Comcover Awards for Excellence 2012

Case studies of award winning agencies
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### Risk Initiative Category

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Enterprise-wide
Risk Management Category

Winner
Department of Agriculture, Fisheries and Forestry

Highly Commended
Australian Agency for International Development

Highly Commended
Civil Aviation Safety Authority

Highly Commended
Director of National Parks

Honourable Mention
Department of Education, Employment and Workplace Relations
Department of Agriculture, Fisheries and Forestry
Winner of Enterprise-wide Risk Management

Summary

The Department of Agriculture, Fisheries and Forestry (DAFF) develops policy and delivers programs to improve the productivity, competitiveness and sustainability of agricultural, food, fisheries and forestry industries.

It enables trade in goods and provides independent research, policy analysis, forecasts and advice on our portfolio industries. It has more than 5000 full-time officers working across Australia and in international locations.

DAFF plays a key role in several whole-of-government crisis plans that relate to managing major pest and disease incursions.

In this environment, risk management is fundamental. Since 2010, the Department has been maturing its approach to risk to one that is more effective and a model for others.

DAFF’s strategic priorities and risks are now linked through a top-down, bottom-up approach and synchronised with the business planning cycle.

The Department is making use of a range of new technologies including its integrated risk management and planning tool, e-plan. This tool helps DAFF to better understand risk hotspots across the organisation as well emerging risks.

In the past three years the Department has won the risk initiative category and been presented with two highly commended and one honourable mention awards in the Enterprise-wide Risk Management and Risk Initiative categories.

Accountability approach to risk

Three years ago, DAFF set out to revitalise its risk management framework. The goal was to be a more agile, effective, adaptive and resilient organisation.

To meet this aim, the Department:

• Created a strategic risk agenda endorsed by the Executive
• Enhanced its e-plan
• Increased its risk maturity through tailored communications, training, workshops and better risk tools.
Strategic risk agenda

The strategic risk agenda enshrines risk in all aspects of work. Risk is everyone’s business. In the past, the Department examined strategic risks independently. However, as part of its work to enhance its risk management framework, DAFF’s Executive Management Committee has agreed to include the identification of strategic priorities and risks as a key part of the annual business planning cycle. Strategic priorities and risks are communicated as the business planning begins.

This process better aligns divisions with the organisation’s strategic goals and more clearly defines business objectives and deliverables.

DAFF defines its risk policy in Chief Executive Instruction 1.1 (CEI 1.1). This instruction demonstrates a shift from a process-driven, descriptive approach to an accountability based approach for managing risks.

The Department’s governance framework incorporates risk management into its core business functions, processes, systems, programs and major projects. The accountabilities are clearly set out in CEI 1.1:

- The Secretary has ultimate accountability for the Department’s performance and risk management.
- The risk policy is approved by the Executive Management Committee.
- The Executive supports the Secretary by developing a strategic risk profile, reviewing divisional risks and risk treatments, and profiling and maintaining the risk management framework.
- Executive Managers and Directors identify, document, prioritise and monitor risk in their divisions and regularly review and update risk management plans.
- The Audit Committee reviews the risk framework and risk treatments, and monitors the risk management plan.
Enhanced e-plan

DAFF has integrated risk management into its governance, business planning, and performance management processes.

Through the development of a low-cost technology, business planning, risk assessment and reporting have been combined in one system, known as e-plan. This technology was developed internally at a cost of $26,000.

E-plan allows the Executive to quickly be informed of risk hotspots across the organisation, including the sources of these risks. It lets the user create business plans while automatically populating the risk assessment and reporting modules. This reduces error and allows risk profiles to be calculated in minutes instead of days or even weeks.

E-plan is easy to use, and although still in development, forms the business requirements for future ICT platform builds.
Tailored training

In 2011–12, 1,040 staff received training in introductory risk management (compared to only 177 in 2009–10 and 385 in 2010–11). Risk training is now promoted as an e-module and forms part of the new starter induction package.

DAFF’s dedicated Business Planning, Assurance and Risk branch provides specialist risk advice to the Department. The branch provides coaching to business groups for particular programs, major projects, or to individuals by request. The branch has a risk management team of three full-time officers who:

- review and update risk management methodologies and tools
- implement and monitor the risk management program, including Work, Health and Safety (WHS), security, fraud and business continuity
- analyse risk information and prepare reports for the Secretary and Executive Management Committee
- conduct risk learning and development, and
- manage the department’s relationship with Comcover.

The team contributed substantially to DAFF’s revised WHS travel guidelines in response to changes in government regulations in 2011. DAFF also has specialist risk teams for corporate, biosecurity, WHS and ICT risk.

A divisional risk network acts as a contact for all matters of risk and provides feedback to the risk team on risk initiatives. This encourages knowledge sharing and risk mentoring which increases the pool of risk knowledge and expertise. The network contributed to the development of a new DAFF-specific Risk Management Guide which provides detailed guidance to staff on managing risk.
How DAFF assesses risks

DAFF’s risk assessment process is designed to identify:

- contexts for internal, external and risk management
- risks in each division’s strategic and operational contexts
- treatments and strategies to implement business plans
- opportunities and balance these against risks involved.

The process of risk assessment includes regular review of DAFF’s risk profile by the Secretary and Executive Management Committee. The Department seeks to:

- re-allocate resources for high-priority risk areas;
- respond quickly to external pressures; and
- communicate and consult with stakeholders on emerging risks.

Practical benefit of risk reporting

The Department’s Executive is particularly concerned about identifying the sources of strategic risk affecting the organisation. The objective is to reduce the likelihood of those sources creating a major risk event for the business.

Risk reporting has practical benefits. One recent useful example of DAFF’s risk reporting was to highlight a crucial source of risk: failure to manage change. As a result, a Change Management Committee was established so the Senior Executives could oversee major changes in the department that affect our people, processes and systems.

Business continuity testing

In 2012, DAFF created an Emergency Management and Business Continuity (EMBC) framework that draws on the common emergency methodology of prevention, preparedness, response and recovery. It offers a holistic approach to managing incidents and emergencies, with elements including key departments, external management, business continuity plans, associated documents and committees. It also supports more effective communication to stakeholders and the public.

The department also developed a new incident assessment and response checklist to guide decision makers in the first critical minutes when a critical incident or emergency occurs. Once life and safety are considered – always the first task – Managers need to assess the effect on departmental operations which includes consulting relevant supporting documents such as the business continuity plan.

Depending on the level of risk, the response to an incident could be to proceed as business as usual, or to set up an incident management team to coordinate the Department’s response and activation of specific plans.

The new EMBC framework has already been successfully used in several incidents and emergencies.

Given the nature of DAFF’s business it regularly tests its business continuity framework with paper-based and discussion-based scenarios which culminate in an annual live exercise. All live exercises are externally evaluated and lessons learned are incorporated as part of an annual review and update of the business continuity framework.
Achievements

The Department has shown increasing maturity in the way it manages risk across the organisation.

More visibility of risk

Strategic and operational risks are linked through a top-down, bottom-up approach to make high and medium risks in the Department more visible. Strategic risks are also better aligned with the business planning cycle and shape the Department’s key objectives and deliverables.

External recognition

In 2010, DAFF won the Risk Initiative category and received an honourable mention in the Enterprise-wide Risk Management category of Comcover’s Awards for Excellence. In 2011, DAFF went on to receive highly commended awards for both the Enterprise-wide Risk Management and Risk Initiative categories.

In 2012–13, 17 agencies have visited the department to review its approach to Enterprise-wide Risk Management and the tools and methods DAFF have developed.

The risk team received requests for risk workshops from all over Australia, not only on programs or projects, but on new legislation, for example the Biosecurity Bill, which replaced the Quarantine Act 1908.

Financial benefits

DAFF’s increasing risk maturity is resulting in many benefits. For example, DAFF’s total number of insurance claims fell by half during the past four years, from around 80 in 2008–09 to around 40 in 2011–12.

Meanwhile, its benchmarking discount rose dramatically during the same period from around $40,000 in 2008–09 to around $245,000 in 2011–12.

More knowledge from training

Training has dramatically improved the quality of risk assessments and knowledge across the organisation.

In the past, officers weren’t accurately describing their risk statements, but now they are more consistently set out as source/risk/impact. Risk levels are more uniformly described for the particular risk identified.

The introduction of an e-learning module has reduced the demands for in person training by the risk team. The e-Learning training has also reduced the pressures on the risk team, allowing them to focus more on strategic priorities and risk across the Department.
Australian Agency for International Development
On a journey to manage risk

Highly Commended for Enterprise-wide Risk Management

Summary

The Australian Agency for International Development (AusAID) has been on a risk management journey in the past two years, and has changed rapidly into an agency with a strong risk management culture. Risk management now sits at the core of everything it does.

AusAID operates in partnership with governments, multilateral and bilateral development agencies, civil society organisations and the private sector, to reduce poverty in developing countries. About half of Australia’s development assistance goes to countries that are high risk or fragile, often with poor levels of governance, corruption and political instability, and a high degree of vulnerability to natural disasters.

In the last two years, the agency has made serious investments in risk management. AusAID developed a new framework in late 2011, designed to reflect best risk practice and provide a strategic and operational view of risk.

The new risk team has worked hard to increase awareness of risk throughout the agency and makes regular reports to the Executive. With a focus on training all staff and strong Executive support for risk management, the agency has successfully integrated risk management into all its business.

As an example of how far AusAID has come, the agency has had positive reaction and endorsement from other international donors for the way it manages risk. During 2013, it has been leading work on risk, sharing with other international development agencies.

Where the journey began

The journey began some two years ago. In 2011, the Independent Review of Aid Effectiveness (with Sandy Hollway AO as Chair, Prof Stephen Howes, the Hon Margaret Reid AO, Bill Farmer AO and John WH Denton) set out to examine the effectiveness and efficiency of the Australian Aid Program and make recommendations to improve its structure and delivery:

“The aid program should foster a culture of risk management rather than risk aversion... It should increase the relative importance of risks to development effectiveness... greater focus on results and reward for innovation and acceptance... some activities will fail.”

