

Opening statement to the Rural and Regional Affairs and Transport Legislation Committee

Monday 27 May 2013

Senate Estimates

Introduction

Thank you very much Chair, and good morning senators. I would like to take the opportunity to update the committee on major activities within the department since the last estimates hearing in February.

APSC Capability Review

As I said in February, I am leading an organisation that I believe is genuinely in good shape and a workforce that is passionate and committed. I also mentioned that a number of eminent reviewers commissioned by the Australian Public Service Commission (APSC) were conducting a Capability Review of DAFF, as part of a wider program of reviews across the Australian Public Service.

The final review report belongs to the APSC and I understand will be published by the Public Service Commissioner later this year in conjunction with the tabling of the annual State of the Service Report.

The review team - Dr Sue Vardon AO (former CEO of Centrelink), Dr John Stocker AO (former Australian Chief Scientist and former CSIRO CEO and Chairman) and Dr David Gruen (senior Treasury official and respected economist) went through a very thorough process that began in November, working with middle and senior managers to identify the issues across our business and to test the outcomes and recommendations. The review team also spoke with ministers, industry, stakeholders, other government departments and interest groups.

These reviews look at three categories of capability: leadership, strategy and delivery. The review was positive about the capability of the department and the work we do, particularly our culture of evidence-based policy work. As can be expected though, it pointed to a number of areas needing further improvement. The key findings are that the department needs to further strengthen its capabilities in relation to being:

- **a policy leader**, responsive to the government of the day, and the foremost policy influence on sustainable production and the use of food and fibre
- **client focused, with a modern service delivery approach**, proactive in programs that protect the animal, plant and human health status of Australia and improve the productivity of portfolio industries and offering the best possible service delivery options to its many and varied clients
- **contemporary in its approach to business and ICT systems**, building systems that support a modern service delivery approach including cost recovery arrangements suitable to its operations

- **a source of easily accessible quality public information**, helping to inform public discussion around sometimes contentious issues through strong forecasting and scenario analysis and effective communication.

Implementing the APSC Capability Review recommendations

I intend to implement the APSC Capability Review recommendations, building on the work of my predecessor. Indeed we are already making changes to improve our business.

By way of just one example, the DAFF South East region based in Melbourne is currently piloting a client contact centre for all of its cargo industry clients to improve service delivery. This has involved consolidating half a dozen very small teams into one team, which now takes all cargo related calls for the region as well as making all field operation inspection bookings.

This has provided benefits for our clients, our staff and our department. For clients, our call response rates have improved significantly. Staff are enjoying the greater variety in the work provided and the department has benefited through productivity improvements.

Indeed, we are looking at these sorts of efficiencies right across our service delivery and this is just one example of these sorts of tangible improvements we're making.

DAFF's Strategic Statement

DAFF's Strategic Statement outlines our mission and vision. After consultation with all DAFF staff about clarifying it and strengthening it, it now reads:

We work to sustain the way of life and prosperity of all Australians.

We lead the development of policy advice and provide services to improve the productivity, competitiveness and sustainability of the agriculture, fisheries, forestry and related industries.

We help people and goods move in and out of Australia while managing the risks to the environment and animal, plant and human health.

This revision makes it very clear who our portfolio industries are and what our job is.

Leadership and stronger collaboration

The department is taking a leading role on a range of issues and strengthening its collaboration with key partners. Positive engagement with our stakeholders is not simply an obligation – it is a valuable corporate asset. I and my colleagues meet regularly with our industries, stakeholder groups and other bodies. At a personal level, I have now arranged to meet with the CEO of the National Farmers' Federation on a monthly basis.

I have drawn the CEOs of AFMA and the APVMA into our weekly business meetings. I have also established a forum comprising the CEOs of our portfolio's statutory authorities, research and development corporations and industry-owned companies.

I have hosted meetings at the most senior level with our key commonwealth partners to tackle issues of mutual concern and interest. I also expect to build closer ties with others throughout the

year. This complements our strong ties with our state and territory counterparts through COAG's Standing Council on Primary Industries and my role as Chair of the Primary Industries Standing Council, which support's SCOPI's work.

The annual Outlook Conference hosted by ABARES in Canberra was a success once again, attended by over 700 delegates. This year it featured the theme 'future food, future farming', which was a great theme, given the growing public interest in food issues, opportunities in Asia, our work on the National Food Plan, and the work we're commencing on long-term strategic policy.

There were a diverse range of presenters at Outlook 2013, including international experts, policy makers, industry bodies, and local producers. The conference proved an excellent opportunity to debate current issues in the context of the latest research and ideas.

We've developed and consulted widely on DAFF's Science Strategy, being led by Dr Kim Ritman, our Chief Scientist. The strategy looks at the science capability we need at DAFF to underpin our work now and into the future. We are in the fortunate position of having a high proportion of staff with science qualifications. This places us well for our 'future thinking' and strengthening our role as policy leaders. The strategy will be finalised and launched later this year.

The department hosted a biosecurity industry roundtable in March to explore the range of biosecurity issues Australia faces and how industry and government must work together to tackle them. There was a strong turn out and we had good feedback from participants. Many were surprised by the scale of DAFF's work and the number of groups with a stake in Australia's biosecurity. It was a good way for all participants to see hear the full spectrum of views.

We also recently had a major roundtable with participants in the live animal export trade, to ensure we have open communication and effective engagement.

Our biosecurity work and the Centre of Excellence for Biosecurity Risk Analysis

All passengers and cargo entering Australia are subject to DAFF's consideration, as part of our important biosecurity work.

Every year around 15 million international passengers and 150 million international mail items arrive in Australia. DAFF risk assesses these and checks approximately 6.9 million passengers and 52 million mail articles. DAFF seizes around 110 000 mail items and 480 000 items from passengers at international airports each year.

