

Question: BA 01

Topic: MOU with DAFF and Biosecurity Australia

Hansard Page: 84

Senator O'Brien asked:

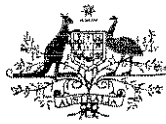
Is there a memorandum of agreement between Biosecurity Australia and the department?

Mr Cahill—We have a draft memorandum of understanding which relates to services that the department will continue to provide to Biosecurity Australia, principally management services, payroll, some accounting services and other things. We have not finalised that yet, but that will be in an MOU between me and the secretary of the department.

Senator O'BRIEN—Can this committee have a copy when it is finalised?

Answer:

The Memorandum of Understanding between the Department of Agriculture, Fisheries and Forestry and Biosecurity Australia for the provision of management services is attached.



Australian Government

Department of Agriculture, Fisheries and Forestry

SECRETARY

30 June 2005

Chief Executive
Biosecurity Australia
GPO Box 858
Canberra ACT 2601

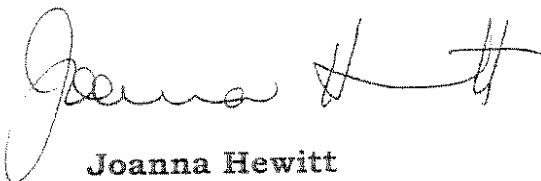
PROVISION OF MANAGEMENT SERVICES

I refer to your memorandum of 29 June 2005 regarding the provision of management services to Biosecurity Australia following its establishment as a prescribed Agency.

I confirm that the Department will continue to provide management services to Biosecurity Australia (BA) on the basis outlined in your letter and attachments.

The cost of these services will be met by BA in accordance with current arrangements for determining departmental cost allocations. This will include, where appropriate, the actual cost or proportion of costs of specified services, in particular those services that may be outsourced.

I agree that arrangements for the continuing provision of management services to BA should be subject to regular monitoring and review by our officers. I suggest that a more formal review occur in the context of the 2006/07 budget unless otherwise agreed between us.



Joanna Hewitt



Australian Government

Biosecurity Australia

Secretary
Department of Agriculture Fisheries & Forestry
GPO Box 858
CANBERRA ACT 2601

Provision of Management Services to Biosecurity Australia

This memorandum is to formalise understandings between the Department of Agriculture, Fisheries and Forestry (the Department) and Biosecurity Australia (BA) in relation to the continuing provision of management services to BA following its establishment as a prescribed Agency.

These issues have been the subject of earlier discussions and informal understandings between us and also with the Department's Chief Operating Officer. The basis of these understandings is that management services will continue to be provided to BA by the Department on the same basis as services were provided and costed prior to BA becoming a prescribed Agency.

Accordingly, the services provided will continue to be delivered through existing departmental resources as well as through current contracted and outsourced arrangements. The cost of these services will be consistent with current departmental cost allocation processes. Additionally, following agreement between myself and the Executive Director of AQIS, some strategic financial services and advice may be provided to BA by AQIS as required with AQIS recovering relevant costs directly from BA. This is intended to take advantage of AQIS's experience and expertise in financial reporting and management.

The provision of services may need to be adapted where necessary to take into account BA's independent legal obligations arising from the *Financial Management and Accountability Act 1997* and associated administrative and other responsibilities. This also recognises that BA has its own Chief Executive and Chief Finance Officer responsibilities.

Following discussions between our staff, the nature of the services to be provided to BA is outlined in the attached schedules. These schedules are intended to be an indicative rather than exhaustive list of services and may be modified with agreement in the light of operating experience. Schedule A summarises the range of services to be provided by the Department based on an agreed allocation of departmental costs. The estimated cost of these services from 11 February 2005 (when the financial separation of BA and the Department occurred) to 30 June 2005 is estimated to be \$715,283. The cost of these services for 2005/06 will be determined as part of the finalisation of internal BA and departmental budgets. Schedule B summarises services that will be charged on the basis of the actual costs incurred (eg for contracted payroll services) or on the basis of an agreed proportion of total departmental costs.

The arrangements proposed will ensure the continuity of management services to BA in a cost effective way and maintain existing economies of scale. I expect the provision of these services to be subject to continuing review by the Department and BA. I envisage that the arrangements would continue to be in place during the full transition of BA to a newly independent prescribed Agency. I expect that management services will continue to be provided in their current form for a period of at least 12-18 months unless otherwise agreed. The option would remain to extend the provision of these services for a longer period as agreed.

I would be grateful to have your confirmation of these arrangements.

A handwritten signature in black ink, appearing to read 'John Cahill', with a stylized flourish at the end.

