



Australian Government
Australian Public Service Commission

Capability Review

Department of
Agriculture, Fisheries
and Forestry





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Capability Review of Department of Agriculture, Fisheries and Forestry

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APS Commissioner's foreword

The Australian Government has committed to a pilot Capability Review program as a part of its plan for Australian Public Service Reform. Capability Reviews are independent, forward-looking and assess an agency's ability to meet future objectives and challenges. The aim of the review is to facilitate discussion around an organisation's desired future state, highlight organisational capability gaps and identify opportunities to address them.

I would like to thank the Department of Agriculture, Fisheries and Forestry for participating in the Capability Review program. The willingness of staff at all levels has made for an open and collaborative review process. The Executive and staff at the department have all seen the review as an opportunity to maximise the department's strengths, have frank and open discussions and explore ways to improve on organisational capability gaps.

This review will support the incoming Secretary following Secretary Andrew Metcalfe AO's retirement. I would like to thank Secretary Metcalfe for his great service to the APS.

Finally, I would like to thank Robyn Kruk AO, Liza Carroll, Jenet Connell and Lisa La Rance for leading this review, as well as the teams that have supported them from the Australian Public Service Commission and DAFF.

Dr Gordon de Brouwer

Australian Public Service Commissioner



Senior review team's foreword

We have had the privilege of reviewing the capability of DAFF as part of the pilot APS Capability Review program. DAFF is comprised of highly specialised and committed staff who are aligned to its stated values and have earned the respect of key stakeholders and clients. The department has had a long and proud history protecting Australia's borders from pests and diseases, facilitating access to international markets, and supporting the productivity of Australia's agriculture, fisheries and forestry industries. Staff and stakeholders, all point to the critical operational work of the department, highlighting biosecurity as a particular strength and its importance to the Australian economy.

We would like to thank staff at all levels of the department as well colleagues and stakeholders across governments and industry for their invaluable inputs over the course of this Review. In all, the Review was informed by 42 individual interviews, perspectives of over 120 staff who participated in 4 workshops, and over 1,200 responses (close to 23% of department staff) to an all-staff survey. The range of perspectives and discussions, in addition to desktop research, provided valuable insight into the department's current capability and its outlook for the future.

DAFF has been significantly affected by multiple Machinery of Government changes over recent years, with associated opportunities and challenges for the department's future. The review identified some key areas the department should prioritise over the next 4 years, and it is encouraging that work has already started in these areas. This report highlights priority areas for consideration and focus over the next 6 months. These are described in more detail in the report and summarised below:

- Establish a new system of governance with the senior leadership team collectively responsible for setting and clearly communicating enterprise-wide priorities, managing resource allocation and supporting effective decision-making.
- Consolidate corporate, performance and assurance data and other management information to underpin effective decision-making and resource management.
- Build a strong and proactive strategic policy capability with a focus on influencing and engaging on priority policy areas that meet the economic, environmental, social and governance needs of Australian communities.
- Commence the development of a strategic workforce plan, to build a fit-for-future workforce and support the sustainment of critical skills.

It warrants recognition that this review was purposefully a pilot of a targeted capability assessment process, conducted over a shorter time than other capability reviews. As a result, the review team had limited capacity to deep dive into some aspects, focus on the more positive, historical aspects of DAFF's capability, or to further fortify some of the evidence collected through interviews and workshops. Nevertheless, the review team applied best endeavours throughout the 8-week review process and adopted an iterative approach with the department to facilitate ongoing discussions and fact checking. We are confident in our assessment, and the focus on providing forward-looking, constructive guidance to support DAFF over the next 4 years.



The importance of the department's work cannot be overstated. It is critical that DAFF is in the best possible position to deliver for government and the Australian community now and into the future.

It has been a pleasure to work with the department on this review and we thank all staff, in particular the senior leadership team and support staff, for their support and engagement.

Robyn Kruk AO

Liza Carroll

Jenet Connell

Lisa La Rance



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Context

About the review

As part of its enduring plan for APS reform, the Australian Government has committed to a pilot Capability Review program, which was a recommendation in the 2019 Independent Review of the Australian Public Service led by David Thodey AO.

The aim of the program is to:

- embed a culture of continuous improvement across the APS
- ensure APS agencies can deliver government priorities and outcomes for Australians.

The Australian Public Service Commission administers the Capability Review program. Reviews are conducted in partnership with agencies and complement existing initiatives. They are independent, forward-looking and assess an agency's ability to meet future objectives and challenges. Reviews aim to facilitate discussions about an agency's desired future state, highlight organisational capability gaps and identify opportunities to address them. Agencies are given opportunities to fact check and provide feedback throughout the process. The program is an investment in the long-term capability of the agency and the APS.

The Capability Review framework is made up of 2 parts:

- an 'excellence horizon', which establishes what capabilities the agency needs now and in 4 years
- an analysis of organisational capability, which is used to identify capability gaps and opportunities across 5 domains – leadership and culture, collaboration, delivery, people, and resourcing and risk.

The review assesses the agency's current capabilities and preparedness to deliver critical capabilities in the medium-term. This targeted DAFF Capability Review provides a maturity rating against 11 capability elements to indicate the most promising areas for growth (the standard review framework includes 24 elements). The elements in scope for this targeted review are as follows.

Domain	Element
Leadership and culture	Leadership and governance
	Review and evaluation
	Embodies integrity
Collaboration	Engagement with ministers
Delivery	Strategic policy
	Service delivery and improvement
	Managing for performance and outcomes
People	Staff performance and capability
Resourcing and risk	Asset (physical and ICT) management
	Information and data management
	Financial management



A description of these elements is included in the Capability Review framework for this targeted review at **Appendix B**.

As part of the review process, DAFF completed a self-assessment of maturity against these elements to highlight its own understanding of organisational capability strengths and opportunities for improvement.

At the government's request, the senior reviewers conducted a targeted 8-week review, within the Capability Review Pilot program. This consisted of interviews and workshops with staff at all levels across the department, external stakeholders, other federal government agencies, state and territory government agencies, industry representatives and other non-government stakeholders.

In all, the review was informed by 42 individual interviews, perspectives of over 120 staff who participated in 4 workshops, and more than 1,200 responses (close to 23% of department staff) to an all-staff survey. In June 2023, the senior review team visited frontline and office staff in DAFF's Brisbane operational sites. The visit helped the reviewers understand the services operational staff deliver and the challenges they face to fulfil biosecurity and trade functions.

The review was supported by desktop research and analysis of APS workforce data including the APS Employment Database.



About the Department of Agriculture, Fisheries and Forestry

Focus and objectives

DAFF is one of the larger APS agencies by staff count and its responsibilities are largely classified as operational in nature. More than 5,400 staff work in over 170 locations across Australia and overseas. Although formally known as an operational agency, DAFF's scope of work is diverse and complex. It employs biosecurity staff and dog handlers, as well as people who work in regulation, policy, on-ground programs, economics, science and research, international negotiations, trade and managing operational programs. DAFF is also the largest employer of veterinarians in Australia.

DAFF's vision is to achieve *a more sustainable and prosperous Australia through biosecurity, production, and trade*. Its purpose is to safeguard and grow sustainable agriculture, fisheries and forestry for all Australians. The department's key objectives are to:

- strengthen the national biosecurity system to provide an appropriate level of protection to Australia's people, environment and economy from the biosecurity threats of today and tomorrow
- support industry to grow toward a \$100 billion agriculture, fisheries and forestry industry by 2030 amid changing global market conditions
- increase the contribution agriculture, fisheries and forestry make to a healthy, sustainable and low emissions environment.

Importance to Australia's prosperity

The department's work spans critical national economic, environmental and security issues. DAFF ensures the efficiency and resilience of Australia's supply chain by regulating imports and exports (trade accounts for approximately 45% of Australia's Gross Domestic Product). It has gained, improved and maintained access to 109 markets, worth a potential \$5.47 billion. DAFF protects Australia from biosecurity threats, to ensure the country remains free of unwanted pests and diseases that have the potential to disrupt supply chains and devastate farmers, communities and the environment. It also plays a large part in the government's ambition to achieve net zero emissions by 2050. Agriculture accounts for 55% of Australia's land use, 24% of water extractions, and 16.8% of net greenhouse gas emissions.

DAFF has broad stakeholder relationships built over many decades, including with state and territory governments, industry, unions, other national governments, international organisations, First Nations communities and organisations, and higher education and research institutions.

Organisational structure

The department has undergone 5 Machinery of Government changes during the last 10 years. The most recent was in July 2022 when the former Department of Agriculture, Water and the Environment became the Department of Agriculture Fisheries and Forestry following the transfer of environment and water functions to the Department of Climate Change, Energy, the Environment and Water.



At the time of this capability review, DAFF was led by Secretary Andrew Metcalfe AO, supported by 4 Deputy Secretaries responsible for the following groups:

- Agriculture, Fisheries and Forestry and Policy
- Agricultural Trade
- Biosecurity and Compliance
- Portfolio Strategy and Services.

The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) is the science and economics research division of DAFF and sits in the policy group. It is widely respected and viewed as a high-performing research bureau. ABARES provides independent data, research, analysis and advice that informs decisions affecting Australian agriculture, fisheries and forestry. It is a critical part of industry supply chains, providing analysis and insights that help facilitate trade and market access for many of Australia's products. ABARES supports greater integration of research, data and economic modelling into the policy advice of DAFF and the broader APS.

The department serves Senator the Hon Murray Watt, Minister for Agriculture, Fisheries and Forestry.

On 13 June 2023, Secretary Metcalfe announced his intention to retire from the APS effective 4 August 2023. In his farewell message, he commended the department's accomplishments in the last few years. Mr Metcalfe said he was extremely proud and appreciative of the department's dedication, expertise and commitment to advancing a sustainable future for Australia's agricultural, forestry and fishing industries.

Funding and cost recovery arrangements

Almost 50% of the department's revenue depends on cost recovery through more than 300 fees and charges. From 2023–24 onwards, over \$700 million per year is allocated to the department's biosecurity function. In addition, approximately \$140 million will be cost-recovered from exports. This means approximately \$840 million (or 70%) of DAFF's \$1.2 billion budget is allocated to delivering services to businesses, making it difficult to redirect resources to other functions or priorities.

For a range of reasons, significant pressure on DAFF's budget, in recent years, culminated in the department receiving supplementation of \$127 million in the context of the 2023-24 Budget to restore the department's cash position and enable it to trade and operate normally. DAFF had put in place austerity measures as its cash reserves had been depleted. The department's financial position was exacerbated by delays in finalising Machinery of Government changes described previously. In particular, the funding split between the 2 departments was not finalised until the beginning of 2022–23, adding pressure to DAFF's budget issues.



Staffing profile

The following information is from the APS Employment Database as at 31 December, 2022.

Staff numbers

Number of employees	5,453
Full-time	4,429
Part-time	801

Staff location

ACT	NSW	VIC	QLD	SA	WA	Tas	NT	Overseas
2637	727	737	726	196	341	13	48	28

Leadership by gender

SES 1		SES 2		SES 3	
Men	Women	Men	Women	Men	Women
36	33	10	10	2	2

Diversity

Characteristics	Number	% of total staff
Women	2,946	54.03%
Men	2,493	45.72%
First Nations	133	2.4%
Employees with a disability	185	3.39%
Non-English speaking background	717	13.15%



Overview

Excellence horizon

The excellence horizon is an opportunity to map the environmental or contextual trends that will affect DAFF and its resources, stakeholders and users of its services over the next 4 years. This high-level forecast informed the review's assessment and prioritisation of the capabilities the department will need to deliver its outcomes and programs now and in the future. To achieve the government's priorities, it is critical that DAFF is forward-looking with the flexibility to shift focus when uncertainties or emergencies arise.

DAFF's priorities for the coming 4 years are:

- improving the sector through value-adding and securing emerging market access
- enhancing the sustainability of Australia's biosecurity system in collaboration with states, territories, industry and other Commonwealth agencies
- improving the sustainability of the sector by contributing to emissions reduction, managing drought and other climate risks while improving the quality of natural assets and wellbeing of rural communities
- enhancing sector productivity and working with industry to increase workforce capability.

To navigate these opportunities and challenges, DAFF will need an expanded stakeholder engagement strategy that is inclusive, tailored (including for First Nations people) and diverse. The department must look to states and territories, industry research bodies and communities to co-develop the strategy, and collaborate to produce future-fit capabilities. DAFF's role intersects with its state and territory counterparts, both in terms of effectively identifying, mitigating and responding to biosecurity-related risks, and in taking full advantage of Australia's trading opportunities. Collaboration across government, industry and international partners is also vital to diversify market access, promote fair trade practices and strengthen Australia's position in global markets.

The Australian Government is committed to achieving net zero emissions by 2050. The agricultural and natural resource sectors must make substantial commitments to help achieve this goal. This requires significantly enhanced engagement with businesses, landholders, industry and state, territory and local jurisdictions.

The review notes the government is committed to developing and implementing policies that drive reforms and achievements under the National Agreement for Closing the Gap. It will be important for DAFF to work closely with the National Indigenous Australians Agency and establish deep, genuine First Nations engagement to progress the reforms and outcomes under this agreement.

The following environmental and contextual trends inform the capabilities that DAFF will need to continue meeting the expectations of government and Australians over the next 4 years.



Trends	Opportunities
<p>Climate change is a cross-government issue affecting multiple areas within DAFF’s responsibility including agriculture, forestry, fisheries, and international trade. The impacts of climate change also threaten Australia’s biosecurity systems.</p>	<p>With recent Machinery of Government changes separating the environment and agriculture portfolios, DAFF could take a leadership role in ensuring Australia maximises the opportunities for the agricultural, fisheries and forestry sectors. This will become increasingly important when paired with the need to manage risks associated with a changing climate, including having mature emergency preparedness policies and procedures to combat increasing threats.</p>
<p>Recent geopolitical events have led to long-lasting impacts for all countries including on their trade and supply chains.</p>	<p>DAFF could advise government on how geopolitical challenges will affect Australia’s agricultural sector and biosecurity systems and recommend ways they can adapt to a more uncertain geopolitical environment. This may include more focus on strengthening inter-portfolio relationships, prioritising and managing of risks, and reducing reliance on narrow markets.</p>
<p>Achieving the current government’s net zero emissions 2050 transformation presents challenges, but also significant opportunities to grow the Australian economy.</p>	<p>The agriculture sector is responsible for 16.8% of Australia’s net greenhouse gas emissions. A net zero emissions future will have profound implications – including new opportunities – for the agriculture, fisheries and forestry industries. DAFF could assist industry to navigate these challenges and harness the opportunities to find new ways to increase revenue and productivity.</p>
<p>Data and digital technologies are continuing to reshape society and the economy. Australia must ensure it has the right policy settings in place to harness the benefits of technological change and create more and equitably shared opportunities for Australian people.</p>	<p>There are opportunities for DAFF to modernise its digital and data systems and practices to better service industries and compete globally. Technology has the potential to help build trust with international regulators and customers of Australia’s exports and imports and minimise trade disruptions for producers. Adoption of future fit-for-purpose systems will enable efficiency gains for DAFF, both in how it works internally and how it serves clients and stakeholders.</p>



Trends	Opportunities
<p>The next 4 years will be characterised by economic uncertainty. The 2022–23 Federal Budget forecasts that 2023 and 2024 will be the weakest years for the global economy in over 2 decades, with the exception of the Global Financial Crisis and the COVID-19 pandemic. The Australian Government Department of the Treasury is tracking an elevated risk of recession across major advanced economies.</p>	<p>Ongoing budget restraints will demand DAFF makes more strategic and efficient use of existing resources over the forward estimates. DAFF has a clear role to support the government to provide a stable and supportive policy environment allowing individuals, communities and businesses to adapt and prosper in the face significant change. Clear leadership, careful policy design and continuous improvement of its operations as part of a collaborative whole-of-government effort, will ensure any interventions are efficient and effective, and assist the agriculture, fisheries and forestry sectors plan with more confidence.</p>



Key findings and priority areas for capability improvement

Overview

DAFF's highly specialised and committed staff are aligned to its values and have earned the respect of key stakeholders and clients. The department has a long and proud history of protecting Australia's borders from pests and diseases, facilitating access to international markets, and supporting the productivity of Australia's agriculture, fisheries and forestry industries. Staff and stakeholders point to DAFF's critical operational work, highlighting biosecurity as a particular strength and emphasising its importance to the Australian economy.

Staff are highly engaged and dedicated to the work of the department. Many have built trusted relationships with stakeholders over years of working together.

The aggregated impact of multiple Machinery of Government changes to the department over recent years, plus increasing fiscal pressures and operational demands, and the high expectations of government collectively mean that more immediate change is required. The incoming secretary and their senior leadership team will need to assertively address current challenges and opportunities, as relying on more incremental improvement will not be enough.

To position itself to meet current and future challenges, DAFF needs to drive organisational priorities through a new governance framework led by a joined-up senior leadership team collectively responsible for effective enterprise-wide decision-making. The senior leadership team needs to establish clear organisational priorities and allocate resources (both people and financial) in accordance with those priorities. It needs to be able to effectively monitor progress and adapt as required.

To show it 'has its house in order' and retain the confidence of stakeholders and partners across governments, DAFF needs strong foundations. This will require consolidating dispersed management information held within its corporate functions (finance, human resources, assurance and compliance data) and fragmented performance metrics, to create an authoritative single source of truth to underpin decision-making. There is a clear and acknowledged sense of urgency for this foundational work.

Significant work is underway through the department's capability uplift program, *Designing DAFF*, which began in August 2022. DAFF can build on this program, further informed by this review. *Designing DAFF* aims to identify and implement the changes needed to ensure DAFF is well-placed to deliver on the government's policy priorities. This will require dedicated capability and resources, and it is not certain whether DAFF can embed the necessary changes at the rate required in addition to managing its business-as-usual work program.

The key to DAFF's future success will be its ability to quickly position itself to meet the priority strategic policy challenges facing Australia. To do this, DAFF needs to build a confident, proactive leadership culture with a sense of urgency to gain a seat at relevant policy tables. DAFF is perceived as a department that is effective in its transactional core roles of biosecurity, facilitating trade, and supporting agricultural, fisheries and forestry production. It is less visible as a key player in addressing the strategic imperatives for governments at all levels in



Australia including sustainability, climate change, net zero emissions, food security, First Nations Closing the Gap priority reforms and outcomes, and agricultural employment.

To be seen as a more effective strategic player, DAFF needs to leverage its current operational policy functions and build capabilities in strategic whole-of-government policy development. DAFF can improve its strategic policy capability by proactively engaging with key Commonwealth and other strategic partners.

DAFF's key operational and regulatory arms of biosecurity and trade facilitation have a strong reputation but have struggled to modernise systems and processes and respond efficiently to increasing biosecurity risks within existing resources. There is an opportunity to identify a more sustainable operating model in core business lines that fosters collaboration, promotion of good practices and innovation. This could be expedited by leveraging the expertise and capabilities of DAFF's Commonwealth, state and territory partners, co-regulators at the border, and industry stakeholders.

Leadership and culture

For DAFF to meet the future opportunities and challenges, the senior leadership team needs to drive stronger alignment between priorities and resource allocation. They also need to promote a clear and shared sense of purpose and direction, supported by the collaborative behaviours across DAFF's groups and teams. DAFF has commenced work creating a sense of purpose, objectives, priorities, vision and values through its *Designing DAFF* initiative. To progress this, it is essential that priorities are clear, and implementation is led by a joined-up senior leadership team with shared accountability for delivering against the purpose, objectives, priorities, vision and values

This work must be underpinned by a refreshed governance framework and a senior leadership team that is collectively responsible for effective decision-making, including on important cross-cutting priorities. This new governance framework needs to urgently establish clear organisational priorities, allocation of resources (both people and financial) in accordance with those priorities, and reliable, enterprise-wide reporting to monitor progress.

Enterprise-level evidence-based decision making also requires a single, authoritative source of truth on finances, staffing, performance, compliance, risk management and assurance. The current dispersed nature of this information inhibits effective decision-making.

Ensuring DAFF's new priorities are visible, embedded and well understood by staff and external stakeholders in government and the broader community is essential to demonstrate confidence and an ability to deliver. To progress its priorities, DAFF will need to clearly communicate its intent and what success looks like to staff, stakeholders and partners. To support this intent, it will be critical to mature existing means of monitoring performance at the enterprise level and actively drive a culture of continuous improvement.

The department needs to build a robust evaluation capability that looks across the enterprise and proactively assesses performance against objectives while continuing to reinforce a strong culture of integrity. This will provide solid foundations for DAFF over the coming years.



Priority areas for capability improvement

- Urgently develop and implement a new governance framework, with a more joined-up executive team that is collectively responsible and accountable for effective enterprise-wide decision-making.
- Focus the new governance arrangement on setting clear enterprise-level priorities of agreed importance to the Australian Government and community, make hard decisions on the allocation of resources (both people and funding) in accordance with the identified priorities, and implement a way to effectively manage resources and monitor progress at an enterprise level.

Collaboration

DAFF reports to a single minister. This creates the ideal environment for strong and collaborative relationships with the Minister and his office. The minister is highly engaged, and senior staff report ongoing growth in their relationships with the minister and his staff.

The minister has clearly articulated his priorities and aspirations to the department and the broader sector. Notably, DAFF's contributions to key cross-government priorities rely on effective engagement and collaboration with central and line agencies across the APS and jurisdictional and sectoral partners. As outlined under the *Leadership and Culture* domain, it is important the incoming Secretary and the senior leadership team establish and communicate an agreed set of priorities and objectives, for the short, medium and longer term. These priorities require the department to change its mode of operation and use its significant expertise to support and drive key reforms.

As mentioned previously, the Review heard there is a strong appetite for DAFF to be more active in its engagement on strategic cross-government priorities mentioned previously. DAFF's stakeholders and agencies across Commonwealth, state and territory governments see DAFF as having considerable expertise to contribute to cross-government priorities and would like the department to engage more actively in issues beyond its operational and regulatory responsibilities.

DAFF's increased willingness to engage with industry and stakeholders is well received. There is also a sense DAFF has become increasingly collaborative in its approach over recent months.

However, DAFF is also viewed as being absent from core discussions, and passive and reactive, rather than proactively engaging in setting critical policy priorities. By actively engaging with key players in areas of strategic importance to government and the community, DAFF will ensure the needs and aspirations of primary producers, importers and exporters, and other key stakeholders, are considered early in policy considerations. The department needs to have the networks, ability, trust and confidence to convene interest groups with highly divergent views on issues such as sustainability, net zero emissions and food security.



Priority areas for capability improvement

- Expand networks, build confidence and encourage a more proactive leadership culture with a sense of urgency to have a seat at the policy table. This will allow DAFF to better influence cross-sectoral opportunities and risks, including cross-government priorities such as sustainability, climate change, net zero emissions, food security, First Nations Closing the Gap priority reforms and outcomes, and agricultural employment.

Delivery

As a service provider and regulator, DAFF needs strong operational and strategic policy capability to deliver what the government, stakeholders and community requires of it. These policy and service provision settings have economic, social and environmental consequences for Australia.

As noted, there is an urgency for DAFF to become a leader on important cross-cutting strategic policy issues facing Australia, to ensure the productivity and competitiveness of the industries it serves, and support broader whole-of-government priorities. This will require a mindset shift in the department and an uplift of its strategic policy capability. This will include getting the right mix of skills, expertise and experience.

The focus should be on harnessing the expertise of existing staff as well as bringing in new capabilities. Leveraging policy capabilities currently dispersed throughout the various business lines would be an important step in this process. The priority areas to focus this enhanced strategic policy capability should be on the cross-government priorities mentioned previously.

DAFF has sound foundations on which to build its role as an effective service provider and regulator and has broad respect for its specialist expertise across a range of areas. There are opportunities to uplift capability in this area including adopting a more partnership-based, risk focus to service delivery and regulation including, but not restricted to, periods of crisis response. There is a strong appetite among staff and industry stakeholders to expand on earlier co-design initiatives to drive greater efficiency across systems and processes and provide assurance regarding the effectiveness and integrity of these processes. Many highlighted the potential of upgraded systems, and a more data-driven approach to boost capability, versus simply more 'boots on the ground'.

DAFF's highly skilled and experienced operations workforce could be better used and empowered to reduce inefficient or redundant processes and drive a culture of continuous improvement within the department's service delivery and regulatory functions. There is also an opportunity for DAFF to adopt an enhanced enterprise-level operating model to set it up for a more sustainable future.



To support the success of a renewed service delivery operating model and strategic policy capability, a range of enabling capabilities need to be uplifted, including:

- rebuilding a data analytics capability to underpin effective performance monitoring, risk management, operational and strategic policy settings, regulation and service delivery operations
- ABARES is widely viewed as a high performing, respected and high value operation. Expansion of ABARES' role to support a broader data capability uplift could support strategic priority commitments (e.g. net zero emissions). However, DAFF would need to take care to ensure ABARES has the capacity and capabilities it needs to deliver an expanded remit.

Priority areas for capability improvement

- Uplift strategic policy capability beyond its current operational focus. This includes gathering the right mix of skills, expertise and experience. DAFF needs to focus on existing staff as well as bringing in new capabilities and leveraging stakeholder expertise to support capability improvement in this area. Priorities to benefit from enhanced strategic policy capability include sustainability, climate change, net zero emissions, food security, First Nations Closing the Gap priority reforms and outcomes, and agricultural employment.
- Develop an enterprise-level, future-focused operating model to improve efficiency and effectiveness of service delivery and regulatory functions, that sets DAFF up for the future.
- Continue implementing Australian National Audit Office (ANAO) recommendations related to DAFF's organisational performance framework and monitoring tools, and expedite the development of consistent and complementary measures to enable an enterprise-wide view of performance.

People

DAFF is highly regarded for its deep subject matter expertise, and the longevity of its specialist staff. It relies heavily on existing corporate knowledge. DAFF acknowledges it lost key skills and capability during the most recent Machinery of Government changes. It also faces the risk associated with an ageing workforce.

The department needs a comprehensive and adaptive workforce strategy that identifies skills and capabilities required to ensure its workforce is fit for future purpose. As noted in its self-assessment, DAFF '...does not have a consistent and validated workforce data set'. This data, combined with the expertise to draw out insights, is critical to an effective workforce strategy and would support DAFF to plan and make informed decisions about attracting, developing and retaining core capabilities. Consolidating and centralising this data to develop a trusted source of truth is a foundational step towards building a culture where workforce decisions are made based on a workforce strategy and associated workforce plan. This will ensure an enduring focus on identifying, attracting and retaining key capabilities to meet increasingly complex and integrated policy and operational challenges.



DAFF's workforce is geographically dispersed, with just over half of the positions located outside Canberra. There is an opportunity to draw on the regional insights of staff, particularly in operational areas, to drive continuous improvement. There is some concern amongst stakeholders that resources are stretched beyond capacity and that critical skill gaps are starting to emerge. Understanding these risks and designing effective strategies to address them will be an important element of the strategic workforce plan.

