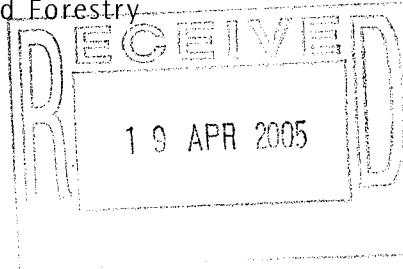
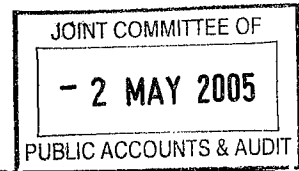




**HON WARREN TRUSS MP**

Minister for Agriculture, Fisheries and Forestry



13 APR 2005

Mr Bob Baldwin MP  
Chairman  
Joint Committee of Public Accounts and Audit  
Suite R1.108  
Parliament House  
CANBERRA ACT 2600

Dear Mr Baldwin

I am writing with regard to the 402<sup>nd</sup> report of the Joint Committee of Public Accounts and Audit, entitled *Review of Auditor-General's Reports 2003-2004 First and Second Quarters* and tabled in Parliament on 13 August 2004. The report made a recommendation in respect of the Farm Management Deposits scheme which is part of the Agriculture – Advancing Australia (AAA) suite of programmes.

The Department of Agriculture, Fisheries and Forestry (the Department) is responsible for the administrative elements of the AAA Farm Management Deposits scheme. The Department considers Recommendation 1 to be administrative in nature and has developed a response to this effect in accordance with your instructions.

Please find enclosed an Executive Minute outlining the Department's administrative response to Recommendation 1 as requested.

Yours sincerely



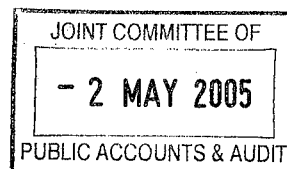
**WARREN TRUSS**

Enc



Australian Government

Department of Agriculture, Fisheries and Forestry



SECRETARY

31 March 2005

## EXECUTIVE MINUTE

on

### JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT [No. 402]

*[Review of Auditor-General's Reports 2003-2004 First and Second Quarters]*

#### General comments

The Department of Agriculture, Fisheries and Forestry (the Department) and the Australian Taxation Office have established a joint consultative committee, upon which the Department of the Treasury is also represented, which meets twice a year to discuss matters pertaining to the administration of the Farm Management Deposits (FMDs) scheme. Issues relating to the revision of the scheme's performance monitoring and evaluation framework, including Key Performance Indicators (KPIs), have been progressed at recent Committee meetings.

#### Response to the recommendation(s)

##### Recommendation No. 1 paragraph 2.54

The Department of Agriculture, Fisheries and Forestry-Australia assemble a rigorous set of Key Performance Indicators for the Farm Management Deposits scheme that consist of credible administrative performance targets.

Recommendation No.1 is supported.

In response to the Australian National Audit Office's performance audit of key components of the Agriculture - Advancing Australia suite of programs administered by the Department, an internal review was commissioned to assess the FMDs scheme's reporting requirements. The Department also undertook consultations with a range of financial institutions offering FMDs to ascertain stakeholder views on the provision of performance information to the Department and related matters. The outcomes of these consultations, along with the findings of the review, were used to develop a new performance monitoring and evaluation framework for the scheme that includes revised KPIs.

  
Joanna Hewitt

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DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY