

## **SECTION 4: OTHER REPORTING REQUIREMENTS**

### **4.1: Purchaser-Provider Arrangements**

Agencies may need to provide resources to other General Government Sector (GGS) bodies, for example in payment for services rendered or as part of cross agency initiatives. Consequently, the sum of amounts in agency resourcing tables in Budget Paper No. 4, and in the resourcing tables in this document, will not equal total resourcing at the whole of government level (as reproduced in Budget Paper No. 1).

This section summarises significant transactions between GGS agencies that are not consolidated or reported at the whole of government level.

<p style="text-align: center;"><b>Australian Government Departments of Agriculture, Fisheries and Forestry &amp; Industry, Tourism and Resources</b></p>
--

#### **Cross agency overview**

The Australian Government Department of Agriculture, Fisheries and Forestry provides the Australian Government Department of Industry, Tourism and Resources (DITR) with minerals, energy and climate change related economic research, forecasts and statistical services.

#### **Responsibility**

Funds are appropriated to DITR and DITR pays funds to the Australian Bureau of Agricultural and Resource Economics (ABARE) based on a schedule included in the ABARE/DITR Research Agreement.

#### **Control arrangements**

A Research Agreement has been signed between ABARE and DITR outlining the costs and defining the services to be provided to DITR by ABARE. A liaison protocol to monitor the progress of the Research Agreement on a quarterly basis is included in the Research Agreement.

#### **Resourcing**

DITR arranges payments to ABARE based on projects negotiated in the Research Agreement between ABARE and DITR.

#### **Performance against outcomes of purchased Outputs**

Performance Outcomes are detailed against each project in the Research Agreement.

<p style="text-align: center;"><b>Australian Government Department of Agriculture, Fisheries and Forestry / Centrelink</b></p>
--

### **Cross agency overview**

The Australian Government Department of Agriculture, Fisheries and Forestry has a purchaser/provider arrangement with Centrelink relating to the delivery of AAA - Farm Help, Drought-related programmes and the Sugar Industry Reform Programme 2004.

### **Responsibility**

The Rural Policy and Innovation Division is responsible for the AAA - Farm Help and Drought-related programmes and the Food and Agriculture Division is responsible for the Sugar Industry Reform Programme 2004.

### **Control arrangements**

There is a Business Partnership Agreement (BPA) between the Australian Government Department of Agriculture, Fisheries and Forestry and Centrelink which outlines the services to be delivered. Centrelink is located within the Finance and Administration Portfolio and has a Board with executive powers that is accountable to the Minister for Human Services. It operates under the *Commonwealth Services Delivery Agency Act 1997* and is subject to the *Financial Management and Accountability Act 1997*.

### **Resourcing**

The purchase of services from Centrelink for the delivery of these programmes is:

- AAA - Farm Help - \$5.047 million.
- Drought-related programmes - \$0.933 million.
- Sugar Industry Reform Programme 2004 - \$0.308 million.

### **Performance against Outcomes of purchased Outputs**

The performance information on AAA - Farm Help and Drought-related programmes can be found under Output 2 Rural Policy and Innovation. The performance information for the Sugar Industry Reform Programme 2004 can be found under Output 3 Industry Development.

**Australian Government Departments of Agriculture, Fisheries and Forestry & Industry, Tourism and Resources**

Under *Backing Australia's Ability 2*, funding is provided to the Australian Government Department of Industry, Tourism and Resources (DITR) for Biotechnology Australia and two of its partner agencies to support continuation of the National Biotechnology Strategy (NBS). The Biotechnology Australia component of the funding will maintain its role in coordinating and managing the NBS and implementing its Public Awareness Programme. Through Memorandums of Understandings (MOUs) with DITR, the Australian Government Department of Agriculture, Fisheries and Forestry will receive funding to continue its work on supply chain management and marketing issues and the Australian Government Department of the Environment and Heritage will receive funding to assist implementation of a nationally consistent approach on access and use of genetic resources and undertake further studies on environmental risks.

**Australian Government Department of Agriculture, Fisheries and Forestry / Australian Agency for International Development (AusAid)**

**Cross agency overview**

The Australian Government Department of Agriculture, Fisheries and Forestry has a purchaser/provider arrangement with AusAid to manage the Agency's Sanitary and Phytosanitary Capacity Building Programme (SPSCBP).

**Responsibility**

AusAid pays the Department for managing the SPSCBP for the delivery of an assistance programme set out in the Programme Design Document (PDD).

