutory appointed positions.

Table D10 APS Act employees, by classification, employment and attendance type, at 30 June 2022

Classification	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Subtotal	Full-time	Part-time	Subtotal	
SES 3	10	0	10	0	0	0	10
SES 2 ^a	41	0	41	1	1	2	43
SES 1	129	2	131	1	0	1	132
EL 2 ^b	820	76	896	22	11	33	929
EL 1 ^c	1,392	313	1,705	52	14	66	1,771
APS 6 ^d	1,309	302	1,611	87	67	154	1,765
APS 5 ^e	727	155	882	59	20	79	961
APS 4 ^f	1,110	218	1,328	210	156	366	1,694
APS 3 ^g	180	53	233	25	81	106	339
APS 2	17	3	20	1	6	7	27
APS 1	9	2	11	2	99	101	112

Classification	Ongoing		Non-ongoing		Total
	Full-time	Part-time	Full-time	Part-time	
Other	0	0	0	0	0
Total	5,744	1,124	460	455	7,783

a SES2 includes chief of division 1 classification (classification of the chief scientist in Australian Antarctic Division). **b** EL2 includes VO3T principal legal officer, principal research scientist and senior public affairs officer, veterinary officer level 3T, 4 and 5 classifications. **c** EL1 includes public affairs officer level 3, veterinary officer level 3 and senior legal officer level 1 classifications. **d** APS6 includes APS meat inspector level 4, legal officer level 1, on-plant veterinarians, veterinary officer level 2, public affairs officer level 2 classifications. **e** APS5 includes APS meat inspector level 3, legal officer level 1, public affairs officer level 1, veterinary officer level 1 classifications. **f** APS4 includes APS meat inspector level 2 and legal officer level 1 classifications. **g** APS3 includes graduates and training broadbands.

Note: Includes staff on leave without pay. Excludes statutory appointed positions.

Employment type by location

Table D11 APS Act employees, by location and employment type, at 30 June 2023

Location	Ongoing	Non-ongoing	Total
NSW	677	67	744
Qld	634	104	738
SA	176	24	200
Tas.	8	6	14
Vic.	689	87	776
WA	290	39	329
ACT	2,415	180	2,595
NT	40	8	48
External territories ^a	5	13	18
Overseas	22	0	22
Total	4,956	528	5,484

^a Includes Christmas Island, Cocos (Keeling) Islands and Norfolk Island.

Note: Includes staff on leave without pay. Excludes statutory appointed positions.

Table D12 APS Act employees, by location and employment type, at 30 June 2022

Location	Ongoing	Non-ongoing	Total
NSW	658	92	750
Qld	618	84	702
SA	159	30	189
Tas.	351	66	417
Vic.	598	104	702
WA	234	38	272
ACT	4,048	233	4,281
NT	147	161	308
External territories ^a	28	106	134
Overseas	27	1	28
Total	6,868	915	7,783

^a Includes Christmas Island, Cocos (Keeling) Islands and Norfolk Island.

Note: Includes staff on leave without pay. Includes Parks Australia and staff on leave without pay and excludes statutory appointed positions.

Indigenous employment

Table D13 APS Act Indigenous employees, by employment type, at 30 June 2023

Type	Total
Ongoing	119
Non-ongoing	12
Total	131

Table D14 APS Act Indigenous employees, by employment type, at 30 June 2022

Type	Total
Ongoing	231
Non-ongoing	131
Total	362

Employment arrangements of SES and non-SES employees

Table D15 APS Act employees, by employment arrangement and category, at 30 June 2023

Arrangement	SES	Non-SES	Total
Public Service (Terms and conditions of employment meat inspectors) Determination 2020	0	5,216	5,216
Department of the Environment and Energy Enterprise Agreement 2016–2019	0	178	178
Section 24(1) determinations	90	0	90
Total	90	5,394	5,484

Note: Includes staff on leave without pay. Excludes statutory appointed positions.