DAFF's policy interventions are often highly reliant on the legislative powers and capabilities of jurisdictional partners. The department should look at capability in key operational areas in tandem with considering equivalent capability in states and territories. Lessons from the Department of Health and broader community response to the COVID-19 pandemic could also be relevant to shaping surge workforce responses and escalation protocols between and within governments.

Priority areas for capability improvement

- Develop and embed a workforce planning framework including an effective strategic workforce plan, informed by comprehensive and authoritative data on DAFF's current workforce. This plan needs to identify areas of highest risk and skill demand and develop actions to build capability over the short, medium and longer-term.

Resourcing and risk

The frequency of Machinery of Government changes over the past 10 years and increased operational demands have placed considerable pressure on DAFF's resourcing, and exposed areas of risk. This pressure is increased further by DAFF's heavy reliance on cost recovery from industry and the gap between the cost of delivering services and the revenue collected.

The review heard DAFF needs to improve its management information capabilities and systems to support more effective and timely decision-making. The current devolved system of financial and performance management does not support effective decision-making or allow for early visibility of emerging risks, including resource and financial pressures. It also does not reflect the most efficient use of resourcing, as duplicating functions is not without cost. DAFF's inability to identify, collate and interrogate basic financial, human resource and performance information will impede its ability to identify and manage risk, as it attempts to rebuild its capabilities and brand as a critical government department.

The Department has gone some way towards strengthening reporting and management through the *Designing DAFF* initiative. DAFF needs to prioritise developing and consolidating consistent program-level information on performance, and current and forecast expenditure and revenue. This should be used to form the basis for whole-of-department planning, reporting and forecasting. The review observed that the senior leadership team doesn't receive regular enterprise-level information to inform resource allocation decisions. As noted earlier, cohesion and shared accountability at the executive level will be essential to the success of *Designing DAFF*.

Most recently, the decision by the Department of Climate Change, Energy, the Environment and Water to exit from shared service arrangements with DAFF within the next 2 years has created a problematic cost and



workforce profile and compounded information and communications technology (ICT) risks. Immediate action is required to deliver an agreed pathway for shared service functions to address immediate sustainability challenges.

DAFF has identified evidence-based decision-making as vital across all areas of operation, from regulation and policy to risk and workforce management. It has made several attempts to improve the department's data capabilities and lift the skill in the department through leveraging individual pockets of excellence. However, these capabilities have grown and then contracted over time, usually as departmental budgets tighten. There remains a need for significant uplift in data capability so the department can apply and use data analysis across all activities.

Noting the current sustainability challenges DAFF is facing, and the critical importance of ICT to the business, the department would benefit from developing a 10-year ICT maturity roadmap that has the support of the Digital Transformation Agency.

Priority areas for capability improvement





- Strengthen reporting and forecasting, as this is essential to DAFF managing its financial risk into the future. The department needs to prioritise developing program-level performance and financial reporting, consolidated at an enterprise level and used by the senior leadership team to inform resource allocation decisions, including how best to resource future priorities.
- Take immediate action to deliver an agreed pathway for shared services/corporate functions to address immediate sustainability challenges.
- Prepare and articulate a 10-year ICT maturity roadmap to address its key risks.
- Uplift information and data management maturity. Dedicated resourcing is required for a sustained improvement in departmental maturity.



Detailed assessment of agency capability

This section outlines the rating scale used to assess DAFF, summarises its ratings against the elements of the 5 domains assessed, and provides an assessment of agency capability based on the Capability Review framework summarised at **Appendix B**.




Rating scale and summary of DAFF’s ratings:

Maturity rating scale	High-level maturity rating description
 <p>Emerging</p>	<p>Agency mostly demonstrates:</p> <ul style="list-style-type: none"> • Critical weakness in current capability • Critical weakness in its ability to deliver the capability in the short or medium-term • No or minimal awareness of capability gaps • No or minimal action underway to address the capability gaps • No or minimal evidence of learning or a focus on continuous improvement
 <p>Developing</p>	<p>Agency mostly demonstrates:</p> <ul style="list-style-type: none"> • Weakness or gaps in current capability • Concerns in its ability to deliver future capability • Some current and future capability gaps not clearly identified and forecasting of future capability challenges needs to be improved • Identified weaknesses not systematically addressed • Greater focus on learning and continuous improvement is needed
 <p>Embedded</p>	<p>Agency mostly demonstrates:</p> <ul style="list-style-type: none"> • Good current capability • Majority of future capability gaps identified • Activities to improve in areas of current and future capability gaps, and is well placed to continue improving • Majority of business areas have some focus on learning and continuous improvement
 <p>Leading</p>	<p>Agency mostly demonstrates:</p> <ul style="list-style-type: none"> • Excellent current capability • Strategic and systematic approach to forecasting future capability challenges and responding accordingly • Plans and undertakes development to meet future and changing needs and conditions • Actively participates in learning and focuses on continuous improvement




The Senior Review Team’s assessment of DAFF’s capability is outlined below.




Leadership and culture

Element	DAFF’s high-level maturity rating	
Leadership and governance		EMERGING
Review and evaluation		DEVELOPING
Embodies integrity		EMBEDDED

Collaboration


Element	DAFF’s high-level maturity rating	
Engagement with ministers		DEVELOPING

Delivery





Element	DAFF’s high-level maturity rating	
Strategic policy		DEVELOPING
Service delivery and improvement		DEVELOPING
Managing for performance and outcomes		DEVELOPING



People

Element	DAFF's high-level maturity rating	
Staff performance and capability		DEVELOPING

Resourcing and risk

Element	DAFF's high-level maturity rating	
Asset (physical and ICT) management		EMERGING – ICT asset management
		DEVELOPING – physical asset management
Information and data management		EMERGING
Financial management		EMERGING



Leadership and culture

Element	Description	DAFF's high-level maturity rating	
Leadership and governance	The capability to deliver effective leadership, including good decision-making, to identify and develop leaders, and establish organisational structures that are efficient and effective.		EMERGING
Review and evaluation	The capability to use review and evaluation activities to maintain performance and drive improvement.		DEVELOPING
Embodies integrity	The capability to promote and embed integrity and APS values across all business areas of an agency in a way that informs and influences business practices across the agency.		EMBEDDED

Leadership and governance

Over several years, DAFF and its predecessor department have invested in developing detailed planning documents, from the Department of Agriculture, Water and the Environment's *Being Future Ready: Our Future Department Blueprint 2021–2025* to the more recent *Designing DAFF*.

This work has been highly consultative, engaging an estimated 1,700 staff. It has produced a set of 14 recommendations. As of April 2023, 5 priorities, each with an action plan have been agreed by DAFF's Executive Board.

Through *Designing DAFF*, the department has begun work to create a sense of its purpose, objectives, priorities, vision and values.

However, this work is being developed in the context of DAFF operating as a series of separate businesses around biosecurity, productivity and trade. This model, while fit-for-purpose under certain circumstances, creates an insular and risk-averse culture. It also limits the capability, capacity and work culture to focus on enterprise-wide strategic priorities and inhibits the ability to leverage and coordinate the skills and experience of other staff undertaking similar functions. There is an opportunity to create a more joined-up organisation to drive improved performance.

For DAFF to meet its future opportunities and challenges, the senior leadership team needs to drive alignment between vision, priorities and resource allocation. A shared sense of purpose, direction and roles and responsibilities needs to be conveyed to staff and reinforced by the behaviours of the senior leadership team.

DAFF's new purpose and vision must be visible, embedded, well understood and embraced by staff and external stakeholders, to clearly demonstrate where the department is heading and positioning itself for the future.



Staff said clear strategic directions, improved prioritisation, more positive work culture, proactive, collaborative and innovative ways of working will drive the organisation forward.

Designing DAFF's priorities for the first 3-months provide a good start and could be strengthened by taking immediate actions to establish and communicate the vision and priorities.

The Review identified 3 key areas that will be necessary to drive a joined-up, collaborative and strategically focused department. These are: enterprise-level organisational data and information; governance; and whole-of-department approach to senior leadership ways of working.

Enterprise-level organisational support

To make enterprise-level, evidence-based decisions, data and information needs to be readily available to the senior leadership team. Evidence-based decision-making is not currently visible in the department. In the survey of staff, around 40% only partly agreed that 'Leaders make well informed evidence-based decisions'.

As an organisation, DAFF's corporate resources are dispersed and not well harnessed and coordinated. To address this, DAFF needs to review existing allocation of corporate resources centrally and within divisions, to deliver more efficient, accountable, transparent and assured corporate support across the department.

Enterprise-level, evidence-based decision-making requires a single, authoritative source of truth on budgets, staffing, performance, compliance, risk management and assurance. This requires actively identifying and removing all unnecessary 'shadow' functions – particularly in relation to corporate functions.

Whole-of-department reporting on current and forecast financial position must be informed by program-level expense and revenue forecasts.

Governance model

The department needs a new governance framework with improved processes for enterprise-level decision-making to effectively take forward the priorities, including key cross-cutting priorities. The new governance framework should urgently establish:

- a clear set of organisational priorities
- a way to allocate resources (both people and financial) in accordance with those priorities
- reliable, enterprise-wide reporting to monitor progress.