**Control arrangements**

Performance indicators are listed against each of the services provided in the Record of Understanding (ROU).

**Resourcing**

All resource implications are detailed in the Record of Understanding (ROU). Management of the programme is fully costed, including salaries, salary on-costs, travel and other overheads.

**Performance against outcomes of purchased Outputs**

Performance measures are outlined in the ROU.

**Australian Government Department of Agriculture, Fisheries and Forestry  
/ National Measurement Institute (NMI)**

**Cross agency overview**

The National Residue Survey (NRS) engages the National Measurement Institute (NMI) through a competitive tender process to provide analytical testing services. Services provided are in accordance with a Memorandum of Understanding (MOU) for each programme for which NMI is the successful tenderer.

**Responsibility**

All reporting responsibilities relative to NMI are detailed in the relevant of MOU. NRS reporting requirements are primarily through the annual financial report and the annual results report. Additional reporting is provided to individual industries on an ad-hoc basis, following requests from the industries and on an annual financial year basis.

**Control arrangements**

All accountability issues are covered by the individual testing MOUs.

**Resourcing**

All resourcing implications are spelt out in detail in the MOU. It is a fee for service arrangement.

**Performance against outcomes of purchased Outputs**

All performance information against Outcomes and Outputs is contained in the NRS component of Output 5, Product Integrity, Animal (including aquatic animal) and Plant Health, section of this document.

**Australian Government Departments of Agriculture, Fisheries and  
Forestry & the Environment and Heritage**

**Cross agency overview**

The Australian Government Departments of the Environment and Heritage (DEH) and Agriculture, Fisheries and Forestry (DAFF) have a cross-portfolio arrangement in respect of the administration of the National Action Plan Salinity and Water Quality (NAP). The NAP is a \$1.4 billion Commonwealth–State Territory programme that, over eight years, will continue to fund the development of integrated regional/catchment natural resource management plans and implementation of targeted high priority actions to address salinity, particularly dryland salinity, and deteriorating water quality in priority regions across Australia.

The goal of the NAP is to motivate and enable regional communities to use coordinated and targeted action to:

- Prevent, stabilise and reverse trends in salinity, particularly dryland salinity, affecting the sustainability of production, conservation of biological diversity and the viability of our infrastructure.
- Improve water quality and secure reliable allocations for human uses, industry and the environment.

### **Responsibility**

The Minister for the Environment and Heritage and the Minister for Agriculture, Fisheries and Forestry jointly determine policy and major funding allocations from within the NAP.

The DEH and the DAFF have established a cross-portfolio unit, the Australian Government Natural Resource Management Team, to jointly implement the NAP.

### **Control arrangements**

DAFF is responsible for the financial management of the NAP.

The DEH and the DAFF are jointly responsible for the administration of the NAP, through the joint Australian Government Natural Resource Management Team.

### **Resourcing**

Total funding for the NAP in 2006–07 is \$144.053 million which will be appropriated directly to the DAFF. The DAFF will provide to the DEH (through Section 31 of the *Financial Management and Accountability Act 1997*) \$0.868 million in 2006–07 to fund the administration costs incurred in implementing the NAP.

### **Performance against Outcomes and Outputs**

Performance information against the Outcomes and Outputs for the NAP programme are detailed under the Administered Items in Output 1.

<p style="text-align: center;"><b>Australian Government Departments of Agriculture, Fisheries and Forestry &amp; the Environment and Heritage</b></p>
---

### **Cross agency overview**

The Australian Government has provided over \$1.3 billion to extend the Natural Heritage Trust (Trust) for six years from 2002–03 to 2007–08. The 2006–07 Budget provides for expenditure of \$300 million for the Trust in 2006–07.

The Departments of the Environment and Heritage (DEH) and Agriculture, Fisheries and Forestry (DAFF) have a cross-portfolio arrangement to administer the Trust. The Trust expenditure package is a \$3 billion investment which is promoting an integrated long-term approach to the conservation and sustainable management of Australia's land, water, native vegetation and biodiversity.

The Trust has three overarching objectives. These are:

- Biodiversity Conservation – the conservation of Australia's biodiversity through the protection and restoration of terrestrial, freshwater, estuarine and marine ecosystems and habitat for native plants and animals.
- Sustainable Use of Natural Resources – the sustainable use and management of Australia's land, water and marine resources to maintain and improve the productivity and profitability of resource based industries.
- Community Capacity Building and Institutional Change – support for individuals, landholders, industry and communities with skills, knowledge, information and institutional frameworks to promote biodiversity conservation and sustainable resource use and management.