At the time, it was hard to find many examples of best practice risk management. There was:

- no dedicated risk management team to specifically advance and support risk management;
- a risk framework more concerned with levels of risk, than how risk management is integrated into business processes;
- a basic risk policy with no standard approach, which allowed for individual risk processes to be created;
- an enterprise risk management plan that was not dynamic or fit for purpose;
• no emphasis on active monitoring and communication of risks except for single or annual reporting;
• no emphasis on risks and ratings related to achieving objectives;
• a risk management guide that was not user-friendly; and
• insufficient emphasis on a range of risks in risk documentation.

AusAID has a crucial role to play in international development particularly in our region and has a large Official Development Assistance budget to allocate and account for. The agency decided it can be more effective with a positive attitude to risk and a framework that minimises risk where possible, and grasps any opportunities that arise from managing risk.

Support came from the top. The Executive approved and endorsed a new risk management framework and other initiatives for placing risk at the centre of its business, including establishing:

• a new risk framework, which includes policy, guidance and tools;
• a new risk team at AusAID;
• risk-sharing discussions between other donor countries;
• a branch with a focus on risk (including a business continuity plan) and fraud;
• risk officers for the four largest international posts and a risk working group with representatives from key business areas; and
• a training program which has resulted in over 1,000 people receiving training including workshops in fraud control and risk management in 2012 in Australia and overseas.

Initially risk and fraud management resided with the Internal Audit Branch, however, in March 2012 under new organisational arrangements for AusAID, a Risk Management and Fraud Control Branch was established. Within this branch functional responsibilities include risk management, fraud control, working in partner government budget and financial systems, due diligence, business continuity and child protection. All of these now constitute AusAID’s integrated approach to managing risk.
New framework and policy

At the centre of its new risk framework are four main business objectives:

- fully deliver the annual aid program and demonstrate developmental effectiveness;
- continue to implement the government’s aid policy agenda;
- ensure the safety and security of agency people, information and assets; and
- Build and protect its reputation for delivery and excellence.

These objectives represent the core business priorities of the agency. With a focus on training all staff, and strong executive support, the agency has been able to successfully integrate risk management into its business.

The risk framework requires formal risk documentation at all levels within the agency. Each document provides information for discussing risks, strategies and mitigation measures and, when required, provides an escalation process.
AusAID’s risk policy now outlines the risk management context, risk culture, principles in its risk methodology, benefits of managing risk, and who is responsible for managing risk. It also sets out who needs to review and report, and when:

- The enterprise risk plan sets out who is accountable at a senior level for owning and managing risk.
- The Executive reviews the strategic risks in each division as part of business planning.
- A monthly report to executives highlights any new or emerging high risk issues, which can be escalated by division heads or the Executive.
- Executives receive biannual reporting on enterprise risks.

Risks are discussed and reviewed regularly, according to their profile, and are actively managed so they do not impede the achievement of AusAID’s objectives.

**Creation of a new risk team**

It would not be possible to create a strong risk culture without fully investing in the risk function.

In mid 2011, a new risk management team, made up of an EL2, an EL1 and an APS6, was created within the Internal Audit Branch and was moved to a new risk management and fraud control branch within the Program Effectiveness and Performance Division in March 2012. This structure ensures program support throughout the agency and emphasises how risk is considered through each stage of a program, from concept to completion.

Fraud is a serious issue and presents a risk to providing aid effectively. The fraud section has a team of seven, with an EL2, two EL1s and four APS6s. The fraud and risk teams are based in one branch and work closely
together. In the four posts with the highest number of fraud cases (which are also the largest posts), Risk and Fraud Managers have been put in place and work closely with the risk management and fraud control sections.

A number of committees across the agency, such as the Executive Committee, Workplace Health and Safety Committee, and People and Leadership Committee, all consider the potential effects of risk and contribute to a strong and positive risk culture.

**Risk sharing discussions among donors**

AusAID has been leading discussions with other international donors and multilateral organisations to find better and more equitable ways to share risks. AusAID has presented two papers to the Development Assistance Committee of the Organisation for Economic Co-operation and Development on this subject and has received widespread support for its ideas.

AusAID is committed to improving in a coherent manner, the way in which the donor community understands, shares and manages a range of common risks to donors and multilateral partners.

**Business continuity team joins risk section**

Integration of the business continuity team into the risk section recognises they have a common focus. The agency’s Business Continuity Plan (BCP) has high-level support and is tested each year. Whenever a significant incident occurs, staff at AusAID follow a thorough process to identify any lessons learned to mitigate against the same happening again.

AusAID has a Memorandum of Understanding with portfolio agencies, such as the Department of Foreign Affairs and Trade (DFAT) and Austrade, which provide for reciprocal arrangements if a BCP must be activated. Each international post also has its own BCP or a broader DFAT BCP led by DFAT.

The IT group and risk team work closely together on the IT Disaster Recovery Plan and it has already proven to be robust during unscheduled outages.

As AusAID works in a relatively fragile environment, with multiple operational and security risks, it uses an incident management plan to manage both real and potential business outages.
Risk officers at the four largest posts and risk working group established

While the agency has a dedicated risk team, there are also dedicated risk and fraud officers at the four highest risk posts (Jakarta, Honiara, Manila and Port Moresby) and a risk working group made up of members representing many key areas of the agency working together to ensure risk is integrated into the processes and programs group members own.

Posts now have more detailed and relevant risk documentation and clearly demonstrate how crucial areas of risk (fraud, Work, Health and Safety (WHS), security, and partner) are being managed. The risk team will use data from post risk management plans to look at risks common to all posts and use that data to help form an agency risk profile.

Over 1,000 people trained in risk management and fraud control in 2012–13

Risk and fraud training in Canberra and at all posts is vital to keeping everyone fully informed about managing risk positively, including government officials from developing countries, contractors, United Nations and staff. At posts, training is given to both AusAID posted staff and staff who are locally engaged.

Risk training sessions discuss the risk management framework, Executive requirements for risk management, and the type of documentation and reporting required. Risk training is now mandatory at AusAID for all new starters and prior to staff departing on posting. Fraud training focuses on what fraud is and what staff and partners are obligated to do to prevent it and to manage where it does occur. The training covers the requirements of the Commonwealth Fraud Control Guidelines and the AusAID Fraud Control Framework and Plan.

AusAID is considering developing a more advanced training package to build on what the agency already knows. Training has improved levels of risk awareness so much that the agency will offer refresher training in 2013. AusAID communicates regularly about a consistent approach to risk in the agency and contributes to an internal staff newsletter, staff notices, Director General messages, and corporate briefing notes to all staff.

Other achievements and challenges

At this point in the journey, AusAID says its risk management program can now further mature to AusAID’s aim of having “industrial strength” processes. These processes currently include:

- enterprise and emerging risk reporting to the Executive is regular, relevant and useful;
- divisional risk management is more linked into the business planning process;
- a new risk handbook provides a single source of information;
- risk management responsibilities are part of the agency’s accountability framework and values statement;
- many more staff approach the risk team for assistance and advice; and
- better post risk and fraud management plans have helped the agency become more transparent and manage development more effectively.
Infrastructure program in the Philippines

One example of how AusAID’s renewed focus on risk management has benefited the agency was the risk team facilitating a risk workshop to assist an infrastructure project delivering a road maintenance facility. The facility was underperforming due to a number of issues including, but not limited to, risk management. The risk team conducted a risk assessment of alternative project delivery options, considering process objectives and risks versus benefits. Combined with review and analysis of project objectives and mechanisms, this risk work helped AusAID take a different approach to delivering the program to achieve better outcomes. AusAID is now implementing the redesigned project.

Proportionality of risk

An innovation in risk management at AusAID is the idea of proportionality of risk. This is where the risk profile is based on the relative value and assessed risk of a program – low, medium or high. This then determines its quality assurance pathway.

Programs at high risk go to AusAID’s Strategic Programming Committee for approval. Those of a lower risk may be signed off by a division head, who accepts the level of risk. The result is that robust risk assessments are used in the decision-making process and this ensures accountability.

AusAID recognises some of the challenges that come with its risk management journey. One is the fact its risk management focus competes with other changes taking place at the agency, for example, changes in reporting processes and timelines. The agency also understands the need for consistency when new policies or tools are being developed. At times, the risk team is stretched to meet the increasing demands on its time and resources.
Civil Aviation Safety Authority
Safe skies for all

Highly Commended for Enterprise-wide Risk Management

Summary

The Civil Aviation Safety Authority’s (CASA) mission is to enhance and promote aviation safety through effective regulation and by encouraging the wider aviation community to embrace and deliver higher standards of safety. Its vision is “Safe skies for all”. It conducts the safety regulation of civil air operations in Australian territory, and the operation of Australian aircraft overseas. While the national headquarters for the authority is based in Canberra, it has ten other offices across Australia and employs around 850 staff.

Since 2009, the Executive has taken a reinvigorated attitude and approach to risk management governance. CASA now has a single, consistent, enterprise-wide approach to risk management (both strategic and operational) which is embedded in all divisions throughout CASA. Risk management is incorporated into the strategic planning cycle and the three-year corporate plan (updated annually). All crucial decisions and planning activities use risk information to identify exposures and opportunities.

CASA’s mature approach to risk management has clear benefits. CASA has saved money on its insurance premium with annual improvement in the Comcover risk management benchmarking survey. Meanwhile, other Commonwealth agencies have sought CASA’s assistance and guidance with respect to enterprise-wide risk management and also the specific application of risk management within the internal audit function.

One single approach

CASA’s risk management framework influences all its strategic and operational policies and procedures. The framework ensures information created from the risk management process is reported and used to help make better decisions.