Table D16 APS Act employees, by employment arrangement and category, at 30 June 2022

Arrangement	SES	Non-SES	Total
Department of the Environment and Energy Enterprise Agreement 2016–2019	0	7,433	7,433
Public Service (Terms and Conditions of Employment) (Meat Inspectors) Determination 2020	0	166	166
Section 24(1) determinations	184	0	184
Total	184	7,599	7,783

Note: Employees are recorded against their primary instrument if covered by more than one instrument. Includes Parks Australia and staff on leave without pay and excludes statutory appointed positions.

Salary ranges

Table D17 APS Act employment salary ranges, by classification, at 30 June 2023

Classification	Minimum salary (\$)	Maximum salary (\$)
SES 3	404,803	404,845
SES 2	286,197	299,392
SES 1	205,420	259,436
EL 2 ^a	129,257	212,017
EL 1 ^b	115,663	145,856
APS 6 ^c	85,832	124,609
APS 5 ^d	78,548	94,886
APS 4 ^e	72,002	88,591
APS 3 ^f	63,867	82,681
APS 2	56,208	63,417
APS 1	48,952	56,208
Other	n/a	n/a
Minimum–maximum range	48,952	404,845

a Only positions meeting the requirements of a research scientist can access pay points between \$132,155 and \$212,017. Only positions requiring mandatory legal qualifications can access pay points between \$150,189 and \$163,620. **b** Only positions requiring mandatory veterinary qualifications can access pay point \$138,354. Only positions requiring mandatory legal qualifications can access pay point \$141,651. Only positions meeting the requirements of a public affairs officer can access pay point \$145,856. **c** Only positions requiring mandatory veterinary qualifications can access pay point \$124,609. Only positions with an APS meat inspector 4 classification can access pay point \$100,497. Only positions requiring mandatory legal qualifications can access pay point \$103,145. Only positions meeting the requirements of a public affairs officer can access pay point \$103,642. **d** Only positions with an APS meat inspector 3 classification can access pay point \$94,886. **e** Only positions with an APS meat inspector 2 classification can access pay point \$88,591. **f** Only positions with an APS meat inspector 1 classification can access pay points between \$67,918 and \$82,681. **n/a** Not applicable.

Table D18 APS Act employment salary ranges, by classification, at 30 June 2022

Classification	Minimum salary (\$)	Maximum salary (\$)
SES 3	364,191	403,853
SES 2	259,454	326,354
SES 1	199,437	251,880
EL 2 ^a	128,306	242,569
EL 1 ^b	104,639	159,741
APS 6 ^c	73,942	120,980
APS 5 ^d	76,260	92,122
APS 4 ^e	69,905	86,011
APS 3 ^f	62,007	73,118
APS 2 ^g	57,776	61,570
APS 1	43,657	54,571
Other	n/a	n/a
Minimum–maximum range	43,657	403,853

a Only positions meeting the requirements of a public affairs officer can access pay point \$158,854. Only positions requiring mandatory legal qualifications can access pay point \$158,854. Only positions requiring mandatory science qualifications can access pay points between \$184,611 and \$205,842. Only positions meeting the requirements of an Antarctic medical practitioner can access pay points between \$165,656 and \$207,072. **b** Only positions requiring mandatory veterinary qualifications can access pay point \$134,324. Only positions requiring mandatory legal qualifications can access pay points between \$129,712 and \$137,525. Only positions meeting the requirements of a public affairs officer can access pay points between \$132,153 and \$141,608. Only positions meeting the requirements of an Antarctic medical practitioner can access pay points between \$141,991 and \$159,741. **c** Only Australian Antarctic expeditioners can access pay point \$101,692. Only positions requiring mandatory veterinary qualifications can access pay point \$120,908. Only positions meeting the requirements of a public affairs officer can access pay point \$100,623. Only positions requiring mandatory legal qualifications can access pay point \$100,141. Only positions with an APS meat inspector 4 classification can access pay point \$97,570. **d** Only Australian Antarctic expeditioners can access pay point \$87,618. Only positions with an APS meat inspector 3 classification can access pay point \$92,122. **e** Only Australian Antarctic expeditioners can access pay points between \$75,502 and \$79,339. Only positions with an APS meat inspector 2 classification can access pay point \$86,011. **f** Only Australian Antarctic expeditioners can access pay point \$73,118. Only positions with an APS meat inspector 1 classification can access pay points between \$72,819 and \$80,273. **g** One employee received a salary below the department's minimum salary of \$47,526. This was a supported wage case at 80% of the base APS 1 salary. **n/a** Not applicable.