### **Responsibility**

The Minister for the Environment and Heritage and the Minister for Agriculture, Fisheries and Forestry jointly determine policy and major funding allocations from within the Trust.

The DEH and the DAFF have established a cross-portfolio unit, the Australian Government Natural Resource Management Team, to jointly implement the Trust.

### **Control arrangements**

The DEH and the DAFF are jointly responsible for the administration of the Trust, through the joint Australian Government Natural Resource Management Team.

### **Resourcing**

All the Trust's financial resources are included in the agency report of the Environment and Heritage portfolio.

Total funding for the Trust in 2006-07 is \$300 million. The DEH will provide to the DAFF (through Section 31 of the *Financial Management and Accountability Act 1997*) \$7.3 million in 2006-07 to fund the administration costs incurred in implementing the Trust.

### **Performance against Outcomes and Outputs**

#### **Quantity:**

The number of investment strategies that are prepared, evaluated and for which funding is agreed and specified in financial agreements.

The number of individuals/community groups supported through Australian Government Envirofund grants.

#### **Quality:**

- Investment strategies address nationally agreed NRM priorities to address identified NRM issues.

#### **Efficiency:**

- All investments approved by Ministers in 2006-07 are delivered through appropriate financial agreements and provided with funding in accordance with Trust accountability and acquittal procedures, to meet the Trust's objectives.
- Monitoring and evaluation arrangements are in place for each level of the Trust and reports show progress against targets.

## 4.2: Cost Recovery Arrangements

### Australian Quarantine and Inspection Service

AQIS has submitted six Cost Recovery Impact Statements (CRIS) to the Department of Finance and Administration for amendments to fees to take effect in the 2005-06 financial year. Each CRIS has addressed the four stages stated in the guidelines, being initial policy review, design and implementation of fees and charges, ongoing monitoring and periodic review.

### Seaports Programme

The primary function of the Seaports Programme is to ensure that all vessels arriving in Australia from overseas comply with International Health Regulations and to ensure that all quarantine risk posed by the vessel is appropriately managed.

This is achieved by:

- Assessing the quarantine risk of each vessel entering Australian waters.
- Implementing procedures to minimise the risk of the vessel introducing any exotic pest or disease.
- The purpose of the Cost Recovery Impact Statement was to seek to amend some fee-for-service rates and to simplify the overtime fees. To effect these changes, amendments were required to the *Quarantine Service Fees Determination 2001*.

The following revised fees came into effect on 1 July 2005:

Increases were made to the following fee for service fees:

- Half and quarterly hourly fees.
- Pratique for vessels >25mt.
- Pratique for vessels <25mt.
- Daily rate.
- Weekly rate.
- Removal of the De-rat fee.
- Consolidation of shiftwork and overtime fees resulting in a simplified, more easily understood set of fees.

The revised fee structure is closely aligned with the cost of providing these services. All major stakeholders were consulted throughout the process. The Programme received endorsement by the peak industry body of the new fee structure prior to implementation.

### Import Clearance Programme

The Import Clearance Programme's primary function is to effectively manage the food safety, human, plant and animal quarantine risks associated with imported cargo and packing. It undertakes this service under Australian Government legislation and by applying cost-recovered, regulatory services to Australian importers and service

providers. Risk management strategies and practices enable Import Clearance to target goods of quarantine concern, including general cargo and packaging.

The purpose of the Cost Recovery Impact Statement for fees that came into effect on 1 July 2005 was to seek structural enhancements to the program's previous fee structure and to adjust the fee rates. To effect these changes, amendments were required to the *Food Control Regulations 1993 (Regulations)* and the *Quarantine Service Fees Determination 2001*.

The following amendments came into effect on 1 July 2005:

- Consolidation of shiftwork and overtime fees resulting in a simplified, more easily understood set of fees.
- Consolidation of permit fees in order to offer a simplified and more easily understood set of fees for importers and AQIS officers.
- New half yearly Quarantine Approved Premises registration fee.
- Decrease in manual quarantine entry lodgement fee.
- Decrease in electronic quarantine entry lodgement fee.
- Decrease in Automatic Entry Processing (AEP) fee.
- Decrease in quarantine entry processing fee.

The purpose of the Cost Recovery Impact Statement for fees which came into effect on 14 November 2005 was to seek adjustment to the Import Declaration fee rates for Air and Sea cargo. These fee amendments were required to the *Quarantine Service Fees Determinations 2005*.