CASA’s risk management policy describes the risk framework as a set of principles to provide assurance to the Director and Board that risks are being effectively managed. It outlines:

- effective leadership promoting a positive risk management culture;
- clearly articulated and assigned accountabilities and responsibilities for managing risks at all levels;
- what resources are needed for risk management; and
- the ongoing monitoring, review, communication and consultation required to keep the framework effective.

Risk management is now fully integrated into all key business processes including surveillance, project management, fraud control, internal audit, procurement, business continuity and workplace health and safety, making it easier for the Executive and Board to see the effectiveness and value of risk management. Each of the risk elements have built in monitoring, review and reporting processes to assess their relevance and provide effective quality assurance.

The Board annually reviews the risk management policy, framework and governance arrangements to ensure they stay relevant and effective, and promote the authority’s positive risk culture.
Practical and measurable approach

CASA believes the best approach to risk management should be practical and measurable, for example:

- communication of the framework and methodology to everyone at CASA so it is visible, ubiquitous, consistent, ongoing and embedded enterprise-wide;
- a team-based approach for the facilitation and continuous improvement in raising risk management awareness;
- common enterprise-wide risk management process and terminology;
- consistent risk reporting and monitoring;
- encouragement of positive risk management behaviour and actions; and
- continual face-to-face and e-learning training.

CASA encourages a strong risk culture at all levels, with strong support from the Board and all senior executives. The fact that risk management is enmeshed into daily activities shows how well it is accepted within CASA. Any changes made to policies and procedures, new projects, or responses to external incidents, are always reviewed in the light of risk analysis.

Risk management plans

A formal risk management plan is needed for all new policy, project, procurement, safety, or other significant proposals. The plan is maintained and monitored throughout the life cycle of the activity and contains:

- risk treatment action plans that clearly articulate treatments to be implemented;
- accountabilities and responsibilities for officers;
- performance measures;
- implementation timeframes; and
- monitoring and review timetables.

Divisional Business and Risk Management Plans (BRMPs) set out risks to the Division’s core business, corporate plan initiatives, projects, responsibilities and accountabilities. All BRMPs are linked to the corporate plan, which contains performance measures for each of CASA’s goals and objectives. They are updated every quarter and reported at meetings of the Executive, Director, and the Board.

Who are the risk champions?

The Governance Systems branch is responsible for linking risk management with all governance and planning activities, such as:

- risk management;
- internal audit;
- quality systems;
- strategic planning and reporting; and
- risk management education and training.

The branch maintains a strategic risk register for CASA and aggregates the risks they identify to be included in the strategic risk management and internal audit plan, updated each year. It is also responsible, directly or indirectly, for all awareness training, workshops and framework reviews.
The appointment of a Chief Risk Officer (CRO), in May 2011, has kept the momentum going. The CRO is responsible for looking after risk management policy, procedures, practices, and:

- works closely with Senior Executives;
- gives specialist risk management consultancy advice;
- prepares the three-year strategic risk management and internal audit plans;
- helps the Senior Audit Manager prepare the annual internal audit work program;
- is responsible for all education, training and business continuity planning; and
- contributes to a quality systems approach across CASA.

All crucial decisions and planning activities use risk information to highlight exposures as well as potential opportunities.

**Sharing information**

CASA has taken two approaches to communicating risk management throughout its business. First, CASA uses awareness raising, workshops and training throughout the organisation. Second, as explained above, it introduced a common, consistent risk framework so that risk management became a natural part of business functions.

To ensure consistency of approach, and a common language, the risk team is responsible for all training. This can include broad risk training, individual training for each section, and e-learning modules to reinforce face-to-face workshops.

Demand for introductory and advanced risk workshops has risen, which suggests staff are eager to learn about risk.

The authority uses its intranet site, CASAconnect, to keep risk management at the forefront. It is a central source for the risk management policy, framework, templates, risk ratings matrix, and risk management plans – all of which were updated in 2012. Staff also receive a newsletter once a fortnight, Casawary, with articles about good risk management.

**Business continuity**

At CASA, there are two perspectives on business continuity, and while they appear different, the structure and reporting lines are similar:

- How to respond to an external event like an airline disaster, which is contained in the critical occurrence response plan. This has been used several times in the past 12 months.

- The more traditional Business Continuity Plan (BCP) to provide for any interruption to usual services or functions.

In 2011–12, CASA developed separate BCPs for each of the nine locations in Australia, in the light of its enterprise risk management framework. These plans look at all crucial business systems and processes, give a risk rating for each, and identify alternative workarounds.

With offsite backup servers and IT disaster recovery plans in place, CASA can be run from either the Brisbane office or the Canberra headquarters office.
Other achievements

As risk management has become melded into everyday practices and procedures, so the culture of risk management has tended to strengthen. This has had a positive effect on project management, decision-making and long-term funding strategies.

Better project management

Creation of a Program Management branch has helped to boost the oversight, delivery and effectiveness of project management. As a result, CASA believes it has a fuller understanding, identification and ownership of risk exposure, and the process has become more transparent.

Any project or funding proposal needs to contain a detailed risk management plan with risks or opportunities. All projects follow the CASA project manual, so that staff take a consistent approach.

Better resource allocation

Better allocation of resources means CASA has the flexibility to respond quickly in an emergency, while keeping essential functions and services going:

- CASA received a reduction on its insurance premium with an annual improvement in the Comcover risk management benchmarking survey.
- Improved procurement practices have led to considerable savings. Making good decisions and encouraging joint procurements has resulted in improved value for money contracts, and less delays in the procurement process.
- Awareness of exposure to fraud through division BRMPs has removed the need to fund a separate fraud risk assessment every two years.

At the same time, internal audits, business continuity planning, and decision making, have all become more efficient, responsive and transparent.

Flexibility of approach

At CASA, risk may occur in routine corporate processes such as finance, or in its specific operating activities, such as flight safety. Some areas rely more heavily on qualitative data, others on quantitative data, but in all cases the analysis phase is flexible enough to ensure each area takes an effective approach to risk assessment.

Whatever treatment options are chosen, each action plan is reviewed at a higher level before it is accepted and used. A strategic priorities committee provides high level monitoring and review of all projects and programs.

Example for others

CASA adopted a more sophisticated surveillance program based on risk, which is used to make decisions on the regulation of aviation safety in Australia. Airworthiness directives and review of standards are all based on risk, and receive detailed risk assessments before they are published.

The risk team has been consulted on a wide range of issues including global incidents, such as the disruption to air traffic resulting from large ash clouds from Iceland’s volcanic eruption, the tsunami in Japan, and the grounding of the Qantas fleet.

Other Commonwealth agencies have requested assistance and guidance from CASA on enterprise-wide risk management and how this feeds into the internal audit process. It suggests CASA’s approach to risk management has become an example for others to follow.
Director of National Parks
Rising to geographical challenges
Highly Commended for Enterprise-wide Risk Management

Summary
The Director of National Parks (DNP) is a statutory corporation established under the Environment Protection and Biodiversity Conservation Act 1999 (the EPBC Act) and administers and manages Commonwealth reserves (national parks, botanic gardens, marine and terrestrial reserves) declared under the EPBC Act.

These reserves include: Booderee, Kakadu and Uluru-Kata Tjuta National Parks which are each jointly managed with their Aboriginal traditional owners; national parks in the Australian territories of Norfolk, Christmas and Cocos (Keeling) Islands; the recently declared Marine reserves; and the Australian National Botanic Gardens, which is a major national institution for the study of Australian plants. Kakadu and Uluru-Kata Tjuta National Parks are world heritage listed.

Many of these locations are quite remote and have unique issues, which means that managing risk is part of everyday life. Staff are experienced at dealing with serious bushfires, visitor management and rescue, major infrastructure management, annual floods, and at times, assistance with Suspected Illegal Entry Vessels.

Some of DNP’s successful risk strategies include health and safety on the Uluru Climb (including visitor rescue), crocodile monitoring, trapping, and relocation in Kakadu, and the management of the Australian National Botanic Garden Seed Bank in conjunction with the Commonwealth Scientific and Industrial Research Organisation to preserve and safeguard the future of Australia’s native plants.

DNP’s culture starts at the top and is embedded throughout governance frameworks that make sense to staff which promotes buy-in and on the ground benefits.

Geographically challenged
The agency operates in five very different remote locations with another two located in metropolitan areas. Each location has unique challenges with complex deliverables across a diverse range of issues including joint management, visitors, conservation, business management and local communities. Like all government agencies, DNP is operating under tighter fiscal restraints, including declining visitor revenue. This in itself is placing more and more pressure on managers to prioritise workloads and deliverables using a risk based approach.

A simple risk framework is essential for overcoming geographical constraints especially where English may not be a first language. Staff feedback is essential for continuous improvement especially around Work, Health and Safety (WHS) and business management and governance.

DNP has demonstrated a mature and positive risk culture which is championed by the Executive in a top down approach. Risk within DNP has become part of everyday decision-making including priority budget allocation. While the Director and the Executive have ultimate responsibility, all staff are aware of their responsibility to manage risk and do this naturally as part of their day-to-day work.
Tools for decision-making

DNP uses simple and practical risk management tools such as Risk Watch Lists, standardised incident reporting forms, registers, and an internally built activity proposal form which has been designed to capture a number of governance elements including risk, financial, legislative, and procurement, while assessing the potential status of projects.

Complementing these tools is reporting at various levels of management. These include priority and DNP wide risks, business risks, branch risks, park and section risks, and the recently developed park risk profiles and incident reports (which are providing trend information over a number of years).

Risks are monitored and subsequently reported to all levels – this includes monthly reports to branch heads, parks, sections, and the Executive. Each quarter DNP’s priority and business risks are reported to the Audit Committee, which includes members with extensive expertise in park, business, and financial management. The Audit Committee plays a pivotal role in ensuring the continued improvement of DNP’s risk management framework, including embedding better practice in all elements of park governance.