Performance pay

We did not provide performance pay to any employees in 2022–23 or 2021–22.

Non-salary benefits

Non-salary benefits for SES Band 3 employees as part of their remuneration package included superannuation and car parking.

SES Band 1 and 2 employees received superannuation as the only non-salary benefit and pay for car parking.

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

Appendix E: Executive remuneration

Table E1 Remuneration for key management personnel, at 30 June 2023

Name	Position title	Base salary (\$)	Bonuses (\$)	Other benefits and allowances (\$)	Superannuation contributions (\$)	Long service leave (\$)	Other long service benefits (\$)	Termination benefits (\$)	Total remuneration (\$)
Andrew Metcalfe	Secretary	797,253	0	4,683	27,453	20,181	0	0	849,570
Rosemary Deininger	Deputy Secretary	373,835	0	3,855	73,894	10,121	0	0	461,705
David Hazlehurst ^a	Deputy Secretary	236,993	0	2,660	51,152	6,876	0	0	297,682
Nicola Hinder ^b	Deputy Secretary	168,183	0	165	19,339	4,076	0	0	191,763
Chris Locke	Deputy Secretary	416,554	0	4,422	74,320	10,121	0	0	505,418
Cindy Briscoe	Deputy Secretary	395,791	0	4,422	72,196	10,121	0	0	482,530
Matthew Koval ^c	Deputy Secretary	152,211	0	1,530	22,476	2,812	0	0	179,029

^a David Hazlehurst worked 173 calendar days. ^b Nicola Hinder worked 147 calendar days. ^c Matthew Koval worked 138 calendar days.

Table E2 Remuneration for senior executives, at 30 June 2023

Remuneration band (\$)	Number of senior executives	Average base salary (\$)	Average bonuses (\$)	Average other benefits and allowances (\$)	Average superannuation contributions (\$)	Average long service leave (\$)	Average other long-term benefits (\$)	Average termination benefits (\$)	Average total remuneration (\$)
0 – 220,000	62	126,780	0	1,135	24,771	3,348	0	0	156,034
220,001 – 245,000	15	194,711	0	4,083	31,998	4,026	0	0	234,817
245,001 – 270,000	10	207,765	0	2,168	37,197	5,054	0	0	252,184
270,001 – 295,000	34	233,120	0	2,169	39,807	5,356	0	0	280,452
295,001 – 320,000	8	249,409	0	1,927	24,175	6,136	0	0	306,647
320,001 – 345,000	5	283,394	0	2,410	47,174	6,648	0	0	339,626
345,001 – 370,000	8	289,035	0	2,428	52,800	8,212	0	0	352,475
370,001 – 395,000	2	270,752	0	50,557	48,837	6,110	0	0	376,256

Remuneration band (\$)	Number of senior executives	Average base salary (\$)	Average bonuses (\$)	Average other benefits and allowances (\$)	Average superannuation contributions (\$)	Average long service leave (\$)	Average other long-term benefits (\$)	Average termination benefits (\$)	Average total remuneration (\$)
395,001 – 420,000	0	0	0	0	0	0	0	0	0
420,001 – 445,000	2	231,800	0	145,623	42,954	5,359	0	0	425,736
445,001 – 470,000	0	0	0	0	0	0	0	0	0
470,001 – 495,000	0	0	0	0	0	0	0	0	0
495,001 and over	2	232,920	0	216,097	42,002	5,359	0	0	496,378