The following amendments came into effect on 14 November 2005:

- Increase in Import Declaration - Air fee.
- Increase in Import Declaration - Sea fee.

The revised fee structures that were made in July and November 2005 are closely aligned with the cost of providing these services. All major stakeholders were consulted. The Programme received endorsement by the peak industry body of the new fee structure prior to implementation.

### **International Mail Programme**

The International Mail Programme's primary function is to screen for quarantine items in all mail arriving in Australia from overseas. The Programme uses a range of detection and interception methods including x-ray technology and detector dogs to screen some 150 million articles of mail that enter Australia each year. The purpose of the Cost Recovery Impact Statement was to amend the fee structure for the provision of services by the International Mail Programme to Australia Post. To effect this fee change the *Quarantine Service Fees 2003-2005 (Australia Post) Determination 2003* was replaced with a new Determination.

The following amendments came into effect on 1 July 2005:

- There is no expiry date specified in the Determination. Specific quarterly payments and due dates were removed and replaced with a requirement to pay on invoice.
- A new annual charge of \$3.2 million which incorporated a calculated increase in Programme expenses for 2005-06, in line with cost modelling undertaken by the Programme.
- The annual 5% increase was removed to provide the Programme flexibility to recalculate the true cost to the Programme each year.

The revised fee structure is closely aligned with the cost of providing these services. Australia Post was consulted by the Programme and agreed to the proposed changes.

### **Post Entry Animal Quarantine Programme**

The Post Entry Animal Quarantine Programme's primary function is to provide and maintain secure housing appropriate for each imported animal that requires post arrival quarantine. The Programme currently provides quarantine station services for importers of dogs, cats, hatching eggs, live birds, bees, horses and ruminants. The length of time each animal spends in quarantine depends on the species and in some cases, on the country of origin. The purpose of the Cost Recovery Impact Statement was to amend a number of fees to more closely align the fees with the cost of providing the service. To effect these changes, amendments were required to *Quarantine Service Fees Determinations 2001*.

The following amendments came into effect on 1 July 2005:

- An increase in the fees for bird eggs.
- An increase in the daily management fees for dogs and cats.
- An increase in the daily rate for the first 25 ruminants and additional ruminants.
- Minor changes in overtime rates to align with other quarantine programmes.

There was full support for the fee increases from the Pet Industry Association of Australia (PIAA) and the Torrens Island Avian Quarantine Station Consultative Committee (TIAQSCC). The Alpaca Association of Australia (AAA) advised that they did not agree to the level of increase due to low utilisation of this facility by their members. However AQIS maintains that the revenue received from this revenue category (which includes other animal species such as cattle) aligns with the costs of providing this service to clients.

### **Meat Export Programme**

The primary function of the Meat Export Programme is to deliver audit, inspection and certification services with respect to the export of meat and meat products from Australia.

This function is achieved through:

- Inspections of meat and meat products at export registered establishments.
- Regular auditing of export registered establishments undertaking the preparation of meat and meat products for export to assess the hygiene of food preparation and storage areas and their compliance with importing country requirements.
- Inspection services to ensure product compliance with importing country requirements for the issuance of export certification.

The purpose of the Cost Recovery Impact Statement was to seek amendment to fee-for-service and overtime rates to ensure that the programme was able to effectively recover its costs. To effect these changes, amendments were required to the *Export Control (Fees) Orders 2001*.

The following amendments came into effect on 11 November 2005:

Increases were made to the following fee-for-service items:

- Electronic meat health certificates and replacements.
- Manual documentation.
- Meat inspector and veterinary officer fees for annual, monthly, daily and hourly normal, overtime and shiftloading rates.
- Hourly rates for contractors.
- Daily and hourly rates for area technical managers.
- Meat chemical approvals.

Further increases to veterinary officer rates are expected to take effect on 1 July 2006.

A new fee was introduced to cover the work performed by verification officers.

The revised rates are closely aligned with the cost of providing these services. The approach to stage the increase to rates relating to fee-for-service items undertaken by Veterinary Officers has been taken to mitigate the impact of the required fee increase to industry. This approach was reached through significant consultation with all major stakeholders. Endorsement for the approach was received from all major stakeholders prior to the introduction of the revised fees.

Since 1993 the National Residue Survey has operated under full cost recovery arrangements for the funding of residue testing programmes undertaken on behalf of participating industries. Most industry programmes are funded by statutory levies. Funds are collected by the Levies Revenue Service of the Australian Government Department of Agriculture, Forestry and Fisheries and are held in the NRS Account set up under the *Financial Management and Accountability Act 1997* and the *National Residue Survey Administration Act 1992*.