A new governance framework with a joined-up senior leadership team would provide the backbone of DAFF's organisational capability uplift



A joined-up senior leadership team would take **three urgent steps**



DAFF has taken some steps towards improved governance. However, these new arrangements do not appear to have adequately addressed the observed issues around business fragmentation, duplication of effort, or the preponderance of shadow functions. These collectively may impede accountability and blur authority.

Governance arrangements would benefit from further refinement to better reflect the department's current responsibilities and priorities, and to support a more internally integrated and enterprise-focused operating model.

Senior leadership decision-making

To progress the strategic priorities, senior leaders need to collectively embrace, actively promote and model a shared sense of purpose. Shared ownership of and commitment to executive decision-making will help break down silos.

Some staff reflected on the lack of collaboration and communication in DAFF. DAFF needs to identify and agree its strategic priorities and hold its senior leadership team accountable for ensuring they are aligned and are seen to be committed to an agreed sense of shared purpose and direction.

Ensuring progress

The department could use its Audit and Risk Committee to clearly articulate current risks and risk appetite across all business areas and align key risks with business objectives and priorities, including cross-cutting responsibilities. This would assist in monitoring progress and driving improvement across the department.

DAFF could also refresh internal and external performance measures to better reflect enterprise-level strategic priorities and operational imperatives over the next 3–5 years.



Elevating the roles of Chief Audit Executive and Chief Risk Officer to a more senior position will strengthen the already formal links between the Audit and Risk Committee and the Executive.

Review and evaluation

DAFF does not have an overarching enterprise-level review and evaluation policy or a function to ensure review and evaluation practices are undertaken on a consistent basis.

This was identified in the department's self-assessment and by staff involved in the review workshops.

This points to a significant opportunity to set up a review and evaluation function, rather than have business units undertaking the reviews themselves or relying on external consultants.

Staff also said current review and evaluation activities do not allow for continuous improvement. In the all-staff survey for this review, 53% of respondents only partly agreed that 'Evaluation methods are used to inform, improve and deliver outcomes'.

The ANAO has identified measuring, evaluating and reporting on the contribution of activities to the department's intended outcomes as an area for improvement in several recent performance audits within the portfolio.

ABARES is widely viewed as a high-performing, respected and high-value operation. Expanding its role to support a broader uplift of data capability is considered a very positive direction. However, DAFF needs to take care to ensure ABARES has the capacity and capabilities it needs to deliver on its expanded mandate.

Embodies integrity

DAFF has clearly articulated policies and procedures around integrity. The leadership team has a strong history of emphasising and resourcing integrity-related structures, processes and supporting communication. This includes mandatory training, face-to-face scenario discussions, and systematic oversight and reporting structures, including dashboards.

The department remains very conscious of staff vulnerability to influence from external parties, given its regulatory responsibilities, paired with the increased expectations flowing from the establishment of the National Anti-Corruption Commission, Robodebt findings and changing public expectations. Recent ANAO reports have also highlighted the need for greater transparency about decision-making to provide assurance to the entity, suppliers, government and the public that the procurement value has been non-discriminatory and that value for money has been considered.

There is evidence DAFF promotes the value of integrity. A total of 74% of respondents to the all-staff survey conducted for this review agreed that 'DAFF promotes 4 core values including integrity and the APS values'.

Despite some disruptions associated with Machinery of Government changes, DAFF's Integrity Branch is resourced to assess and strengthen its capability and maturity rating respond to any requests for investigations, and reinstate regular reporting to the leadership team, Audit and Risk Committee and businesses.

Designing processes and procedures with integrity at the centre will give DAFF confidence its staff are doing the 'right thing' and improve the ability to call out inappropriate behaviour and respond to any such allegations.



'Many teams are a pleasure to work with, and genuine in their dealings, taking a united approach. When involved with these teams, much is achieved and the outcomes are the best we can do. This approach should be promoted.' **Staff member**

'Our work is recognised and valued by senior leadership.' **Staff member**

'Core issue culturally, is [we DAFF] remain a very very siloed organisation.'

External Stakeholder

'The agency's purpose, vision and strategy are not well understood by its staff or its stakeholders.' **Staff member**

'Tried to do too many things at once – boiling ocean rather than trying to do two or three things.' **External Stakeholder**


'It's about getting their house in order on decisions, spending money, allocating money, governance arrangements, recruiting staff and tracking budget' **External stakeholder**

Priority areas for capability improvement

- Urgently develop and implement a new governance framework, with a more joined-up executive team that is collectively responsible and accountable for effective enterprise-wide decision-making.
- Focus the new governance arrangement on setting clear enterprise-level priorities of agreed importance to the Australian Government and community, make hard decisions on the allocation of resources (both people and funding) in accordance with the identified priorities, and implement a way to effectively manage resources and monitor progress at an enterprise level.



Collaboration

Element	Description	DAFF's high-level maturity rating	
Engagement with ministers	The capability to maintain open, trusted and respectful relationships with minister/s and provide impartial and evidence-based advice to them.		DEVELOPING

Engagement with ministers

Following a series of Machinery of Government changes (including 2 over the past 3 years), there is now a single minister responsible for the portfolio. This creates an ideal environment for strong and collaborative relationships with the minister and his office.

The minister is highly engaged, and senior staff have reported growing relationships with the minister and his staff.

The minister has clearly articulated his priorities and aspirations to the department. Most require more proactive engagement across government and broad range of stakeholders. It is important the incoming secretary and the senior leadership team establish an agreed set of priorities and objectives, for the short, medium and longer-term.

Broader engagement and collaboration

Close stakeholders and partners said DAFF should influence and support important cross-government strategic issues. However, DAFF is viewed as very transactional, reactive and not actively engaged in whole-of-government priorities such as sustainability, climate change, First Nations people and net zero emissions target. Some Commonwealth agencies noted DAFF is not as visible as it could be on cross-cutting policy issues and see an opportunity for DAFF to take on a stronger role, for example, in relation to climate change and sustainability. Many internal staff cited a lack of capacity due to operational workload as a root cause of not fully participating in cross-cutting and strategic matters.

There is evidence to suggest some areas of DAFF could benefit from a more user-centred approach to stakeholder engagement in policy and program development and service delivery improvement. DAFF needs to seize every opportunity to lead, partner and engage across government. There are opportunities to leverage DAFF's partnerships and proactively engage across Australian Government agencies (specifically the Department of Climate Change, Energy, the Environment and Water, Australian Border Force, central agencies and the Department of Foreign Affairs and Trade), state and territory government regulatory and agriculture agencies, and industry partners – including greater data sharing. This will enable DAFF to better influence and progress cross-cutting priorities for the minister, government and industry sectors.



Whole-of-government funding continues to be available to DAFF to leverage its expertise, influence the future direction of key initiatives, and uplift the capability of its operations while contributing to broader system improvements.

A current example is future funding available through the Simplified Trade System. Future-proofing this funding will require DAFF to actively engage in the broader system simplification imperative and actively contribute to cross-border trade reforms.

The soon-to-be released *Employment White Paper* (led by The Treasury) presents an opportunity for DAFF to take an active role and engage early on how agriculture, fisheries and forestry could support this important agenda. The review team notes the Minister for Agriculture, Fisheries and Forestry has established an Agricultural Workforce Working Group, comprising the minister, unions and agricultural employer groups, with a focus on ‘pursuing solutions to better attract, skill, protect and retain workers in the agriculture and processing sectors’. However, the review observes DAFF itself needs to be able to shape a proactive and forward-looking agricultural workforce agenda through vehicles such as the *Employment White Paper*.

DAFF needs to find the means to uplift its capability and capacity to proactively engage in cross-cutting government priorities.

‘As an organisation we have well established knowledge of our stakeholder ecosystem.’

Staff member

‘When commenting on performance measurement: ‘Silence is golden...’ referring to a lack of client feedback being an endorsement of service.’ **Staff member**

‘We need to be more influential. The Minister demands that as well.’ **Staff member**

‘They do what they have to deal with but don’t look into the future. How to make contribution to the government of the day. They have a huge role to play in national security. They should be in there leveraging things government is really worried about.’ **External stakeholder**

‘Tend to engage with usual suspects.’ **Staff member**






Priority capability areas for improvement

- Expand networks, build confidence, and encourage a more proactive leadership culture with a sense of urgency to have a seat at the policy table. This will allow DAFF to better influence cross-sectoral opportunities and risks, including cross-government priorities such as sustainability, climate change, net zero emissions, food security, First Nations Closing the Gap priority reforms and outcomes, and agricultural employment.



Delivery

Element	Description	DAFF's high-level maturity rating	
Strategic policy	The capability to deliver high-quality and forward-looking strategic policy that meets strategic objectives and ministerial priorities.		DEVELOPING
Service delivery and improvement	The capability to deliver effective and efficient services and improve service delivery by undertaking and acting on evaluation and user feedback.		DEVELOPING
Managing for performance and outcomes	The capability to deliver on commitments to government, measure the value provided, and employ a systems thinking approach to delivery.		DEVELOPING

Strategic policy

As identified in its self-assessment, DAFF has an operational focus through its significant regulatory responsibilities. This limits its flexibility to invest in strategic policy capability. As a result, the department's strategic policy and policy development capability has varied over time.