The risk management unit

DNP has a dedicated risk management function which provides advice and guidance to management and staff while standardising and streamlining its responsible functions such as fraud, WHS, insurance, risk profiling, business continuity and emergency response, and security management.

The Risk Management Unit (RMU) is also responsible for:

- reviewing and updating residual risk management practices and related policy, including linkages to other frameworks, procedures, tools and templates;
- collecting, collating, analysing and reporting on DNP risk profiles;
- reporting on incidents, emerging patterns and any new potential risks of the business, parks and sections; and
- working with parks and sections to assess performance, and to determine risk appetite and tolerance, using quantitative and qualitative criteria including periodic risk profiling across the agency.

The RMU supplies valuable information to the Executive and the Audit Committee on the effectiveness of its approach to risk, which in turn prompts the agency to explore and develop strategies for improvement, including assurance exercises such as internal audits and benchmarking surveys.
Communication across distance

Simple communication is essential to the success of managing risk in our parks. DNP rises to the challenge of communicating across large distances, with staff who are themselves diverse in culture and experience.

Regular communication includes alerts, newsletters, dedicated risk management intranet pages, phone calls, forums, and where required, face to face meetings on park issues.

It is essential that the information available to managers and staff are easy to read and accessible. DNP is also committed to reducing the amount of data entry and paperwork required from managers and staff relating to risk and incident information. A number of tools and forms have been consolidated and aligned to assist with this challenge.

As risk is championed from the top by the Executive, information is disseminated through meetings of committees such as the Parks Australia Health and Safety Committees, which flows through to staff via Health and Safety Representatives. One-stop-shop generic email addresses for health and safety, fraud and risk assist staff and managers with directing queries, reports and concerns. In some instances face to face meetings are more valuable to managers and staff than email – the RMU uses them as opportunities to seek on the ground feedback and to provide assistance in particular matters.

Learning about risk management

Comcover training seminars are offered to all managers and staff; however, due to the geographical diversity of the business, most training is done via induction, mentoring, or face to face, and through existing vehicles such as the intranet, forums, policy and procedures, communications, and one-on-one with the RMU.

The other unique aspect of DNP is the continuous review of areas such as business continuity and emergency response, when real time incidents occur. Further training and investment is occurring in WHS as a result of the new Act introduced in 2011. DNP is also working collaboratively with other divisions in the Department that face similar remoteness issues.

Coping well with disruption

Since many of the parks are in remote locations, staff are well accustomed to coping with power failures, communication difficulties, and severe weather. Cyclones and tropical storms quite frequently create power and IT outages in four out of six national parks, and Christmas and Norfolk Islands commonly experience limited or no internet connection.

Bushfires and floods are also common occurrences in our parks. In recent years, Booderee National Park has experienced several serious bushfires. This has caused a significant impact on park operation because many of the park’s staff are active members of the fire crew. In the north of Australia, for a few months each year, the East Alligator District Headquarters at Kakadu is cut off by floodwaters.

In anticipation of these sorts of disruptive incidents, DNP has a business continuity plan in place to help day-to-day operations continue. The DNP business continuity plan sets out:

- the main business processes of all sites;
- maximum acceptable outages for each business process;
- treatments for risks that threaten each business process; and
- business recovery and emergency response plans for each of the Parks Australia business locations.
Achievements

DNP has a number of practical examples about how its management of risk has achieved tangible results in operations and decision-making.

Risk is part of financial management

The management of risk is an important part of financial decision-making, such as setting budget priorities and long-term planning. The RMU and Executive review risk watch lists to decide where funding may be directed, based on risk ratings and operational needs. This approach provides a focus on financial decision-making by linking operational investments, such as health and safety or business continuity, to the reduction of risk where possible.

Uluru Climb: Health and safety

Uluru is a beautiful but harsh environment. Heat-related illness can vary in severity – from skin rash or cramps to potentially fatal heat stroke. To manage the health and safety risks, Parks Australia developed climb closure guidelines to reduce incidents on the rock. For example, the climb is closed if:

- at 8am the forecast maximum temperature is 36 degrees or more;
- the wind at the summit exceeds 25 knots (47 kph);
- there is more than a 5 per cent chance of thunderstorms in the next 3 hours; or
- cloud covers the summit of Uluru.

This management strategy has led to a reduction in the number of safety incidents.

Crocodile monitoring, trapping and relocation in Kakadu: Biodiversity and health and safety

Crocodiles pose serious risks to tourists, especially since hunting ceased in the 1970s, and their population in Kakadu has grown. The crocodile management strategy aims to protect crocodiles while minimising risk to people. Its task is to:

- educate and warn visitors, residents, and tour operators about crocodiles;
- keep data on crocodile numbers, size and behaviour, especially in popular waterways;
- try to detect and remove all estuarine crocodiles where swimming is allowed (swimming is not actively promoted in the park); and
- close water bodies temporarily, seasonally, or permanently if crocodiles are a risk to visitors.

Seed bank: Natural heritage management

Collecting seed and preserving it for the short term or the future is a means of insuring Australia’s biodiversity against fire, drought, disease or climate change. Seed banks are involved in conservation, research, propagation, and supply. When seeds are stored correctly, they can remain viable for hundreds of years. In this way, they safeguard the biodiversity of Australian native plants.

Comcover benchmarking scheme

Parks Australia draws regularly on the Comcover benchmarking scheme to improve its risk management framework and learn from its peers. In 2011-12, DNP scored 7.9 in the scheme, compared to an Australian government agency average of 6.6.
Department of Education, Employment and Workplace Relations
The potential of RiskActive
Honourable Mention for Enterprise-wide Risk Management

Summary
The Department of Education, Employment and Workplace Relations (DEEWR) deals with national policies and programs for quality and affordable childcare, early childhood and school education, jobs, and safe and productive workplaces. The Department also looks after the Office for Youth. DEEWR employs over 4,000 staff in 40 locations across Australia and two locations overseas.

In 2012, the implementation, risk and insurance section (IRIS) of DEEWR reviewed the risk management framework to refresh, streamline and strengthen its elements. The Secretary and Executive reinforced this approach, and emphasised to staff at all levels the importance of considering and managing risk at work.

While managing risk is everyone’s responsibility, promotion of risk management continues at the highest levels and is part of governance committee meeting papers, DEEWR meeting papers and plan types, within its risk register, RiskActive.

RiskActive has provided considerable momentum and focus for risk management and continues to build the Department’s positive, risk-conscious culture.

Refreshing the framework
DEEWR’s refreshed risk framework has five components:

- risk management policy (including RiskActive);
- roles and responsibilities for executive and staff;
- monitoring and review practice, reporting (to identify risk and opportunity); and
- staff training about principles and skills to manage risk.

The performance of DEEWR's risk framework is measured against four risk management objectives, each of which puts risk at the centre of DEEWR’s business:

1. DEEWR will become more resilient and improve its performance with a better understanding of risk.
2. DEEWR encourages a risk culture where all staff identify, treat and manage risks.
3. Staff do this by applying the framework and processes consistently, especially through RiskActive.
4. The purpose of gathering accurate risk information is ultimately to make better decisions. (This in turn feeds into the first objective, improvement of performance)

The framework is reviewed annually and monitored continually by the IRIS and updated as necessary. DEEWR regularly takes part in the Comcover benchmarking survey to measure its risk framework and to compare itself with peers.
The work of IRIS

DEEWR has three full-time staff on the risk team and 17 others have risk management responsibilities across the Department. Within the Department’s corporate area are 15 staff responsible for fraud and business continuity risk, as well as managing the framework, policy, and training.

The IRIS randomly carries out quality assurance on plans in RiskActive, with the aim of reviewing a comprehensive sample of risk management plans each year. It also monitors a dedicated risk management hotline and mailbox, and provides a whole-of-department contact for risk-related matters.

The IRIS reporting is provided to the Executive, Deputy Secretaries, Group Managers, and the Business Management Committee (sitting as the risk intelligence committee).
Integrated approach

DEEWR has an integrated approach where each branch’s risk plan feeds into the organisation’s business plan. The business planning process also has a broad reach, involving representatives from business and specialist areas such as risk, business continuity, fraud, security and governance.

Business continuity planning is integrated with business and risk planning cycles, and is based on the Australian Standard. Areas responsible for business planning, risk management and business continuity, continually emphasise how risk management plans are interdependent with critical business processes. These critical processes are reviewed against the DEEWR risk matrix to ensure consistency.

The DISC

One example of how risk has been integrated into a committee is the DEEWR Implementation Steering Committee (DISC). The DISC oversees governance, risk, and implementation strategies, and gives strategic oversight on the implementation of measures and programs.

Representatives come from each policy cluster in DEEWR, as well as from legal, finance, audit, and communications areas. The DISC is responsible for providing a “no surprises” report to the Executive and Ministers on:

- lessons learned in the Department;
- emerging issues and/or pressures on implementing initiatives;
- local governance arrangements, risk management, progress; and
- cross-departmental issues, e.g. staffing, finances, systems support.

The reports are compiled each month, and provide assurance that risk plans are constantly monitored and reviewed.

RiskActive

The hub of DEEWR risk management is its risk register, RiskActive. All staff have access to RiskActive reports, according to their position at DEEWR. Both management and staff can use it at any time to increase their knowledge and to draw on the experience of others in managing risks. They are able to record events (identified and unexpected) and to reflect and review any treatments that failed or worked well.

All organisational and operational risk management plans must be completed within RiskActive.

Every risk management plan needs to identify, evaluate, treat, and monitor risks, and these then, in accordance with the business planning process, feed into the organisation’s business plan. Risk plans are reviewed at least annually and risks with high ratings are reviewed more often, at least quarterly.