## National Residue Survey

Cost Recovery Impact Statement (CRIS) for increase in National Residue Survey (NRS) Pig Residue Monitoring Programme cost recovery mechanism.

Since 1993 the National Residue Survey (NRS) Pig Residue Monitoring programme has been funded by an 8.5 cent levy at slaughter, a designated component of the \$2.435 per carcass slaughter levy collected under the *Primary Industry (Excise) Levies Act 1999*. The pig NRS levy has increased from 8.5 cents per pig at slaughter to 17.5 cents from 1 April 2006. Pig producers pay the levy as a carcass slaughter levy.

All NRS cost recovery arrangements are subject to the following legislative requirements:

- *National Residue Survey Administration Act 1992.*
- *Financial Management and Accountability Act 1997.*
- *National Residue Survey (Customs) Levy Act 1998.*
- *National Residue Survey (Excise) Levy Act 1998.*
- *Primary Industries Levies and Charges (National Residue Survey Levies) Regulations 1998.*

The increase in the NRS pig slaughter levy has been implemented in accordance with the Commonwealth's cost recovery policy and guidelines.

The increase in the NRS pig carcass levy from 8.5c to 17.5c is to apply from 1 April 2006. For the period 1 April 2006 to 30 June 2006 NRS anticipates that 1.4 million pigs will be slaughtered out of a total of 5.3 million pigs slaughtered for the full financial year. The total levy collection for the 2005-06 financial year is expected to be \$572 875 of which \$237 952 will be collected between 1 April 2006 and 30 June 2006 from the 17.5 per carcass levy.

A proposal to increase the pig NRS levy from 8.5 cents per pig at slaughter to 17.5 cents from 1 April 2006 was put to the Australian Pork Limited (APL) Annual General Meeting held in Canberra on 23 November 2005. The motion was carried, with 24 of 34 delegates in agreement and 8 delegates against, with 1 delegate abstaining and 1 delegate absent. The vote represents a clear majority of support for the increase in the pig NRS levy, made up of 70.59 per cent of producers affiliated with APL, or 52.80% of total Australian production.

Prior to the APL Annual General Meeting a considered consultation process was carried out within the pig industry through direct consultation of APL members and a media campaign through rural radio and advertisements/articles in rural newspapers (including major Australian Pork Industry newspapers, journals and newsletters). APL in conjunction with the Department closely consulted with the NRS and Levies Revenue Service to ensure that the Government's General Principles applying to levy changes were met.

The amendment to the pig NRS levy rate was also referred to the Office of Regulation Review (ORR) for advice on the need for a Regulation Impact Statement (RIS) to be prepared in support of the new cost recovery level. ORR advised that an RIS is not required on this occasion and has given the matter ID No. 7755.

NRS reviews the cost of each participating industry's programme each year. By arrangement with each industry, NRS attempts to maintain a buffer in each industry's equalisation account (IEA) of between 20% and 80% of the annual cost of the programme in any year. NRS consults the representative peak industry bodies about the cost of the forward year's programme in relation to each industry's existing IEA and anticipated levy revenue. Any need to consider a change in the levy is discussed in the context of those consultations.

**4.3: Australian Government Indigenous Expenditure (AGIE)**

**Table 4.1: Australian Government Indigenous Expenditure**

Outcome	Appropriations				Other \$'000 (E)	Total \$'000 (F)=(D)+(E)
	Bill	Bill	Special	Total		
	No. 1	No. 2	Approp	Approp		
	\$'000 (A)	\$'000 (B)	\$'000 (C)	\$'000 (D)		
<b>More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries</b>						
Administered 2006-07	<b>236</b>	<b>100</b>	-	<b>336</b>	-	<b>336</b>
<i>Administered 2005-06</i>	274	95	-	369	-	369
Departmental 2006-07	<b>50</b>	-	-	<b>50</b>	-	<b>50</b>
<i>Departmental 2005-06</i>	152	-	-	152	-	152
Total Outcome 2006-07	<b>286</b>	<b>100</b>	-	<b>386</b>	-	<b>386</b>
<i>Total Outcome 2005-06</i>	426	95	-	521	-	521
<b>Total AGIE 2006-07</b>	<b>286</b>	<b>100</b>	-	<b>386</b>	-	<b>386</b>
<i>Total AGIE 2005-06</i>	426	95	-	521	-	521