It is both opportune and imperative that DAFF actively involves itself in the government's strategic priorities, to influence better outcomes for its clients and stakeholders. DAFF acknowledges this in its self-assessment and recognises the government has clearly communicated its expectations for the department.

Historically, DAFF has demonstrated it can develop future-focused operational policies for ways of working, such as the *Future Department Blueprint*. However, this has always been in response to requests – either from ministers or Commonwealth partners. Consistently, stakeholders interviewed as part of this review are looking to DAFF to proactively take on a leadership role in the government's priority areas.

There is an urgent need for DAFF to stand-up a set of key skills, experience and expertise that will proactively shape, inform and influence the direction of government's response to complex social, economic, environmental, and geopolitical challenges. The priority areas for this enhanced capability are sustainability, climate change, trade, agricultural employment and First Nations people.

Establishing a Strategic Policy Branch and a Climate Policy Branch was a positive step, and their roles need to be urgently clarified in the context of the review's proposed changes to the department's governance arrangements, with a focus on building in-house strategic policy capabilities.

Ensuring strategic policy discussions are a standing item on the senior leadership team's agenda will help drive capability uplift. The senior leadership team needs space to discuss and develop strategic priorities, opportunities and ideas that can be surfaced when in policy deliberations with key stakeholders.



While DAFF has identified 4 strategic priorities over the next 4 years, these are not articulated in a way that connects them to broader whole-of-government priorities. DAFF needs to better articulate how its internal efforts will contribute to government priorities, for the benefit of its staff, central agencies, and its state, territory and industry partners.

Service delivery and improvement

DAFF has a strong reputation and is widely respected as a service provider and regulator in biosecurity, productivity and trade. It has made progress building capable and enduring regulatory skills and expertise and promoting its role to external stakeholders and the broader community. There are, however, clear expectations for DAFF to modernise and better harness technology and data analytics to enhance the user experience for importers and exporters. This needs to be informed by enhanced collaboration with government decision-makers and industry

Less evident is the extent to which DAFF encourages and facilitates constructive 2-way dialogue with its industry and government partners or uses data to drive service improvements.

In the all-staff survey conducted for this review, 53% responded: 'Very little' or 'Somewhat' in response to the question statement: 'DAFF acts on stakeholder feedback to improve services and operations delivery'. DAFF and state and territory regulators are interdependent, particularly at the border. This historical relationship has benefited from past efforts to create a more joined-up service for clients and industry. There is an appetite amongst stakeholders for this work to continue and identify further opportunities to leverage skills, capabilities and resources across the border continuum. The border continuum includes offshore, through Australia's maritime zones and the border, to domestic areas. This would drive more contemporary, digitally enhanced and user-centred services.

This review has also identified an opportunity for DAFF service lines (biosecurity, forestry, fisheries, trade, First Nations) to operate in a more joined-up way through a renewed enterprise-wide operating model.

DAFF could better use its skilled and experienced operational workforce to think about different ways of operating. Staff on the frontline are enthusiastic about working collaboratively with their state, territory and industry partners to reduce inefficient and/or redundant processes, and to drive a continuous improvement culture across the service delivery functions.

Staff and other stakeholders identified numerous areas where an end-to-end, client-centred view of services and regulatory activities could lead to efficiencies and improved service delivery.

The department's self-assessment identified that DAFF only undertakes limited evaluation of whether its services and delivery measures respond to the needs of people. This limits its ability to identify where service improvements would deliver the best benefits – both internally and externally.

A review of the current service delivery operating model is needed. It should be informed by performance measures and other relevant data. This approach will take time to develop and, to realise the benefits, there needs to be a strong commitment to short, medium and longer-term planning to continually mature the approach.



Customer service focus

The outcomes of the Royal Commission into the Robodebt Scheme (published 7 July 2023) demonstrate the importance of a user-centred approach to policy and program design and service delivery. Recommendation 23.3 (‘Fresh focus on “customer service” – Services Australia and [the Department of Social Services] should introduce mechanisms to ensure that all new programs and schemes are developed with a customer focus, and that specific testing is done to ensure that recipients are at the forefront of each new initiative’) is relevant to all Australian Public Service agencies and departments including DAFF. This is consistent with the APS Reform Agenda pillar: ‘The APS puts people and business at the centre of policy and services’ and associated outcomes, ‘The APS delivers human and user-centred policy and service excellence’ and ‘The APS has effective relationships and partnerships with First Nations people’.

Managing future biosecurity threats

The biosecurity threat to Australian producers and the broader community is an escalating risk. DAFF’s ability to manage this risk is threatened by diminishing technical expertise as long-term experienced staff retire.

Developing a more sustainable response and recovery approach to biosecurity outbreaks is a top priority for the department.

Stakeholders consider that biosecurity settings need to be reviewed, as the current risk posture is not sustainable within existing resources. Several key processes are triggered by biosecurity-related events – including the roles and responsibilities of state and territory biosecurity entities. However, there is merit in considering how they are managed as part of broader, whole-of-government emergency management activities. Discussions with central agency representatives, as part of this review, suggested there may be an appetite to consider whether biosecurity risk is better managed as part of the broader national emergency management landscape.

DAFF should consider reinvigorating engagement and collaboration with Australian Border Force and other relevant players. Australian Border Force has benefitted from significant investment in its information and intelligence systems to underpin a risk-based approach to border inspections and related services. DAFF has an opportunity to explore whether it could re-use or leverage these systems before investing in bespoke or standalone systems.

Success to date in obtaining funding through the government’s Simplified Trade System could also be further explored for any possible assistance in lifting biosecurity-related capabilities.

Managing for performance and outcomes

Monitoring and evaluating performance is inconsistent across the key business areas. To underpin a strong sense of purpose and direction, DAFF needs to mature its data holdings and capabilities. It has an opportunity to leverage the experience of its stakeholders across Commonwealth agencies, states and territory regulatory bodies, and industry partners to expedite improvements in this area.



In 2022, the ANAO found DAFF's organisational performance framework was not sufficiently consistent or aligned with its Portfolio Budget Statements, Corporate Plan and Annual Performance Statements. It also found DAFF lacked the tools to track delivery of its strategic priorities.

Designing DAFF has initiated a range of activities to respond to the ANAO report. DAFF could complete further analysis to ensure *Designing DAFF* addresses the gaps identified by the ANAO.

DAFF's regulatory and industry partners are seeking greater transparency of performance information to support its rationale for current and future cost recovery from industry.

It will be important for DAFF to prioritise collecting the most impactful performance reporting data to inform changes where necessary to ensure successful delivery of outcomes. As identified by the ANAO, clear performance measures and targets for core operational areas would support future improvements to service delivery.

Rebuilding the data analytics capability that existed before the latest Machinery of Government changes is essential to support effective risk management, compliance, policy advice, regulation and service delivery improvements.

Streamlined and consolidated key performance data at the enterprise level would support development of a contemporary operating model. Complementary and consistent performance metrics are a useful precursor to adopting new ways of working – both as a diagnostic tool and to measure benefits.

'We have experienced far more engagement over recent months under this leadership...'

External stakeholder


'DAFF need to engage, and if necessary elbow their way in, on broader policy conversation and lean in on issues, for example net zero.' **External stakeholder**

'DAFFs policy focus can get crowded out by service delivery priorities.' **External Stakeholder**

'[DAFF] focus on own responsibilities not outwardly how agenda fits with other things. Struggles to imagine how things could be different.' **External stakeholder**

'There is an opportunity for DAFF to engage with First Nation's people, and the future of Agriculture will require more diverse input, including First Nation's people' **Staff member**

'Listen to the people who work on the front line more often. These people might not be of a high rank, but they know what is going on.' **Staff member**



'There's an opportunity to work more collaboratively with states [and territories] ... [DAFF] don't see how much time states spend with community. [States] can provide so much information and guidance and assist in program monitoring and evaluation.'


External stakeholder

Priority capability areas for improvement

- Uplift strategic policy capability beyond its current operational focus. This includes gathering the right mix of skills, expertise and experience. DAFF needs to focus on existing staff as well as bringing in new capabilities and leveraging stakeholder expertise to support capability improvement in these areas. Priorities to benefit from this enhanced capability include sustainability, climate change, net zero emissions, food security, First Nations Closing the Gap priority reforms and outcomes, and agricultural employment.
- Develop an enterprise-level, future-focused operating model to improve efficiency and effectiveness of service delivery and regulatory functions, that sets DAFF up for the future.
- Continue implementing ANAO recommendations related to DAFF's organisational performance framework and monitoring tools, and expedite the development of consistent and complementary measures to enable an enterprise-wide view of performance.



People

Element	Description	DAFF's high-level maturity rating	
Staff performance and capability	The capability to develop staff in a way that is aligned to the future needs of the APS, and to use performance management to deliver on strategic priorities and encourage high performance.		DEVELOPING

Staff performance and capability

DAFF is highly regarded for its subject matter expertise, and the longevity and historical knowledge of specialist staff. Staff are engaged and committed to the department's work and have often built relationships with stakeholders over many years.

DAFF acknowledges it has lost key skills during the most recent Machinery of Government changes and faces growing risks of an ageing workforce.