The Audit Committee provides updates on the use of RiskActive, and an overview of the Department’s current risk profile.

Training strategy

DEEWR’s training strategy, provided by the risk team, emphasises a positive risk culture and follows best practice risk management. It includes:
regular RiskActive open house training tailored to staff who attend, and online RiskActive training sessions for all staff;

- e-learning program on risk topics and simulations of RiskActive processes and a RiskActive user manual;

- one-on-one training sessions, including video conferencing; and

- risk and fraud services on the intranet and FAQs.

The Secretary regularly communicates through the Executive to keep risk management concerns uppermost in the Department. Daily “all staff” emails emphasise risk management at relevant opportunities.

Achievements

The potential of RiskActive

DEEWR only realised the full potential of RiskActive in August 2011, a year after it was initiated. It provides statistics that can be used to identify hotspots, emerging risks, and areas that are using best practice risk management. Having a central risk register has also helped DEEWR view its risks strategically.

Since RiskActive began, staff have created 1,575 risk management plans for department activities:

- In 2010, 127 risk management plans were created.
- In 2011, 828 risk management plans were created.
- In 2012, 620 risk management plans were created, 1,075 risk management plans were reviewed and updated.
- In 2012, the number of extreme risks fell by 600%, high risks increased only 15.85%.

These results show risk management plans are not simply a “tick and flick” process, but a living document that helps DEEWR run its business.

An example of responsiveness

An example of DEEWR’s responsive risk culture is its response to the mid-year economic and fiscal outlook, and 2012-13 Budget. It held a series of workshops in early 2012 with each branch, and in each state and territory office. The workshops set out priorities, identify which tasks may need to lessen or cease, and determine how this would be done with reduced resources.

The workshops have shaped the DEEWR Future Action Plan, of which one of the five themes is the need to be vigilant about areas of risk exposure.

The Department then made an enterprise-wide risk analysis and considered mitigation strategies. One strategy highlight is the people capability framework, which identifies the risk of skill gaps in the Department, and monitors how these gaps will be lessened.

Specialised reports

As DEEWR comes to accept risk management generally, specialised areas have come to need more targeted advice. Several business areas have requested monthly reports tailored to their special requirements, including the Early Childhood, Working Age, and Indigenous Participation clusters.

The Business Improvement team also meets IRIS each month to discuss risk, and share best practice ideas. The Business Improvement team is currently working on a pilot project to develop the understanding of risk in the Early Childhood Care and Support program. If this project is successful, the process will be shared with the rest of the Department.
Honourable Mention – DEEWR Enterprise – Wide Risk Management Category
Risk Initiative Category

Winner
Australian Taxation Office – Business Continuity Management

Highly Commended
Australian Maritime Safety Authority

Highly Commended
Australian Taxation Office – Tax Practitioner Risk Differentiation Framework

Highly Commended
IP Australia

Honourable Mention
Department of Agriculture, Fisheries and Forestry
Australian Taxation Office
Business continuity management for resilience

Winner of Risk Initiative

Summary

The Australian Taxation Office (ATO) is the Government’s principal revenue collection agency. Its role is to manage and shape the tax, excise, and superannuation systems. During a financial year, it collects over $300 billion, issues refunds worth over $88 billion, and receives about 11 million phone calls from customers. The ATO is one of our largest government agencies, with up to 24,000 employees in over 60 buildings across Australia.

Business Continuity Management (BCM) is a management discipline that the ATO has taken to a sophisticated and strategic level. By creating a single centralised BCM framework for such a highly complex organisation, the ATO can plan for and respond to crises across all its business areas – and respond rapidly when a whole-of-government approach is needed for a national crisis.

The ATO’s BCM framework has a high reputation. Several agencies have approached the ATO for copies of its documentation and some want to use elements of its model for their own business. The ATO uses its integrated BCM framework to codify and co-ordinate its response across several disciplines including:

- people;
- buildings;
- systems;
- communications; and
- natural disasters.

In this way, the ATO is a role model for other agencies in the government sector.

A single central BCM framework

It has been an immensely complex task to develop a single, centralised framework for BCM in an organisation the size of the ATO. Work began in late 2009 using an internationally recognised BCM standard, while regular maturity assessments and industry benchmarking ensure the framework is further refined and improved.

The framework maintains crisis planning and responses, supporting people, buildings, IT systems, service delivery, security, and communications. A Second Commissioner is the ATO’s BCM champion, while a BCM Steering Committee, made up of “C-level” members provides ongoing support for the framework.

The success of the ATO BCM framework is heavily reliant on ongoing collaboration, co-design, and co-operation across several business areas.

One of the challenges of developing the BCM framework was identifying critical business processes. In the past, the agency used a bottom-up approach, which tended to create an incomplete and subjective view of what was crucial and what was not.

The BCM team utilises a top-down risk and business impact analysis across the enterprise, to identify critical business functions and the resources that support them.
Work of the ATO BCM team

The ATO BCM team provides a detailed assurance calendar of regular activities, which details the various linkage points of BCM across the ATO, including:

- Certificate of Assurance, outlining the agency’s regulatory adherence;
- enterprise risk management, with treatment plans and regular assessments;
- assuring the readiness of sites and response teams; and
- IT disaster recovery, with reviews of test scope and results.

The BCM team also uses results from critical resource analysis workshops to identify vulnerabilities within key positions, buildings, systems, and procedures. BCM methodologies are increasingly being considered in key projects and planning. These include data centre relocations, building consolidation and refurbishments, and IT change and release management.

Other aspects of the BCM team's varied role include:

- accounting for all staff travelling in areas impacted by domestic/international crisis events;
- consolidating intelligence from IT and Facilities incident management teams;
- co-ordinating advice from emergency services and CBD evacuation planning; and
- maintaining hotlines to other government response agencies.

Achievements

Consistency

In an organisation the size of the ATO, consistency and avoiding duplication of effort within BCM is crucial. It also means that an enterprise view of critical functions, positions, systems, and buildings can be used to inform other business areas.

Centralising all BCM planning and response functions has allowed the creation of pre-approved templates and matrices, to ensure consistency without duplication of effort. All business areas know when to escalate an issue and the BCM team uses a triage model to assess and co-ordinate the responses to minor incidents.

Resilience

The ATO has become more resilient since the new BCM framework was introduced. Many new projects call upon the BCM capability to make sure resilience is built in at the beginning. To keep its capabilities up to date, the ATO takes part in Australian Continuity Forum events and members of the BCM team are professionally accredited with the global Business Continuity Institute (BCI).

The BCM team also contribute to other industry forums, including BCI industry conferences, banking and finance round tables, a government BCM Community of Practice, and present at the Annual Australasian Business Continuity Institute Summit.

Monthly cross-agency meetings in Canberra are convened by Comsuper. Several agencies attend and discuss common BCM issues and methodologies. Some have requested ATO BCM documentation and some want to incorporate elements of the BCM model into their own enterprises.
Reviews of incidents

The ATO maintains best practice by systematically addressing lessons learnt from:

- simulation events;
- real responses; and
- recommendations from reviews of significant external events, such as the 2009 Victorian bushfires and the 2011 Queensland floods.

Evidence of the strength of the framework’s processes is the fact the new Second Commissioner BCM sponsor was quickly able to lead an enterprise-wide simulation in November 2012, soon after starting at the ATO.

Enterprise-wide simulation testing takes place at least annually. The BCM team also organises desktop exercises with response areas and sites, using seasonal risks such as natural disasters, changes to procedures or ATO’s risk profile to test responses.

Response to natural disasters

The ATO BCM framework supports the agency internally, yet creates a platform for responding quickly to communities affected by natural disasters. The agency has the ability to identify specific taxpayers and businesses that could be affected by a particular incident which gives the ATO the ability to respond quickly and accurately to these events.

Outside the agency, the framework links with whole of government disaster responses, including:

- the Australian Government Crisis Co-ordination Centre;
- the Australian Government Crisis Committee;
- the Australian Government Disaster Recovery Committee; and
- the National Emergency Contact Centre Surge Capability.

New Zealand’s Department of Inland Revenue has close ties with the ATO and they mutually supported each other during events such as the Christchurch earthquakes and the Brisbane floods. Their experience of mutual support has led to a culture of sharing BCM practices within tax administration, which has made both agencies stronger.

Flood, cyclone and bushfire events of 2011–13

The ATO was ready to give considerable support to state and federal agencies during the flood, cyclone and bushfire events of 2011-13. Responses co-ordinated by the BCM framework included:

- automatically deferring the tax lodgement and payment obligations of millions of affected clients in order to ease the burden of the disasters;
- communicating with 2,800 staff who were unable to attend work for up to 5 days;
- mobilising support for staff who suffered loss or damage to homes;
- co-ordinating controlled “power downs” of 10 sites that were affected to aid smooth recovery;
- mobilising 200 staff to support the National Emergency Contact Centre Surge Capability with Centrelink;
- deploying 270 staff to regional Centrelink offices across three states to perform emergency payment claim processing;
• sending 55 staff to perform whole-of-government field support within 24 hours to cyclone impacted areas of Townsville and outer suburbs; and

• converting a regional Brisbane office into accommodation with full connectivity, for state-based authorities under immediate threat in Brisbane CBD.

The agency has received very positive and heartfelt feedback about the way it responded to these natural disasters.

Awards and Recognition

The ATO BCM framework has received the following recognition across industry and public sectors:

• Shortlisted in 2011 BCI Global Awards – Public Sector BCM Manager.

• Shortlisted in 2012 BCI Global Awards – BCM Team of the Year.

• Winner of 2013 BCI Australasian Awards – BCM Team of the Year.

• Shortlisted in 2013 BCI Global Awards – BCM Team of the Year.

• Highest maturity ranking for BCM in 2012 and 2013 – Comcover Risk Benchmarking Survey.

• Positive feedback received from the APSC Capability Review Project Team.