John Cahill
Chief Executive

29 June 2005
Atts.

Management Services to be provided to Biosecurity Australia by the Department of Agriculture, Fisheries and Forestry (DAFF)

Amounts to be billed based on agreed allocation of Departmental costs

Strategic Management Services

Service	Description	Billing	DAFF Contact
Minister's Office and Support	<p>Appropriate share of costs met by Department for administration of Minister's and Parliamentary Secretary's Offices.</p> <p>Provision of systems, processes and advice associated with Ministerial support including provision of Departmental Liaison Officers, coordination of Ministerials/QONs/briefs/QTBs and related correspondence, Cabinet liaison and coordination, tabling and related functions.</p>	Consolidated monthly invoice for the provision of management services	General Manager, Ministerial Services
DAFF Executive and Support	Provision of high level support and strategic direction.	Consolidated monthly invoice for the provision of management services	Management Services Resource Co-ordinator

Management Services to be provided to Biosecurity Australia by DAFF

Amounts to be billed based on agreed allocation of Departmental costs

Service	Description	Billing	DAFF Contact
Strategic Planning and Performance Reporting	Provision of systems, processes and advice for Biosecurity Australia's internal and external planning and reporting, including coordination of: <ul style="list-style-type: none"> - quarterly and annual reports - Corporate plan - Business plan - Client Service charter - Portfolio Budget Statements and Portfolio Additional Estimates Statements - Related planning and reporting requirements 	Consolidated monthly invoice for the provision of management services	General Manager, Strategic Planning and Performance Reporting
Corporate Governance	Provision of systems, processes and advice to assist Biosecurity Australia to meet its obligations within the legislative framework, including: <ul style="list-style-type: none"> - Business ethics and internal investigations - Security policies - Fraud control policies - Delegations - Chief Executive Instructions - And related matters 	Consolidated monthly invoice for the provision of management services	General Manager, Corporate Governance
Internal Audit	Provision of an internal audit function including reviews on Biosecurity Australia's systems, processes and activities as agreed and reported through the Biosecurity Australia Audit Committee.	Consolidated monthly invoice for the provision of management services	Manager, Internal Audit

Management Services to be provided to Biosecurity Australia by DAFF

Amounts to be billed based on agreed allocation of Departmental costs

Service	Description	Billing	DAFF Contact
Public Relations	Provision of public relations services including media monitoring, fax streaming of ministerial media releases, distribution of materials through the road show, graphic design, a radio news service and writing, editing and publication of the quarterly magazine Contours.	Consolidated monthly invoice for the provision of management services	Manager, Public Relations

Financial Management Services

Service	Description	Billing	DAFF Contact
Strategic Financial Management	Strategic management of Corporate Finance services provided to Biosecurity Australia to ensure agency's business needs are met	Consolidated monthly invoice for the provision of management services	Deputy Chief Financial Officer
Budgeting	Provision of systems, processes and advice for the agency's budget process including the external and internal budget processes	Consolidated monthly invoice for the provision of management services	Manager, Budgets and Strategic Support
Financial Reporting	Provision of systems, processes and advice for the agency's internal reporting and external financial reporting requirements.	Consolidated monthly invoice for the provision of management services	Manager, Financial Accounting and Management Reporting

Management Services to be provided to Biosecurity Australia by DAFF

Amounts to be billed based on agreed allocation of Departmental costs

Service	Description	Billing	DAFF Contact
Cash Management	Provision of systems, processes and advice for the management of the agency's cash requirements including maintenance of bank accounts, bank reconciliations, appropriation drawdowns, cash flow reporting and related matters.	Consolidated monthly invoice for the provision of management services Biosecurity Australia will be directly responsible for all bank fees and charges on its accounts.	Manager, Corporate Treasury
General Ledger	Provision of systems, processes and advice for the management of the agency's general ledger, including: - Chart of accounts - Journal processing and interfaces with related systems (eg Aurion) - Asset management - End of month processes - Reconciliations	Consolidated monthly invoice for the provision of management services	Manager, Financial Accounting and Management Reporting
Accounts Payable	Provision of systems, processes and advice for the payment of accounts and related processes such as purchase orders, gazettals and vendor maintenance	Consolidated monthly invoice for the provision of management services	Manager, Accounting Operations

Management Services to be provided to Biosecurity Australia by DAFF

Amounts to be billed based on agreed allocation of Departmental costs

Service	Description	Billing	DAFF Contact
Accounts Receivable	Provision of systems, processes and advice for amounts receivable to Biosecurity Australia including invoice preparation, receipting, banking and debt management.	Consolidated monthly invoice for the provision of management services	Manager, Accounting Operations
Tax and insurance	Provision of systems, processes and advice for the agency's taxation and insurance requirements including GST, FBT, PAYG, insurance premium and insurance claims.	Consolidated monthly invoice for the provision of management services	Manager, Taxation and Insurance
Credit cards	Administration of purchasing and travel cards on behalf of the agency	Consolidated monthly invoice for the provision of management services	Manager, Accounting Operations

Human Resource Management

Service	Description	Billing	Contact
Human Resource Strategies	Provision of systems, processes and advice to support the management of Biosecurity Australia's human resources including management the outsourced payroll contract.	Consolidated monthly invoice for the provision of management services	General Manager, People and Planning