The department urgently needs a comprehensive workforce strategy that identifies skills and capabilities required to achieve its ambitions, maintain existing capabilities and address skills gaps. The strategy needs to identify areas of highest risk and skill demand and actions to build capability over the short, medium and longer-term. This will also ensure an enduring focus on identifying, attracting and retaining key capabilities to meet increasingly complex and highly integrated policy and operational challenges.

There is some concern amongst stakeholders that DAFF's resources are stretched beyond capacity and that critical skill gaps are starting to emerge. Capability in key operational areas should also be viewed in tandem with states and territories that have related workforce challenges and opportunities.

As identified in its self-assessment, DAFF does not have a consistent and validated workforce data set. This makes it difficult to plan and make informed decisions about attracting, developing and retaining talent and key capabilities.

DAFF needs an authoritative and trusted source of truth to develop the workforce strategy and associated workforce plan.

The reliance on corporate knowledge held by long-serving staff creates a risk that valuable information and experience could be lost. DAFF would benefit from improving succession planning, capturing corporate knowledge as part of its information and data management capability uplift. This would ensure information held by individuals is captured and contributes to key data sets, standard operating procedures and other guiding documents.

Lessons from the Australia's COVID-19 pandemic response may have relevance in shaping a workforce strategy.

DAFF's workforce is geographically dispersed with close to 52% of positions located outside Canberra. There is an opportunity to make greater use of the insights of staff based in regional locations, particularly in operational areas, to drive continuous improvements.



DAFF does not anticipate the future needs and requirements of its workforce profile, and this has led to capability and knowledge gaps. Stakeholders are concerned staff have become reactive due to a high-pressure culture. In the all-staff survey conducted for this review, 60% of respondents only partly agreed that ‘Capability development opportunities are aligned with our business area's future needs’.

It will be important for DAFF to focus on building its core, fit-for-future-purpose capabilities, while exploring partnerships to deliver in areas where it does not have capabilities and/or capacity.

DAFF needs to mature and expand its strategic policy skills, including working closely with central agencies and larger government partners to support cross-government priorities.

DAFF staff are committed and loyal to the department’s mission. They are optimistic about the future.

To reduce the risk of losing, and not attracting, essential skills, DAFF needs to better communicate its employee value proposition.

Staff in the central corporate areas of DAFF feel disempowered and undermined by the shadow functions across the department. The impact on good governance was highlighted earlier. Consolidating corporate functions in key areas of the department will deliver efficiency and quality gains, as well as creating professional roles and career paths for people with important corporate skills – such as financial, human resources, procurement, assurance, reporting, and risk management.

There are opportunities to enhance existing DAFF systems, processes and people capabilities, by sharing the current and emerging capabilities with regulator partners (for example, Australian Border Force), state and territory governments, and industry. Stakeholders have expressed a willingness to explore and advance these possibilities.

*‘Few departments with depth of expertise like DAFF. People with deep sectorial scientific experience.’ **External stakeholder***

*‘I have worked with DAFF over the past 20-25 years and have never experienced anything but highly professional and committed people...’ **External stakeholder***

*‘In my program we have an aging workforce with many within the team approaching retirement within the next few years. There appears to be little forward planning to cover for losing staff members.’ **Staff member***

*‘People are passionate about the things we do, but struggle to pivot and let go.’ **Staff member***

*‘Seeing a lack of financial literacy in DAFF doesn’t inspire confidence from an industry perspective. If [you] can’t get your own house in order, how can industry have confidence in the changing framework.’ **External stakeholder***







Priority areas for capability improvement

- Develop and embed a workforce planning framework including an effective strategic workforce plan, informed by comprehensive and authoritative data on DAFF's current workforce. This plan needs to identify areas of highest risk, skill demand and develop actions to build capability over the short, medium and longer-term.



Resourcing and risk

Element	Description	DAFF's high-level maturity rating	
Asset (physical and ICT) management	The capability to manage assets (physical and ICT) across their lifecycle to support the delivery of strategic objectives and be adaptive to change.		EMERGING – ICT asset management
			DEVELOPING – physical asset management
Information and data management	The capability to use and manage information and data across all business areas of an agency and ensure sharing across government and beyond.		EMERGING
Financial management	The capability to use financial planning to support the delivery of strategic objectives and allocate financial resources to maximise deliverables and ensure transparency and accountability.		EMERGING

Asset management – ICT

DAFF's self-assessment identified low capability in managing enabling technologies. Staff consistently told the review team that systems and technology make it challenging to do their work.

DAFF's Digital Services Division has taken measures to rebuild the department's understanding and management of its enabling technologies. While most ICT hardware is provided and managed centrally, individual business areas still source and manage some domain-specific digital services, for example software licences. This fragmentation presents significant challenges in maturing an approach to asset management.

The department's ICT capital budget is \$20.1 million (\$10.1 million departmental capital budget and \$10 million of depreciation funding) which must fund ICT, property and other capital expenditure. This is unlikely to reflect the actual need and must be carefully managed and prioritised based on the current risk profile.

DAFF needs to modernise legacy ICT assets to reach a contemporary operating capability. It has an opportunity to prepare a 10-year ICT investment plan to address its key risks. It would benefit from seeking advice from the Digital Transformation Agency on how to future-proof its systems and reduce risk associated with legacy systems. DAFF may consider clustering investments into 2–3 year increments that each deliver a benefit to industry stakeholders and demonstrate the department's ability to make progress towards modernisation.

The upcoming exit of the Department of Climate Change, Energy, the Environment and Water from DAFF-supplied shared service arrangements will challenge DAFF's revenue model and workforce profile. This may further compound ICT risks. This has left DAFF in a hybrid state, as it continues to provide services to the Department of



Climate Change, Energy, the Environment and Water. DAFF needs to quickly identify a clear pathway forward from the current situation and steady its resource profile to plan with confidence.

Asset management – physical (property)

This targeted review has not had time to deeply review DAFF's physical asset management. However, DAFF would benefit from understanding how ageing property assets increase risks to delivery of its frontline operations.

Departmental staff work in diverse settings such as shipping ports, airports mail centres, quarantine facilities, laboratories, export abattoirs and offices. DAFF has extensive and diverse property holdings in metropolitan, maritime and remote locations under varying tenures, subject to Commonwealth property provisions. This includes an ageing asset base with regional offices in Brisbane, Perth, Adelaide, Cairns and Darwin. DAFF told the review all these assets require significant building upgrades or replacement within the next 5 years. The regional office network houses the department's laboratories, which DAFF advises are also at end of life and require upgrading.

In its self-assessment, DAFF ranked its maturity against this element as 'developing', noting that it is preparing a revised property management plan and a 10-year capital plan to provide greater strategic direction for its property portfolio. This will also include a sustainable roadmap to guide budgetary decisions to meet Commonwealth property objectives.

DAFF needs to manage its property assets at an enterprise level to make better use of existing assets, respond to demand for flexible working arrangements, and facilitate opportunities for greater co-location with other Commonwealth and state/territory entities. Co-location with jurisdictions could present an opportunity for both fiscal and operational benefits.

DAFF recognises the importance of updating its overall capital plan (ICT and property) as part of a multi-year approach to its internal budget. This will strengthen existing planning and oversight processes.

Information and data management

DAFF has identified evidence-based decision-making as vital across all areas of operation from regulation and policy to risk and workforce management. The department has made several attempts to improve its data capabilities by leveraging individual pockets of excellence. However, these capabilities have grown and contracted over time, as departmental budgets grow and tighten. DAFF still needs to improve data capability to be able to fully leverage its data holdings.

While DAFF's focus is on understanding and using existing data assets, there is also an opportunity to draw on data resources held by partners and ABARES.

External stakeholders have expressed frustration with DAFF's outdated data collection methods and consider it would be more efficient to provide data directly to the department.

DAFF could better use existing data and technology to inform risk-based decision-making including, but not limited to, delivery of regulatory functions.



In the all-staff survey conducted for this review, 60% responded: ‘Very little’ or ‘Somewhat’ in response to the statement: ‘DAFF encourages the sharing of information and data’.

There is also an opportunity to use data to engage with industry stakeholders to demonstrate the efficiency and effectiveness of the department’s services. To date, industry has not seen efficiency improvements to support increased fees and charges. Compelling data providing more transparently could potentially provide greater confidence to industry stakeholders and help justify any future fees and charging changes.

As mentioned earlier in the report, DAFF needs to improve its ability to identify, collate and interrogate basic financial, human resource and performance information. Failure to do this will severely impede DAFF’s ability to identify and manage risk as it attempts to rebuild its capabilities and brand as a critical government agency.

Financial management

DAFF employs over 5,400 people working in 170 locations across Australia and external territories. The department’s total annual revenue for 2023–24 is estimates at \$1.2 billion, comprising cost recovered funding (almost 50%), and departmental funding.

Machinery of Government changes over the past 3 years combined with increased operational demands have placed considerable pressure on DAFF’s resourcing, and exposed areas of highest risk. These risks are compounded by its heavy reliance on cost recover from industry and the cost of delivering services not matching the revenue.

For DAFF’s financial operations, Machinery of Government changes have meant joining and then disbanding systems, processes and teams.

The current devolved system of financial and performance management threatens effective decision-making and forecasting of emerging risks. It is not an efficient use of the department’s already tight resourcing.