Table E3 Remuneration for other highly paid staff, at 30 June 2023

Remuneration band (\$)	Number of senior executives	Average base salary (\$)	Average bonuses (\$)	Average other benefits and allowances (\$)	Average superannuation contributions (\$)	Average long service leave (\$)	Average other long-term benefits (\$)	Average termination benefits (\$)	Average total remuneration (\$)
240,000 – 245,000	1	137,674	0	0	100,765	3,171	0	0	241,610
245,001 – 270,000	7	156,820	0	64,332	28,227	3,652	0	0	253,031
270,001 – 295,000	6	148,276	0	99,149	27,424	3,495	0	0	278,344
295,001 – 320,000	2	140,714	0	129,473	26,929	3,238	0	0	300,355
320,001 – 345,000	2	157,520	0	128,333	40,800	3,624	0	0	330,277
345,001 – 370,000	2	154,753	0	173,877	32,469	3,238	0	0	364,336
370,001 – 395,000	2	157,471	0	190,956	28,985	3,624	0	0	381,036
395,001 – 420,000	0	0	0	0	0	0	0	0	0
420,001 – 445,000	0	0	0	0	0	0	0	0	0
445,001 – 470,000	0	0	0	0	0	0	0	0	0
470,001 – 495,000	0	0	0	0	0	0	0	0	0
495,001 and over	0	0	0	0	0	0	0	0	0

Appendix F: Correction of material errors in the previous annual report

The *Department of Agriculture, Water and the Environment annual report 2021–22* contained 2 errors relevant to the agriculture, fisheries and forestry portfolio:

- 1) **Figure 3 Our structure.** We reported that Peter Timson was the First Assistant Secretary for the Compliance and Performance Division. The correct division name was Compliance and Enforcement Division.
- 2) **Table 11 Biosecurity service standards – client contact services, 2021–22.** We reported that the service standard for our online general enquiries form was 60%. The correct figure was 66%.

Glossary

Term	Definition
AASB	Australian Accounting Standards Board
ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences
ACS PCP	Australian Computer Society Practising Certified Professional
AFMA	Australian Fisheries Management Authority
AFWI	Australian Forest and Wood Innovations
AIPM CPPD	Australian Institute of Project Management Certified Practising Project Director
ALOP	appropriate level of protection
AIMS	Agricultural Import Management System
ANAO	Australian National Audit Office
AO	Officer of the Order of Australia
APS	Australian Public Service
APSC	Australian Public Service Commission
APVMA	Australian Pesticides and Veterinary Medicines Authority
ASF	African swine fever
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
BA	Bachelor of Arts
BCom	Bachelor of Commerce
BEc	Bachelor of Economics
BICON	Biosecurity Import Conditions system
BIT	Bachelor of Information Technology
CA	Chartered Accountant
CDDA	Compensation for Detriment caused by Defective Administration
CEBRA	Centre of Excellence for Biosecurity Risk Analysis
COLS	Cargo Online Lodgement System
CRO	chief risk officer
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CSS	Commonwealth Superannuation Scheme
CWMS	Cargo Workflow Management System
DAFF	Department of Agriculture, Fisheries and Forestry
DCCEEW	Department of Climate Change, Energy, the Environment and Water
DNP	Director of National Parks
eCert	paperless certification/electronic certification
ECL	expected credit loss
EEGO	energy efficiency in government operations

Term	Definition
eID	electronic identification
ERMFP	<i>Enterprise Risk Management Framework and Policy</i>
EXDOC	Export Documentation System
FAICD	Fellow of the Australian Institute of Company Directors
FAIM	Fellow of the Australian Institute of Management
FAIPM	Fellow of the Australian Institute of Project Management
FCA	Fellow of Chartered Accountants Australia and New Zealand
FCPA	Fellow Certified Practising Accountant
FDF	Future Drought Fund
FGIA	Fellow of the Governance Institute of Australia
FHA	Farm Household Allowance
FHEA	Fellow of the Higher Education Academy
FIDs	full import declarations
FMD	foot-and-mouth disease
FOI	freedom of information
FOI Act	<i>Freedom of Information Act 1982</i>
FRR	Financial Reporting Rule 2015
FVOCI	financial assets at fair value through other comprehensive income
FVTPL	financial assets at fair value through profit or loss
GAICD	Graduate of the Australian Institute of Company Directors
GRDC	Grains Research and Development Corporation
GST	goods and services tax
Hon	Honourable
Hons	Honours
ICF	Internal Control Framework
ICS	Integrated Cargo System (owned by Australian Border Force, Department of Home Affairs)
ICT	information and communication technology
IPP	Indigenous Procurement Policy
IPS	Information Publication Scheme
LLB	Bachelor of Laws
LSD	lumpy skin disease
MACS	Member of the Australian Computer Society
MACS (Snr)	Senior Member of the Australian Computer Society
MAPS	Mail and Passenger System
MBA	Master of Business Administration
MIPAA	Member of the Institute of Public Administration Australia
MIS	management information systems
MP	Member of Parliament
MSP	managed service provider