Management Services to be provided to Biosecurity Australia by DAFF

Amounts to be billed based on agreed allocation of Departmental costs

Information Technology

Service	Description	Billing	Contact
Contract Management	Management of contract for the provision of outsourced information technology equipment, infrastructure and services	Consolidated monthly invoice for the provision of management services	Manager, IT Contract Management Unit
Information Strategy and Policy	Coordination and management of the agency's information management strategy and policies.	Consolidated monthly invoice for the provision of management services	Manager, Information Management
Internet services	Management of the agency's component of the department's internet services	Consolidated monthly invoice for the provision of management services	Manager, Information Management
Electronic Business Initiatives	Management and maintenance of business systems used by the agency	Consolidated monthly invoice for the provision of management services	Manager, Information Management

Management Services to be provided to Biosecurity Australia by DAFF

Amounts to be billed based on agreed allocation of Departmental costs

Other Services

Service	Description	Billing	Contact
Contract Management	Management and coordination of outsourced contracts, including associated systems, processes and advice, where those services are made available to the agency, including: <ul style="list-style-type: none"> - Property management - Legal services - Travel - Fleet management 	Consolidated monthly invoice for the provision of management services	Manager, Corporate contracts and services
Voice services	Provision of telecommunications systems, processes and advice including telephone operator service, management of video- and teleconferencing facilities and call accounting services.	Consolidated monthly invoice for the provision of management services	Manger, Voice and video
Despatch services	Provision of despatch, courier and postal services	Consolidated monthly invoice for the provision of management services	Manager, Corporate contracts and services
Records Management	Provision of systems processes and advice in relation to records management	Consolidated monthly invoice for the provision of management services	Manager, Corporate contracts and services

Management Services to be provided to Biosecurity Australia by DAFF

Amounts to be billed based on actual cost or agreed proportion of total cost to Department

Human Resource Services

Service	Description	Billing	Contact
Payroll, recruitment and related services	Provision of payroll, recruitment and related services by the Department's outsourced contract providers	Monthly invoice based on actual cost of service provided	General Manager, People and Planning
Graduate recruitment	Coordination of Graduate recruits applicable to Biosecurity Australia	Proportion of total costs of graduates based on actual number of graduates allocated to agency	General Manager, People and Planning
Compensation premiums/claims	Devolution of Comcare premium and coordination of claims where not specifically separated by Comcare	Agreed proportion of compensation premium where not separated by Comcare	General Manager, People and Planning

Management Services to be provided to Biosecurity Australia by DAFF

Amounts to be billed based on actual cost or agreed proportion of total cost to Department

Information Technology and Administrative Services

Service	Description	Billing	Contact
Comcover insurance premiums/claims	Devolution of Comcover premium and coordination of claims where not specifically separated by Comcover	Agreed proportion of compensation premium where not separated by Comcover	Manager, Taxation and Insurance
Information technology equipment, infrastructure and services	Provision of information technology equipment, infrastructure and services by the department outsourced provider including: <ul style="list-style-type: none"> - Move/add/changes to equipment - Equipment rental and support - Midrange and RIS applications - Intranet hosting - Data network - Internet hosting charges - Secure Gateway environment - ISP charges 	Monthly invoice based on actual cost of service provided	Manager, Information Management
Telecommunications	Actual costs directly associated with telephone usage, video conferencing, audio conferencing, move/add/changes to telecommunications facilities, handset charges, switch board operators, PABX support, blackberry access and associated functions	Monthly invoice based on actual cost of service provided	Manager, Voice and video

Management Services to be provided to Biosecurity Australia by DAFF

Amounts to be billed based on actual cost or agreed proportion of total cost to Department

Service	Description	Billing	Contact
Property and Accommodation	Provision of office space and property related , systems, processes and advice, including - Sublease of office space, fitout, infrastructure and outgoings where relevant - Security - Common areas reasonably expected to be accessed by Biosecurity Australia - Toilet requisities - Property management and related matters	Monthly invoice based on actual cost of space and services provided	Manager, Corporate contracts and services
Fleet Management	Provision of executive and other vehicles where required	Direct billing by service provider	Manager, Corporate contracts and services
Travel	Provision of domestic and international travel services	Direct billing by service provider	Manager, Corporate contracts and services
Provision of legal services	Provision of legal services and advice	Direct billing by service provider	Manager, Corporate contracts and services
Stationery	Provision of e-procurement stationary procurement systems	Direct billing by service provider	Manager, Corporate contracts and services
Jobsmatch	Provision of jobsmatch services	Direct billing by service provider	Manager, Corporate contracts and services

Management Services to be provided to Biosecurity Australia by DAFF

Amounts to be billed based on actual cost or agreed proportion of total cost to Department

Service	Description	Billing	Contact
Courier and postage costs	Actual costs for postal and couriers	Monthly invoice based on actual cost of services provided	Manager, Corporate contracts and services
Copyshop services	Provision of photocopy, binding and printing services including the provision of leased photocopiers	Monthly invoice based on actual cost of services provided	Manager, Corporate contracts and services