Every year DAFF clears around 310 000 sea cargo consignments and about 820 000 air cargo consignments. Approximately 43 000 of these air and sea cargo consignments are identified by DAFF as not being compliant with Australia's biosecurity requirements. As a consequence, DAFF issued 1 800 directions for the export of non-compliant goods, 9 700 directions for destruction, and more than 30 000 directions for other types of treatment.

DAFF also conducts 21 000 vessel inspections and 390 000 external shipping container inspections each year.

This year we've identified and intercepted a wide range of items of biosecurity concern, including leaves infected with citrus canker, giant African snails and thousands of other exotic pests, weeds

and diseases that could cause damage to Australia's environment and agricultural production were they to establish here.

The department continues to collaborate with world-leading institutions in managing Australia's biosecurity risks.

Indeed, last Monday I signed the funding deed with the University of Melbourne to establish the Centre of Excellence for Biosecurity Risk Analysis (CEBRA), succeeding the Australian Centre of Excellence for Risk Analysis, which has been in place since 2006. The objectives of CEBRA are to deliver practical, rigorous solutions and advice related to the assessment, management, perception and communication of biosecurity risk.

The centre will look at biosecurity from a national perspective and build an international research community in partnership with government and other stakeholders. It will also build upon current reform initiatives as the department continues to focus on delivering a modern system that is responsive and targeted.

Delivering on government priorities

The department has been working hard to support the Minister and the government in delivering its key priorities in this portfolio.

Over the weekend the Minister launched the National Food Plan, which aims to foster a sustainable, globally competitive, resilient food supply that supports access to nutritious and affordable food.

We have helped the Minister to deliver landmark reforms of national drought programs in the 2013-14 Budget, with state and territory governments also signing up to the new framework.

We're also helping the government to deliver its Farm Finance package, which seeks to build the ongoing financial resilience of farmers who are currently struggling with high levels of debt.

We continue to work closely with the livestock export industry to improve compliance and achieve world-leading animal welfare standards. While there have been some issues in relation to live exports, the department has been quick to respond to those, working closely with both industry and overseas governments.

All of these initiatives demonstrate the type of policy leadership that we want DAFF to provide.

We're also making good progress with the establishment of a new centralised post-entry quarantine facility in Melbourne, which will start to come on line in late 2015.

Structural changes at DAFF since last estimates

In my opening remarks to the committee at Additional Estimates on 11 February this year, I mentioned the planned merger of three divisions into two – those being the Agricultural Productivity, Sustainable Resource Management and Climate Change divisions under Deputy Secretary Mark Tucker.

Having looked at that closely, I have taken the decision that now is not the time for a major restructure across our agriculture, fisheries and forestry policy and program divisions.

Last December the department separated the joint team we had with the Department of Sustainability, Environment, Water, Population and Communities, which had been responsible for delivering natural resource management programs including Caring for our Country.

The two departments continue to work closely together and the Caring for our Country program is being delivered through a joint governance arrangement. This ensures that the Reef Rescue, regional delivery and monitoring and reporting aspects of the program are delivered collaboratively and that processes are not duplicated.

As I briefly mentioned to the committee on 11 February, I will establish a Strategic Policy Branch from 1 July to focus on the big issues in our work right across agriculture, fisheries, forestry and related industries. The new branch will deliberately take a long-term view. This will help us to respond to the APSC Capability Review finding about our role as policy leaders. The Strategic Policy Branch will reside in our Governance Division.

I will also establish the Office of the Chief Lawyer, with effect from 1 July. I commissioned an independent review of the department's legal capability shortly after my commencement. It found that the department would be better served by redirecting most of its external legal expenditure to building up an in-house legal capability.

This arrangement is expected to better meet the needs of our business and provide a level of continuity in legal advice that we don't receive now. The Office of the Chief Lawyer will draw in our existing legal and quasi-legal staff and will be located in Deputy Secretary Mark Tucker's group. However, final responsibility for the provision of legal services and advice will be provided by the Chief Lawyer.

The department is making some adjustments at the branch level in a number of divisions to ensure we remain with our Senior Executive Service cap.

Reduced staffing levels

This year's budget sees our average staffing level drop by 230 in 2013-14, from a total of around 4500 full-time equivalents.

We believe we can achieve this reduction through: natural attrition, a smaller graduate intake in 2014 and a number of voluntary redundancies.

Unscheduled absences

As I discussed at the February estimates hearing, the department is paying very close attention to the rates of unscheduled absences of our staff.

Our levels of unplanned leave are above the APS average and reducing those levels is a core area of management attention. We have identified the drivers of our unplanned leave and have developed a strategy to address this issue in a way that is sensitive to the needs of our staff, as well as delivering productivity benefits to the department.

Notable absences

I would like to advise the committee that Dr Mark Schipp, the Australian Chief Veterinary Officer, is unable to attend today's and tomorrow's hearings. Dr Schipp is the Australian delegate to the World Organisation for Animal Health (OIE). He is currently leading Australia's delegation to the 81st General Session of the OIE.

Dr Bob Biddle is here instead in his capacity as acting Chief Veterinary Officer. This will be Dr Biddle's last appearance at estimates, as he's retiring in July after 43 years of tireless service to the department.

Close

Finally, can I take this opportunity to thank my deputy secretaries for their support to me in our leadership of the department; and to thank all of our staff for their work in helping to ensure Australia's biosecurity and improve the productivity, competitiveness and sustainability of Australia's agriculture, fisheries, forestry and related industries – industries that are worth \$53 billion to the Australian economy, employ 335,000 people domestically and provide food and fibre to tens of millions of people globally.

Chair, Senators, we are happy to respond to any questions that you may have.