Term	Definition
NEXDOC	Next Export Documentation System
NHT	Natural Heritage Trust
NOI	notice of intention
OPA	Official Public Account
P30	Portfolio, Programme and Project Offices
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PEQ	post-entry quarantine
PFIIA	Professional Fellow of the Institute of Internal Auditors Australia
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
POE	point of entry
POPVV	purpose, objectives, priorities, vision and values
PSM	Public Service Medal
PSS	Public Sector Superannuation Scheme
PSSap	Public Sector Superannuation accumulation plan
QPR	Quarantine Premises Register
R&D	research and development
RFAs	Regional Forestry Agreements
RIC	Regional Investment Corporation
RLP	Regional Land Partnerships
ROU	right of use
SDG	sustainable development goal
SES	Senior Executive Service
SHFT	Sydney Harbour Federation Trust
SME	small and medium enterprises
SOETM	Services for Other Entities and Trust Moneys
SPPI	solely payments of principal and interest
TM	technology management
WELS	Water Efficiency Labelling and Standards
WHS	work health and safety

List of requirements

Requirement	PGPA Rule reference	Description	Requirement	Page
Letter of transmittal (17AD(g))	17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report	Mandatory	iii
Aids to access (17AD(h))	17AJ(a)	Table of contents (print only)	Mandatory	v
	17AJ(b)	Alphabetical index (print only)	Mandatory	199
	17AJ(c)	Glossary of abbreviations and acronyms	Mandatory	187
	17AJ(d)	List of requirements	Mandatory	191
	17AJ(e)	Details of contact officer	Mandatory	ii
	17AJ(f)	Entity's website address	Mandatory	ii
	17AJ(g)	Electronic address of report	Mandatory	ii
Review by accountable authority (17AD(a))	17AD(a)	A review by the accountable authority of the entity	Mandatory	ix
Overview of the entity (17AD(b))	17AE(1)(a)(i)	A description of the role and functions of the entity	Mandatory	1
	17AE(1)(a)(ii)	A description of the organisational structure of the entity	Mandatory	4
	17AE(1)(a)(iii)	A description of the outcomes and programs administered by the entity	Mandatory	8
	17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan	Mandatory	8
	17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority	Mandatory	49
	17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority	Mandatory	49
	17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory	49
	17AE(1)(b)	An outline of the structure of the portfolio of the entity	Portfolio departments – mandatory	5
	17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change	If applicable, mandatory	Not applicable (see page 8)

Requirement	PGPA Rule reference	Description	Requirement	Page
Report on the performance of the entity (17AD(c)): Annual performance statements	17AD(c)(i)16F	Annual performance statement in accordance with paragraph 39(1)(b) of the PGPA Act and section 16F of the PGPA Rule	Mandatory	7
Report on the performance of the entity (17AD(c)): Report on Financial Performance (17AD(c)(ii))	17AF(1)(a)	A discussion and analysis of the entity's financial performance	Mandatory	73
	17AF(1)(b)	A table summarising the total resources and total payments of the entity	Mandatory	157
	17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, Mandatory.	73
Management and accountability (17AD(d)): Corporate governance	17AG(2)(a)	Information on compliance with section 10 (fraud systems)	Mandatory	iii
	17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory	iii
	17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place	Mandatory	iii
	17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory	iii
	17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory	49
	17AG(2)(d) – (e)	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance	If applicable, mandatory	Not applicable (see page 73)
Management and accountability (17AD(d)): Audit committee	17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory	50
	17AG(2A)(b)	The name of each member of the entity's audit committee	Mandatory	51
	17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory	51