The department has gone some way towards strengthening its reporting and management through the *Designing DAFF* initiative. It should prioritise achieving consistent program-level information on performance, and current and forecast expenditure and revenue. This should be used to form the basis for whole-of-department planning, reporting and forecasting. This review observed that the senior leadership team doesn’t receive regular enterprise-level information to inform decisions about allocating resources. As noted earlier, cohesion and shared accountability at the executive level will be essential to the success of *Designing DAFF*.

Financial accountability mainly sits at the individual group level in DAFF. A more joined-up approach would enable financial management, decision-making and risk to be managed at an enterprise level.

A business partner function engages with business units across the department and acts as a conduit between the Chief Financial Officer (CFO) and first assistant secretaries. This function is often supplemented by divisions employing their own finance staff. These staff operate independently of the CFO – creating a risk of inconsistent or inaccurate advice, reporting and understanding of the centralised financial strategy administered by the CFO.



Budget strategy functions are separate from the financial management responsibilities and sit across 2 divisions. DAFF would benefit from strengthening the CFO's role to encompass internal financial management and external budgeting processes, to establish a more joined-up approach to financial management, forecasting and planning.

Financial literacy across DAFF is varied. The department has a program of financial acumen training to improve decision-making capabilities and compliance across business areas. However, the absence of workforce planning makes it difficult for DAFF to identify capability gaps.

DAFF needs to build the level of commercial acumen required to develop appropriate revenue strategies, consistent and compliant charging policies, and accurate cost attributions, as well as to provide full cost transparency to industry clients and stakeholders. This review found many industry stakeholders are not against increased charges and fees if the reasons are clear and they can see service improvements. DAFF's record in this area is viewed by stakeholders as being highly variable.

DAFF does not currently have the systems in place to reliably understand its financial circumstances at any given point in time. It cannot reliably forecast how actual expenditure is tracking against estimates. While work has been done through the *Designing DAFF* initiative to strengthen financial reporting, there is an opportunity to better forecast both revenue and expenditure at a whole-of-enterprise level.

Historically, the cost of delivering essential services is not always matched with revenue coming into DAFF. Half of DAFF's budget comes from cost-recovered activities. Demand for these services, and consequent revenue, can be variable and poses potential sustainability risks.

This situation is compounded by the risk of a biosecurity outbreak, which would be either managed from within existing resources or supplementary funding allocated on a case-by-case basis.

Unfunded activities across the organisation, including both activities with terminating funding and new functions taken on without additional funding, are a risk to DAFF's financial sustainability. The leadership team needs to consider whether unfunded activities should continue, and if so, how they will be funded from within existing resource structures.

As mentioned earlier, the provision of shared services remains an unsettled issue following the most recent Machinery of Government changes and requires prompt attention. Most recently, the decision by the Department of Climate Change, Energy, the Environment and Water to exit from the current DAFF shared service arrangements over the next 2 years has created a highly problematic cost and workforce profile and compounded ICT risks. Immediate action is required to deliver an agreed pathway for shared services/corporate functions to address immediate sustainability challenges.

'We have a very good working relationship with DAFF but it is not without its frustrations ... due largely to its rigid and dated paper-based systems and procedures.' **External stakeholder**



'Listen to its grassroots staff, training of new systems needs to be thorough, easy to follow. New systems need to be implemented that are free from errors/ bugs, fit for purpose.'

Staff member

'Funding, delivery and review need to reflect modern approaches including IT and Digital.'

Staff member

'Improved investment in data capture and analytics results in a better-informed decision-making outcomes. In many cases we "know" the right path, but the evidence isn't available to support the instinct. We need to be better at that.' **Staff member**

'Going forward, maximising data sharing between federal government departments and agencies, state and territory bodies and where possible private enterprise will deliver improved data and information for better decision making.' **Staff member**

Priority areas for capability improvement

- Strengthen reporting and forecasting, as this is essential to DAFF managing its financial risk into the future. The department needs to prioritise developing program-level performance and financial reporting, consolidated at an enterprise level and used by the senior leadership team to inform resource allocation decisions, including how best to resource future priorities.
- Take immediate action to deliver an agreed pathway for shared services/corporate functions to address immediate sustainability challenges.
- Prepare and articulate a 10-year ICT maturity roadmap to address its key risks.
- Uplift information and data management maturity. Dedicated resourcing is required for a sustained improvement in departmental maturity.



The department's response

Thank you for the opportunity to participate in the APSC Capability Review and for the Report by the independent Senior Review Team led by Robyn Kruk AM and Liza Carroll with Jenet Connell and Lisa La Rance as APS senior reviewers.

The Department of Agriculture, Fisheries and Forestry (DAFF) welcomes the findings and recommendations. I had the opportunity to discuss the report with our previous secretary, Andrew Metcalfe AO, who asked me to thank the team for the positive engagement during the conduct of the review and for its timely observations and findings.

We are grateful for the recognition given in the report to the department's *long and proud history protecting Australia's borders from pests and diseases, facilitating access to international markets, and supporting the productivity of Australia's agriculture, fisheries, and forestry businesses*. As we look to the future, the department will continue to play a key role in contributing to whole of government priorities such as climate change and emissions reduction, First Nations, food security and trade.

We are pleased that you have acknowledged the department's *highly specialised and committed staff who are aligned to its stated values and have earned the respect of key stakeholders and clients*. I am also glad you found our staff *willing, open, and collaborative through the review process*. We also appreciate the report pointing to the need for a strategic workforce plan to ensure we maintain the specialist skillset to build a fit for future workforce including sustainment of critical skills, as well as bringing in new capabilities. Our staff are our greatest asset, and we will work together to embed an enterprise-wide approach to improving our organisational capability.

We are pleased that the report also recognises the impacts of multiple machinery of government changes combined with increasing fiscal pressures and operational demands on the department and the proactive steps already taken to address some of the areas for improvement identified in the report.

We have a strong desire to proactively contribute to APS Reform and to strengthening our linkages across government, and with industry, stakeholders, and the Australian community to demonstrate the value of what we do. Further, we are committed to demonstrating how what we do contributes to Australia's broader prosperity and security. The report findings will assist us in strengthening a culture of continuous improvement across the agency and ensuring we can contribute to the delivery of government priorities.

We recognise the need for some immediate improvements. We are committed to working with our incoming Secretary on delivering an action plan that addresses the key priority areas identified in the report, including establishing a new system of governance focused on enterprise-wide priorities and decision-making, strategic workforce planning and development, strategic policy capability, and financial management. Additionally, we will begin work on other identified reforms such as our service delivery and regulatory operating models, data capabilities, management information consolidation and digital systems.

We are looking forward to further strengthening our relationship with the APSC and other government agencies in fostering a whole-of-government approach to implementing the APSC Capability Review Program and broader



APS reform. We also recognise the need to engage staff, stakeholders and partners as we implement reforms in response to the Review and focus on the priorities of the Government and the Australian community.

I would like to thank the Senior Review Team for their considered findings and priorities for the department to advance, and the support to this process provided by the APSC. I would also like to thank departmental staff and external stakeholders for their contribution to the review.

Kind regards

Cindy Briscoe

Acting Secretary

Department of Agriculture, Fisheries and Forestry



Appendix A: Abbreviations and acronyms

Abbreviation or acronym	Description
ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), the science and economics research division of the Department of Agriculture, Fisheries and Forestry
ANAO	Australian National Audit Office
APS	Australian Public Service
CFO	Chief Financial Officer
DAFF	Department of Agriculture, Fisheries and Forestry
ICT	Information and Communications Technology
SES	Senior Executive Service job classification in the Australian Public Service



Appendix B: Capability Review framework

Core domain	Elements covered by the targeted review	Description of the element
Leadership and culture	Leadership and governance	The capability to deliver effective leadership, including good decision-making, to identify and develop leaders, and establish organisational structures that are efficient and effective.
	Review and evaluation	The capability to use review and evaluation activities to maintain performance and drive improvement.
	Embodies integrity	The capability to promote and embed integrity and APS values across all business areas of an agency in a way that informs and influences business practices across the agency.
Collaboration	Engagement with ministers	The capability to maintain open, trusted and respectful relationships with minister/s and provide impartial and evidence-based advice to them.
Delivery	Strategic policy	The capability to deliver high-quality and forward-looking strategic policy that meets strategic objectives and ministerial priorities.
	Service delivery and improvement	The capability to deliver effective and efficient services and improve service delivery by undertaking and acting on evaluation and user feedback.
	Managing for performance and outcomes	The capability to deliver on commitments to government, measure the value provided, and employ a systems thinking approach to delivery.
People	Staff performance and capability	The capability to develop staff in a way that is aligned to the future needs of the APS, and to use performance management to deliver on strategic priorities and encourage high performance.
Resourcing and risk	Asset (ICT and property) management	The capability to manage assets (physical and ICT) across their lifecycle to support the delivery of strategic objectives and be adaptive to change.
	Information and data management	The capability to use and manage information and data across all business areas of an agency and ensure sharing across government and beyond.
	Financial management	The capability to use financial planning to support the delivery of strategic objectives and allocate financial resources to maximise deliverables and ensure transparency and accountability.