The maturity and scope of the ATO BCM framework has contributed to the ATO’s resilience and allowed it to respond effectively internally and provide support for the wider community.
Australian Maritime Safety Authority

Combating pollution

Highly Commended for Risk Initiative

1. Summary

The Australian Maritime Safety Authority (AMSA) is largely funded by the shipping industry and has a legal responsibility to protect the ocean from pollution and other environmental damage caused by shipping. It is a small agency with about 330 staff. AMSA’s vision is ‘Safe shipping, clean seas and saving lives’.

After two critical incidents of marine pollution in Australia, AMSA realised that while able to respond to a marine pollution incident, the required initial financial resources to pay for an incident and the available stockpiles of equipment and dispersants required, were not as effective as initially thought.

On 11 March 2009, the Pacific Adventurer lost 31 containers in heavy seas east of Cape Moreton and damage to the ship caused loss of heavy fuel oil. Around 56 kilometres of southern Queensland beaches were oiled, with clean-up costs of $35 million. The ship’s mandatory insurance liability did not cover the full cost. AMSA’s liability was $8.849 million. This liability was recoverable over time via a temporary increase in the Protection of the Seas Levy. The time taken to recover costs exposed AMSA’s inability to immediately recompense the Queensland Government under the Intergovernmental Agreement on the National Plan to Combat Pollution of the Sea by Oil and Other Noxious and Hazardous Substances (IGA).

On 21 August 2009, the Montara Wellhead mobile drilling unit off the northwest Australian coast had an uncontrolled release from one of the wells. As per the IGA, The national plan was enacted and the Northern Territory as the Designated Authority for the drilling unit, passed responsibility for the clean-up to AMSA. The response continued until the well was capped 105 days later. While the response was effective, the prolonged nature of the response revealed the age, ineffectiveness and unsuitability of the dispersant and some of the equipment.

In the light of growing intolerance for marine pollution in the community – and any other damage to the environment – AMSA needed to bolster its response capability to protect the ocean from spills and to ensure ongoing financial viability.

This response took two forms:

1. a risk-based resources plan to respond to potential marine pollution incidents; and
2. a source of funds that would cater for clean-up costs beyond the limits of compulsory insurance held by ships.

2. Risk based resources plan

2.1 Engage an international expert

AMSA engaged an international expert, Det Norske Veritas (DNV), to make a risk assessment that would reveal the likelihood and consequence of the risk of marine pollution incidents. DNV created a heat map of risk zones that divided the Australian coast into 120 segments, classified according to their environmental sensitivity. Then it assessed, over the next ten years:
• expected growth in vessel traffic by vessel type;
• potential for oil spills by source, vessel type and location, using historical data; and
• potential harm, by location, that pollution could cause.

AMSA also received information from the Commonwealth Scientific and Industrial Research Organisation on how changes to vessel traffic patterns would affect different areas.

2.2 Evidence based actions
The approach allowed AMSA to make an informed decision, rather than a best guess, about where equipment and dispersant should be located.

AMSA identified a need for a dispersant that was less harmful to the environment than the one previously used. Guidance was sought from the Department of Sustainability, Environment, Water, Population and Communities (SEWPaC) about selecting consumables, especially dispersants.

Under the National Maritime Emergency Response Arrangements, AMSA increased its requirement for standby emergency towage capacity and is currently undertaking a tender process to implement this.

AMSA placed stockpiles in central locations near risk hotspots and has the capability to move stocks between stockpiles. The replacement dispersant was also less harmful to the environment. Replacement of appropriate resources has cost $20 million to date.

3. Source of funds
To address the potential financial liability arising from an oil spill or other disaster, AMSA needed to look at the gaps between the ships mandatory insurance under international convention and actual clean-up costs incurred during a response.

AMSA initially queried whether they needed to be involved at all, since it was not a signatory to the IGA, however as the IGA specified reimbursement from AMSA, AMSA’s balance sheet was at risk.

The Department of Finance and Deregulation were unable to guarantee additional immediate funding leaving a potential gap between when funds were required and payment.

AMSA thought the cost of a spill could be as high as $50–$100 million, but this was not based on any defensible data. The agency engaged DNV again to develop a model of reasonable costings for potential pollution over the next ten years.
3.1 Analyse the data

Surprisingly, there was limited useful data because large pollution incidents are relatively rare. Meanwhile, the cost of clean-up can vary and depends on several factors:

- size of the spill;
- whether onshore, intermediate or in open sea;
- sensitivity of affected areas;
- nature of the spill;
- interaction between the type of pollutant and the affected area; and
- prevailing weather and climate.

DNV then looked at several other factors and used the US Environmental Protection Agency methodology to generate estimates of future oil spill frequency and size, response costs, plus environmental and socioeconomic damages. This information was placed into a simple table which demonstrated the estimated oil spill clean-up costs by year up to 2022 within certain probability limits. These costs increase annually.

For example, DNV were able to estimate in 2012 the cost of clean-up would be approximately $3.5 million. However, DNV calculated that to be 99% confident to cover all potential spills, AMSA would need access to $56 million to respond. This decreased proportionately: 95% certainty equating to $17 million and 85% certainty equating to $4.5 million.

The work was further validated by Ernst and Young to ensure the completeness of data. While AMSA could fund small spills, a major spill would exhaust AMSA’s financial reserves in short order and take a long time to recover from industry. A method was required to ensure funds were available in the event of a major incident.

3.2 Test the options

Before committing to any financial changes, AMSA spent considerable time reviewing the options of risk avoidance, control, sharing or retention:

Avoidance – AMSA has a specific legal responsibility and could not avoid the activity of funding a pollution response where it exceeds compulsory insurance limits. The IGA allows states and territory to claim for reimbursement from AMSA.

Control – AMSA sought through international convention to increase the liability limit for maritime claims by 127%. The end result was an increase by 51%, effective in 2015. While this improved the ability to claim for costs it did not manage the risk of immediate payments or cover full liability in the event of a major incident.

Sharing – Comcover declined to provide additional cover because of the “polluter pays” principle, and private sector insurance brokers did not offer value for money. The Department of Finance and Deregulation was unable to guarantee immediate access to funds in the event of an incident.

Retention – In the end, AMSA decided to retain the risk and finance it through reserves and a line of credit.

3.3 Implementation

In December 2012, the AMSA Board approved the establishment of a $10 million reserve to be funded from the existing protection of the seas levy payments.

Acknowledging that the federal government, and therefore AMSA, could be left in the ‘hot seat’, the AMSA Board agreed to a pollution reserve and a line of credit. The reserve, together with the line of credit, will give AMSA a ‘war chest’ of $50 million to provide an immediate response to a marine pollution incident.
The $50 million is a combination of the $10 million reserve and a $40 million commercial line of credit. Interest from the $10 million reserve would pay for the maintenance of the line of credit. The $50 million was based on the DNV estimate of a 95% confidence rate over the ten year time frame.

Implementation was not without challenges. Initially, industry was not supportive of the fund and argued that the protection of the seas levy should provide adequate funds. Once they realised it was the timing of payments, not the amount that was problematic, and noting the evidence from the DNV report, they supported the proposed actions in general.

### 3.4 Benefits in the short and long term

- **Confidence** – AMSA now has the confidence that it can provide an appropriate response to pollution incidents including immediate response and subsequent financial impacts.
- **Whole-of-government approach** – In developing the resources plan, state, territory and local governments were consulted. This has resulted in the reinvigoration of the body that oversees the national plan equipment and has a greater understanding of pollution response costs and issues that may arise from the polluter pays principle and international insurance.
- **Better quality stockpiles, better quality response** – Stockpiles will be in locations where crucial oil spills are most likely, will be safer from a WHS perspective for staff and contractors, and the dispersants themselves are safer for the environment.
- **Funds from reserve and line of credit** – The availability of funds improves response capability but also encourages stakeholders (states and territories) to remain engaged, with confidence that they will be recompensed their costs in a timely manner. The funds allow breathing space before making decisions on changing the levy after an incident, with time to assess ships’ insurance.
- **Research and body of knowledge** – As well as increasing knowledge across various bodies of research, this case study can be used to assist in prevention. For example, the benefit of placing aids to navigation and navigation channels in high risk locations.

### 4. Summary

In summary, AMSA took a systematic approach to addressing and reducing two key risks:

- AMSA’s ability to respond to a pollution incident with ageing stockpiles and variable environmental sensitivities; and
- maintaining AMSA’s financial viability and the ability to pay immediate costs in the event of a major pollution incident.

This was achieved through identifying and analysing data using a risk based approach and making evidence based decisions which met the needs of AMSA and stakeholders. It resulted in the implementation of a resources plan and the development of a source of funds.

In using a risk based approach, a highly complex problem was able to be controlled with ongoing benefit to the industry, community, the Commonwealth, and the Australian people. While AMSA hopes the reserve and stockpiles will never be needed, having them will reduce the initial impact of an oil spill on the environment, and fund the Australian response without the need to worry about long term financial impacts on AMSA, the states and territory, or industry through levy payments.
Australian Tax Office
Not all tax agents are the same

Highly Commended for Risk Initiative

Summary

The Australian Taxation Office (ATO) is the Government’s principal revenue collection agency. The ATO is the second largest government department, with up to 24,000 employees, and its role is to manage and shape the tax, excise, and superannuation systems.

Tax practitioners are a crucial intermediary in the tax and super systems. There are around 55,000 registered tax practitioners, of which over 23,000 actively lodge tax returns for clients. Tax practitioners manage the tax affairs of over eight million individual taxpayers and two million business taxpayers.

In recognising the integral role tax practitioners play in the tax and superannuation systems, the ATO has recast its engagement approach to tax practitioners, using a risk differentiation methodology and managing its compliance treatments by shifting focus to an intermediary view where it has the potential to influence a large number of taxpayers.