Requirement	PGPA Rule reference	Description	Requirement	Page
	17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory	51
	17AG(2A)(e)	The remuneration of each member of the entity's audit committee	Mandatory	51
Management and accountability (17AD(d)): External scrutiny	17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory	65
	17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, mandatory	65
	17AG(3)(b)	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman	If applicable, mandatory	66
	17AG(3)(c)	Information on any capability reviews on the entity that were released during the period	Mandatory	66
Management and accountability (17AD(d)): Management of human resources	17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory	56
	17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> • statistics on full-time employees • statistics on part-time employees • statistics on gender • statistics on staff location 	Mandatory	170
	17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> • statistics on staffing by classification level • statistics on full-time employees • statistics on part-time employees • statistics on gender • statistics on staff location • statistics on employees who identify as indigenous 	Mandatory	170
	17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	Mandatory	180
	17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by	Mandatory	180

Requirement	PGPA Rule reference	Description	Requirement	Page
		agreements, contracts or determinations identified in paragraph 17AG(4)(c)		
	17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level	Mandatory	180
	17AG(4)(c)(iii)	A description of non-salary benefits provided to employees	Mandatory	182
	17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay	If applicable, mandatory	Not applicable (see page 181)
	17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level	If applicable, mandatory	Not applicable
	17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level	If applicable, mandatory	Not applicable
	17AG(4)(d)(iv)	Information on aggregate amount of performance payments	If applicable, mandatory	Not applicable
Management and accountability (17AD(d)): Assets management	17AG(5)	An assessment of the effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory	75
Management and accountability (17AD(d)): Purchasing	17AG(6)	An assessment of entity performance against the Commonwealth Procurement Rules	Mandatory	61
Management and accountability (17AD(d)): Reportable consultancy contracts	17AG(7)(a)	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	63
	17AG(7)(b)	A statement that 'During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million].'	Mandatory	63
	17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	Mandatory	62
	17AG(7)(d)	A statement that 'Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable	Mandatory	63

Requirement	PGPA Rule reference	Description	Requirement	Page
		consultancy contracts is available on the AusTender website.'		
Management and accountability (17AD(d)): Reportable non-consultancy contracts	17AG(7A)(a)	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period, the total actual expenditure on such contracts (inclusive of GST), the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period, and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory	66
	17AG(7A)(b)	A statement that 'Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.'	Mandatory	64
Management and accountability (17AD(d)): Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts (17AD(daa))	17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts	Mandatory	63
Management and accountability (17AD(d)): Australian National Audit Office access clauses	17AG(8)	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract	If applicable, mandatory	64
Management and accountability (17AD(d)): Exempt contracts	17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters	If applicable, Mandatory	64
Management and accountability	17AG(10)(a)	A statement that '[Name of entity] supports small business participation in the Commonwealth Government procurement	Mandatory	62

Requirement	PGPA Rule reference	Description	Requirement	Page
(17AD(d)): Small business		market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.’		
	17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory	62
	17AG(10)(c)	If the entity is considered by the department administered by the Finance Minister as material in nature—a statement that ‘[Name of entity] recognises the importance of ensuring that 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.’	If applicable, mandatory	62
Management and accountability (17AD(d)): Financial statements	17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the PGPA Act	Mandatory	77
Management and accountability (17AD(d)): Executive remuneration	17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the PGPA Rule	Mandatory	183
Other mandatory information (17AD(f))	17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that ‘During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.’	If applicable, Mandatory	64
	17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, Mandatory	Not applicable
	17AH(1)(b)	A statement that ‘Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].’	If applicable, Mandatory	56
	17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory	60
	17AH(1)(d)	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found	Mandatory	56
	17AH(1)(e)	Correction of material errors in previous annual report	If applicable, mandatory	185
	17AH(2)	Information required by other legislation	Mandatory	69

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