



**Australian Government**

**Department of Agriculture,  
Fisheries and Forestry**

# **JCPAA Inquiry into the Annual Performance Statements 2021–22**

**Auditor-General Report No. 13 of 2022-23**

**Department of Agriculture, Fisheries and Forestry  
submission**

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## Overview

1. The Department of Agriculture, Fisheries and Forestry (DAFF) thanks the Joint Committee of Public Accounts and Audit (JCPAA) for the opportunity to contribute to the inquiry into the [Auditor-General Report No. 13 of 2022-23](#), the audits of the Annual Performance Statements of Australian Government Entities for 2021–22.
2. The Auditor-General's audit of the annual performance statements 2021-22 for the former Department of Agriculture, Water and the Environment (DAWE) was the first such audit for DAWE. The set of performance statements audited were those published in the entity's Corporate Plan 2021–22 and Annual Report 2021–22.
3. Part-way through the ANAO's audit process, Machinery of Government changes took effect when on 1 July 2022 the Department of Agriculture, Water and the Environment became the Department of Agriculture, Fisheries and Forestry (DAFF).
4. DAWE's environment and water functions moved to the new Department of Climate Change, Energy, the Environment and Water. This change increased the complexity of the audit for the team within DAFF who were co-ordinating the work with the ANAO.
5. DAFF recognises the value of the performance statements audit process to strengthen performance reporting and provide Parliament with assurance over the quality and reliability of entities' annual performance statements.
6. As the ANAO itself has noted, unlike financial statements preparation, performance statements preparation and the development of meaningful performance information is an underdeveloped professional discipline across the public sector. Accordingly, the department is on a pathway to maturity to continue to refine and improve its performance reporting, and will continue to work collaboratively with the Department of Finance, ANAO and other stakeholders.
7. The audit process highlighted the low maturity of DAFF's performance reporting framework and the department recognises it will take time to move from a 'developing' to 'better practice' rating.

## DAFF response to audit findings

8. DAFF accepted all recommendations in the ANAO audit Final Management Letter with regard to findings relevant to the department, and has taken action to implement appropriate changes including developing an enterprise performance and reporting framework.
9. The ANAO found that several measures did not meet the specific requirements of section 16EA of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) relating to 'reliable and verifiable' information sources and methodologies. This was the first year that the department commenced with a series of performance measures to set a baseline for future years to measure effectiveness and efficiency of export services across multiple commodities and export destinations. The collection and source of reliable and verifiable data will be a continued focus for future years, as the department seeks to balance the complexity of its work with the reporting requirements of the PGPA Act and Rule.

10. The *DAFF Corporate Plan 2022-23* has sought to address as many of the ANAO's findings as possible, noting the limited time available between the receipt of the Final Management Letter (18 October 2022) and publication of the corporate plan (28 February 2023).
11. The corporate plan is the primary planning document for the department and forms part of our annual strategic planning process. It sets the pathway for our strategic direction and performance and outlines how we intend to deliver against our purpose over the next 4 years.
12. For DAFF's first corporate plan, we developed new outcome statements, and a new purpose and objectives. In this context, we reviewed the relevant key activities and associated performance measures from the *DAWE Annual Report 2021–22* and updated them to more closely align with our new purpose and objectives. Table A1 in Appendix A of the *Corporate Plan 2022–23* explains these adjustments.
13. The revised performance measures were developed taking into account the Department of Finance's guidelines for developing performance measures and the specific requirements of section 16EA of the PGPA Rule.
14. As a result of our continue focus to improve and enhance our performance reporting and in response to the audit, in the *Corporate Plan 2022-23* we updated the performance measures by:
  - a. aligning performance measures to DAFF's new purpose, objectives and key activities, as well as the requirements of the PGPA Act 2013 and the PGPA Rule 2014.
  - b. creating some new performance measures to better support DAFF's new purpose, objectives and key activities,
  - c. amending the wording, methodology, or data sources of some performance measures including:
    - i. enhancing the underlying methodology and data sources in accordance with the requirements of the PGPA Rule
    - ii. providing additional information to improve understanding of DAFF's performance measures, including the context, methodology, data source and tolerance ranges where relevant.
  - d. removing some measures that were not seen to be meaningful in demonstrating the department's performance, or could be better demonstrated by other measures
  - e. removing some measures where the financial and resourcing implications associated with re-baselining was believed to be unachievable in the required timeframe.
15. The department will report its performance against the key activities and performance measures in the Annual Performance Statements 2022-23, incorporated into our Annual Report 2022-23. We have commenced this process including constructive engagement with the ANAO as it initiates its audit of DAFF's 2022-23 performance statements. The forthcoming publication by the ANAO of a performance statements audit manual will further assist departments to understand the ANAO's requirements for these audits.

16. Planning has commenced for the department's *Corporate Plan 2023–24* which will include the further development of performance measures as the department moves into its second financial year of operation and we continue to grow our maturity in performance measurement and reporting.