This method has changed the ATO’s historical risk based approach to tax practitioners by enabling it to detect risk clusters that weren’t obvious when relying on a client by client analysis. It has created efficiencies by enabling the ATO to shape strategies and treatment plans on a one-to-many approach as opposed to on an individual basis, and improves the overall operation and integrity of the tax and superannuation system.

Need for a differentiated view

The agency has known for some years that it needed a differentiated view of tax practitioners. After analysing tax practitioners with clients involved in the cash or hidden economy, the ATO identified a few practitioners were associated with a large number of clients who were at higher risk of non-compliance.

Historical analysis identified around 10% of practitioners were associated with 50% of higher risk clients and conversely, 90% of practitioners were associated with smaller percentages of higher risk clients.

A series of compliance visits to discreet groups of tax practitioners with clients engaged in the cash or hidden economy validated that there was a clear distinction between tax practitioners displaying best practice behaviours and those perceived to have poorer controls/practices in place and the number of higher risk clients they represented.

The agency broadened the range of inputs it considers, looking at tax practitioner and taxpayer issues across the ‘4 pillars of compliance’:

- registration;
- lodgement;
- reporting; and
- payment.
The ATO needed a way of engaging with different tax practitioners according to the agency’s view of the likelihood and consequence of the risks identified through its analysis.

**Risk differentiation matrix**

The framework creates a matrix, based on the size and complexity of the practice (consequence) and the relative proportion of clients who are higher or lower risk (likelihood). The process sets out to place tax practitioners in one of four broad categories, according to certain risk indicators:

- **Higher risk agents** – clients are more likely to be at risk; practice is of a significant size.
- **Medium risk agents** – clients are more likely to be at risk; practice is of a less significant size.
- **Key agents** – clients are low risk; practice is of a significant size.
- **Lower risk agents** – clients are low risk; practice is of a less significant size.

The risk view formed of a tax practitioner does not presume they or their clients are not compliant; rather it offers a guide to the perceived relative risk based on what the ATO historically knows about them. A practitioner may at any time provide new information to change their perceived risk position.
Tiered approach to compliance

Risk differentiation thinking has practical benefits. It provides a one-to-many focus, where the risks of many clients can be addressed through one contact – the tax practitioner. This is much more efficient and cost effective than the one-to-one focus or single risk view it had before and means the ATO does not waste time contacting practitioners who are already doing what is expected. The ATO can then more effectively target its resources and focus on the highest risk practitioners to improve compliance.

Expanding the breadth of inputs to the practitioner risk framework has broadened the ATO’s awareness of tax practitioner engagement with compliance risks, and enabled the agency to develop a tiered approach to compliance activity, based on the new framework’s output:

Higher risk agents – firm compliance
A firm compliance approach is taken, including real-time working paper reviews, testing of record-keeping practices and reporting, and targeted compliance action of higher risk clients. Firm messages are sent through education campaigns about good governance practices and expectations under the Tax Agent Services Act 2009.

Medium risk agents – less intensive
A smaller compliance focus, including messages about industry best practice, aimed at shifting future behaviour by practitioner and client towards lower risk action.

Lower risk agents – education
Educational messages promoting ATO compliance focus areas, messages about the expected roles of practitioners, and ATO support offers and services.

Key agents – collaboration
These practitioners traditionally control large parts of the market and have few to no compliance risk triggers. The ATO engages with these practitioners to outline our key focus areas and identify industry best practice approaches.

Through all programs of work, the ATO seeks to identify or confirm observed behaviour patterns that cause some concern, such as issues in the hidden or cash economy, non-lodgment of returns, or high-risk refunds. The agency will engage the relevant tax practitioners early, so that we can address concerns before they become significant tax issues.

Whole of agency approach

Executive support for the new framework was crucial for gaining broad acceptance of the risk differentiation framework approach. The new model generated discussion across the whole agency about what the ATO knows about a tax practice and the relative risks posed by tax practitioners based on likelihood and consequence across the whole tax paying population.

As a result, the agency has developed further compliance and engagement programs to address tax practitioners, based on their risk profile and relative weighting.

For example, around 300 tax practitioners were found in the top 8–10% of higher risk agents and a target group of 30 was piloted for cross-business treatment to validate the selection methodology. This program was also designed to reduce the number of separate contacts made to the same practice. The ATO plans to expand this work to engage with 100 tax practices in 2013–14.
Delegates at various national and regional ATO forums have discussed the tax practitioner risk differentiation framework, and its value was reinforced with the launch of the tax practitioner action plan in February 2012. It has also been highlighted within the agency’s Compliance Program 2012–13 and Compliance in Focus 2013-14.

**Benefits in the short and long term**

**Better targeting**

It makes sense to treat a local accountant with less than 500 salary and wage clients with few issues differently to a large suburban practice with complex client affairs. The practitioner risk differentiation framework helps the ATO identify the relative risk differences posed by both types of practitioner, providing a much better grasp of tax practitioners and the risks involved with their clients. This improved understanding helps candidate selection and prioritisation.

The framework’s output provides guidance on the field resources needed to address the identified risk. In the past, field resources were allocated on a demand/push out basis and many of those visits were conducted because the tax practitioner kept asking for them, rather than making best use of other channels (phone, leaflets or targeted action). They were often visited more than once, in a short timeframe, to discuss the same or similar issues. No true risk assessment process was used to determine if these visits were warranted.

The practitioner risk framework analysis identified a good proportion of practitioners visited in the previous year were naturally lower risk and could have received similar or like support through self service functions, freeing up field resources, while most of those perceived to be higher-risk candidates were not visited at all.

Better targeting of effort using the risk differentiation approach means lower-risk practitioners can be offered/moved to lower cost approaches (letters, phone calls) and higher-risk practitioners can receive more intensive approaches (field visits and face-to-face discussions).

This approach also has internal staff management benefits by allowing more junior staff at the ATO to be aligned to medium-risk populations to develop their skills, before progressing to higher-risk programs of work.

The coupling of resources to risk will make the ATO more effective in the long term.

**Communication with practitioners**

One benefit of the new framework is it allows the ATO to have discussions with practitioners about what is expected of them, why the agency holds a particular view and what they can do about it. It gives them an opportunity to change what they are doing – and change how the ATO is engaging them and their clients.

The agency hopes to have a more co-operative partnership with tax practitioners in the future. The ATO wants to ensure there is a level playing field for all practitioners, by providing the same tools and support and ensuring compliance where necessary.

Low-risk practitioners are less likely to have contact with the ATO unless they ask for support; while higher-risk candidates may experience a firmer focus on their clients and where appropriate, their own activities.

Large key tax agents who have had discussions with the ATO and have been provided with useful information about their practice and areas of risk with their clients, have said they would review these risks internally without the ATO having to use its resources.

Already, the agency has started championing its new tax practitioner framework with others in the international tax community through the Organisation for Economic Co-operation and Development and other forums. This will enhance the reputation of the ATO for managing risk.
IP Australia
Better business continuity
Highly Commended for Risk Initiative

Summary

IP Australia administers Australia’s intellectual property (IP) legislation specifically related to patents, trademarks, industrial designs and plant breeder rights. In 2011-12, the agency received over 150,000 IP applications and granted 85,000 rights.

In 2008, given the strategic direction of the agency and changing nature of business, the IP Australia Executive decided the agency needed to strengthen its business continuity framework to ensure it could recover from any disruptions to business quickly and effectively. The result is a framework with a robust consolidated Business Continuity Plan (BCP) that links with the agency’s Disaster Recovery Plan (DRP).

The framework enabled IP Australia to make rapid progress with its BCP. It scored well above average in the past 3 years in the Comcover annual benchmarking survey and in 2012, had the highest score in business continuity and business recovery. Its strength in this area is confirmed by the fact IP Australia regularly advises other Commonwealth agencies in the process of developing their own business continuity frameworks.

A more sophisticated framework

The first step towards a business continuity framework came in 2008 when the agency identified an internal Project Manager to start work on a pragmatic plan to help the agency recover from any disruption. The project was completed in a year and provided a transition plan, but it still needed to be more comprehensive.

To ensure this work continued to be built on, a Business Continuity Manager was engaged to concentrate on embedding plans, processes and training. The BCP was further embedded throughout the agency with support from representatives from each business area. By applying the risk process of context, identification, analysis and treatment to see which areas were most vulnerable; business continuity is now well assimilated with IP Australia’s risk management framework.

After a major review in 2011, a more streamlined framework was developed to take advantage of the high level of BCP maturity now established within IP Australia. This included rationalising governance documents and reflecting lessons learnt from BCP exercises. The new BCP consolidated ten existing plans from the previous framework into one: this focused on critical functions, increased integration among business groups, and reduced unnecessary duplication. It offers a checklist format for a flexible and rapid response and includes a separate business continuity pack for each business group, with detailed technical instructions and best practice guidelines.

The new BCP also works closely with, and complements, the agency’s disaster recovery plan.
Managing change

A change of this size and nature involved a lot of people, both external and internal, including business group plan owners, subject matter experts, internal auditors and the Executive Committee. Support from the Deputy Director General gave the project considerable impetus.

The project team made a number of presentations to management teams about the need for business continuity and the redesign of the governance structure and framework. Once the framework was endorsed, the project team created a business continuity pack for each business group that contained:

- contact lists;
- evacuation and meeting points;
- what to do in an emergency;
- a USB to back-up work;
- hotline details to report or get help; and
- other documents and tools that a particular business group might need in a crisis.

Staff who are responsible for BCPs regularly take part in plan exercising, testing, risk assessments, business impact analysis, and monitor any problems that might call for the BCP. They are required to understand the nature of risks in their business groups and identify, analyse, evaluate, and report against those risks.

A business continuity brochure “What’s your role?” explains business continuity in terms of prevent, prepare, respond, resume. It sets out staff responsibilities during a crisis, where they can find more information, and includes a hotline fridge magnet. An e-module was designed for all staff to become more familiar with business continuity.

Who is responsible

Across IP Australia, the Director General has ultimate responsibility for risk management and the Deputy Director General is the executive champion for business continuity.

The Audit and Evaluation Committee, composed of the Deputy Director General as chair, two other members of the IP Australia Executive and two independent members, works to maintain business continuity standards and reviews a quarterly report from the Business Continuity and Risk Manager.

Achievements

The agency is confident it can recover from a business interruption and operate at an acceptable level through to full recovery – while continuing to serve its customers.

Executive guidance

Having a consolidated BCP in place will guide the agency’s executive team during any disruption and offer them full oversight of the agency’s recovery. There is an alternative site for them to meet during the emergency phase where they have immediate access to resources.
Third party help

IP Australia has a Memorandum of Understanding (MOU) in place for accommodation during the initial continuity and recovery phases with the Department of Innovation, Industry, Science, Research and Tertiary Education. There is a second MOU with the Department of Veteran Affairs so BCP staff can mobilise and make initial assessments of the situation. Third party contingencies are also in place to provide support for critical processes.

Fast acting

Key staff are trained to be responsible for business continuity activities and can quickly act in a variety of circumstances to keep business going. There is a staff hotline for communication during an event and more than 400 staff can work remotely to fast track continuity. The BCP is now located on Govdex, which is accessible to all staff with internet. Staff are also capable of maintaining IP rights applications without needing access to IP Australia headquarters.

Integrated

The business continuity framework integrates well with the risk management framework and the DRP fits with all critical business functions. Greater integration with the DRP also ensures ICT support during the continuity and recovery phases of a disruption.

The BCP also complements the building’s emergency management plan, so the Executive can decide quickly whether to invoke the BCP.

Reputation

IP Australia’s strength in the business continuity area is confirmed by its high score in this category of the benchmarking survey and the fact that advice is sought by other Commonwealth agencies when developing their own business continuity frameworks. IP Australia also puts a priority on regular BCP testing with a view to making improvements wherever possible.
Australian Government
Department of Agriculture, Fisheries and Forestry

Department of Agriculture, Fisheries and Forestry
Better business continuity

 Honourable Mention for Risk Initiative

Summary
The Department of Agriculture, Fisheries and Forestry’s (DAFF) role is to develop and implement policies and programs that ensure Australia’s agricultural, fisheries, food and forestry industries remain competitive, profitable and sustainable. The Department employs about 4,500 Full Time Equivalent staff in Australia and overseas, including policy officers, program administrators, economists, meat inspectors, researchers, veterinary officers, communicators and Project Managers. Our staff work in places as varied as offices, airports, mail centres, shipping ports, laboratories and abattoirs; located in regional centres, rural communities and capital cities.

DAFF is the Commonwealth’s lead agency for overseeing biosecurity compliance at Australian Borders. For over 40 years the main method of importing goods into Australia has been via sea cargo container pathways (over 1.7 million consignments in 2011/12; DAFF Time release Study, 2012). These pathways have the potential to introduce significant exotic pests and diseases that could threaten Australia’s unique flora and fauna, and detrimentally impact future trade and resources. With the increasing movement of goods and people, DAFF needed new, sustainable ways to protect Australia’s Biosecurity – to safeguard our environment, trade and lifestyle. Since 2008, the Australian Government has agreed to focus on areas of higher biosecurity risk, and a smarter biosecurity system is being built cooperatively, which is:

- risk managed rather than risk averse;
- informed, evidence-based regulation supported by intelligence, analysis, risk profiling and feedback;
- monitoring risks offshore and onshore, as well as at the border;
- strengthening partnerships with stakeholders such as the operators of Quarantine Approved Premises; and
- investing in better legislation, technology and processes.

Targeted campaigns are crucial for biosecurity reform and allow DAFF to mitigate enormous risks to Australia’s flora and fauna, as well as helping to change the behaviour of importers.

The history of intervention
The prime method of importing goods into Australia is by sea. The risk is that exotic pests and diseases in these goods could threaten Australia’s unique flora and fauna.

In 2001, the outbreak of foot and mouth disease prompted an increased quarantine intervention, where the exterior of every container had to be inspected, regardless of the country of loading or other risk factors. This was time consuming and expensive.

In 2010, the Sea Container Risk Management Policy allowed interventions on containers that were considered high risk and fewer inspections for low risk containers. It still focused on the biosecurity risks of goods declared to be in the containers so if declarations were in any way false, DAFF could not comprehensively assess the biosecurity risk.
In 2010, after discovering illegal importation of raw pork, chicken and beef during routine departmental surveillance, DAFF began an investigation called Operation Hayride. The operation confirmed that certain entities were importing forbidden food items, incorrectly declared or not declared at all. These findings have since resulted in several successful prosecutions of both individuals and companies. Operation Hayride created the momentum for a new kind of intervention, known as targeted campaigns.

**Targeted campaigns**

Using information sourced from various locations, DAFF Border Compliance staff analysed the import and compliance histories of specific commodities, importers and suppliers involved in the targeted pathway. As a result of the detailed analysis, DAFF intervened by undertaking a targeted campaign where non-compliant behaviour is suspected.

DAFF has so far conducted a number of targeted campaigns that have uncovered 40% non-compliance with regulatory requirements, whether inadvertent or criminal.

The value of targeted campaigns such as these, is they take a risk-return approach to managing biosecurity risk. Each campaign also increases the agency’s store of intelligence and:

- assesses potential biosecurity risk and develops potential non-compliance examples;
- develops comprehensive operational instructions and provides staff briefings;
- includes monitoring and review in the campaign; and
- allows for formal reviews after each campaign.

The agency developed a targeted campaign policy to improve governance and post-campaign recovery activities.

**Targeted campaign policy**

The targeted campaign policy formalised a set of business rules, governance directives and operational procedures for staff to follow during the development and execution of targeted campaigns and post border goods recovery. These were often very contentious circumstances, so the aims of the policy had to be clear:

- create, manage and review targeted campaigns in line with objectives
- focus on non-compliant behaviour and biosecurity risks at the border
- use targeted campaigns based on defined guidelines and business rules that are open and transparent.

Several divisions across DAFF are responsible for non-compliance, so a national profiling and targeting committee was set up with Executive Managers and representatives from Australian Customs and Border Protection Service (Customs) to oversee and promote the principles of targeted campaigns.

**The need for intelligence**

The Department’s risk-based approach is underpinned by ‘Intelligence-led and evidence-based decision making’. Early campaigns emphasised how critical it is for various areas of the Department to share information, including the Border Compliance Division, Investigations and Enforcement, and regional staff.

Data analysed and collected by the Department is obtained from both internal and external sources. Once the data is collated and analysed, a summary of findings is compiled and verification activities or testing of evidence based hypotheses, such as a targeted campaign is developed.
Communications strategy

Each targeted campaign includes a communications strategy to promote engagement and ownership between divisions and programs. DAFF staff are involved in the planning and preparation stages. The people who need to know about targeted campaigns are those who could influence them or may be affected by them. The Department prepares these messages early, and while they are consistent, they are also tailored for the audience. Media releases, internal and external briefings, face-to-face meetings, situation reports for managers and Questions on Notice to the Senate Standing Committees are all used for communication.

Targeted campaigns have seen an improvement in the way DAFF communicates across and within divisions, and externally to its stakeholders.

Measuring performance

DAFF measures the performance of targeted campaigns in this way:

- inspection records in the import management system are scrutinised before, during and after campaigns to monitor and manage risks and trends;
- comprehensive data collection and time sheets are completed for each inspection during a campaign to monitor the results and costs; and
- regular progress updates are provided during each campaign to assist with monitoring and coordination.

Achievements

Targeted campaigns are working. The department has seen a marked improvement in compliance of identified high risk pathways. The results are also contributing to the ongoing assessment of DAFF’s compliance strategy and continue to facilitate further risk management improvement opportunities.

More information

At the same time, foreign governments and traders who have had their goods rejected are now keen to understand their obligations and DAFF’s requirements, not just for biosecurity, but its other functions, including agricultural counsellors stationed overseas. DAFF has developed fact sheets in native languages and consulted with trade representatives of some of the exporting countries to explain and discuss import requirements.

Domestic industry groups and exporters are also keen to help with biosecurity risk management by distributing information to those who need to know and by reporting non-compliance.

Clear consequences

Targeted campaigns encourage clients who make the effort to invest in biosecurity and impose sanctions on those who do not. In the past 12 months:

- suppliers are being more proactive;
- several businesses have closed, voluntarily or forced; and
- DAFF has improved record keeping, enforced sanctions, and undertaken criminal investigations.
Joint operations

DAFF and Customs work together, routinely referring matters of non-compliance in cargo to each other. Targeted campaigns have led to new opportunities for joint operations including identifying risks and non-compliance that would not have otherwise been uncovered. The two agencies are developing new training and governance initiatives to manage industry cohorts such as Customs brokers.

Targeted campaigns have provided opportunities for further cooperation, collaboration and knowledge sharing between staff in different divisions, programs and regions. This has given DAFF a more informed workforce, opening up opportunities for future learning.

Raised profile

Media agencies have become more involved in biosecurity and its impact on Australian industry and trade. This is raising the profile of departmental business, including what it does and our interactions with the public.

Change of attitude

Within DAFF, targeted campaigns have brought a change of attitude in staff who now concentrates less on process and more on results and regulations within a risk management framework. They are better able to concentrate on higher risk activities while not wasting time on lower risk activities, which is intrinsically more satisfying. They also have more capacity to respond quickly and effectively when new risks are identified.

What matters most

Targeted campaigns are very successful examples of DAFF’s capacity and commitment to risk management and intelligence-led activities, based on accurate data. They have also increased the Department’s ability to identify what matters most, without hindering trade for importers who play by the rules.