



Agriculture Victoria Regulatory Capability Assessment

Summary Report

August 2021

AGRICULTURE VICTORIA



Summary

Agriculture Victoria’s regulatory activities play a critical role in delivering its vision of a Victorian agriculture sector that is strong, innovative and sustainable.

To realise this vision, Agriculture Victoria has embarked on a four-year reform journey through the Strengthening Victoria’s Biosecurity System Program (the SVBS Program). A key focus of the Program is to modernise regulatory practice to better address regulatory risks and improve biosecurity outcomes.

As part of this work, Agriculture Victoria commissioned KPMG to develop a Capability Framework and complete an assessment of its capability as a regulatory. This document summarises the high-level outcomes of that assessment.

Agriculture Victoria has the ability to independently improve some regulatory capabilities. However, existing legislation may limit the extent to which these approaches may uplift some specific regulatory capabilities.



Key findings

Agriculture Victoria has capability strength in its strong knowledge of sector and government insights. There are opportunities to improve on data analysis, development of strategic responses, use of innovative tools and approaches, and resource allocation.

Key findings

Agriculture Victoria has relative capability strength in code of practice development and responding to non-compliance. The rating for legislative and regulatory reform reflects capability in regulatory practice within the existing regulatory environment as much as possible. There are opportunities for development in monitoring compliance.

Key findings

Agriculture Victoria has capability strength in education and advice to sector, working with other regulators and developing operating procedures. There are opportunities to improve in raising awareness in the community, promoting proactive compliance, as well as across performance capabilities such as reporting, monitoring and evaluation, and continued improvement.

Disclaimer

This document provides an extract of KPMG’s findings during the course of the work undertaken for the Department of Jobs, Precincts and Regions under the terms of the contract dated 3 February 2021. The contents of this document do not represent our conclusive findings, which are contained in our final report.

Inherent Limitations

The final report was prepared as outlined in the Review objective, scope and methodology section of the report. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by staff and stakeholders consulted as part of the process. KPMG have indicated within the final report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this document or the final report, in either oral or written form, for events occurring after the report has been issued in final form.

The findings in this summary and the final report have been formed on the above basis.

Accessibility

To comply with the Victorian Government’s accessibility requirements for publishing on the internet, two versions of this document are available: a KPMG-branded PDF version and an unbranded Microsoft Word version. The KPMG-branded PDF version of this document remains the definitive version of the Summary Report.

Capability Framework

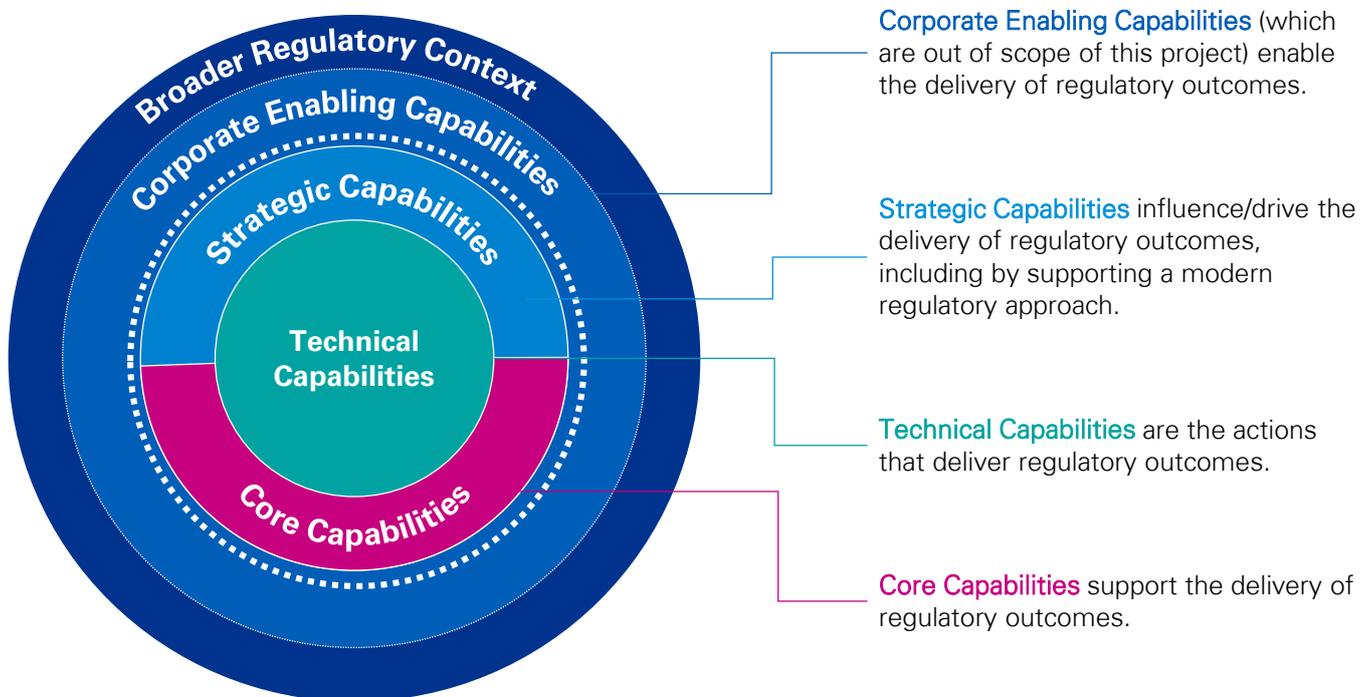
KPMG developed a Capability Framework to assess Agriculture Victoria's capabilities as a regulator across its five regulatory systems.

The Capability Framework includes a range of capabilities needed to drive positive regulatory outcomes for industry and the community. The Capability Framework was designed to allow Agriculture Victoria to continue to assess its progress in improving its capabilities over time.

The capability assessment was based on input from Agriculture Victoria staff, leadership and external stakeholders.

Qualitative and quantitative insights collected through workshops and a staff survey were triangulated to inform the overall assessment for each capability. Staff insights have not been independently verified.

The Capability Framework groups 27 capabilities within four domains:



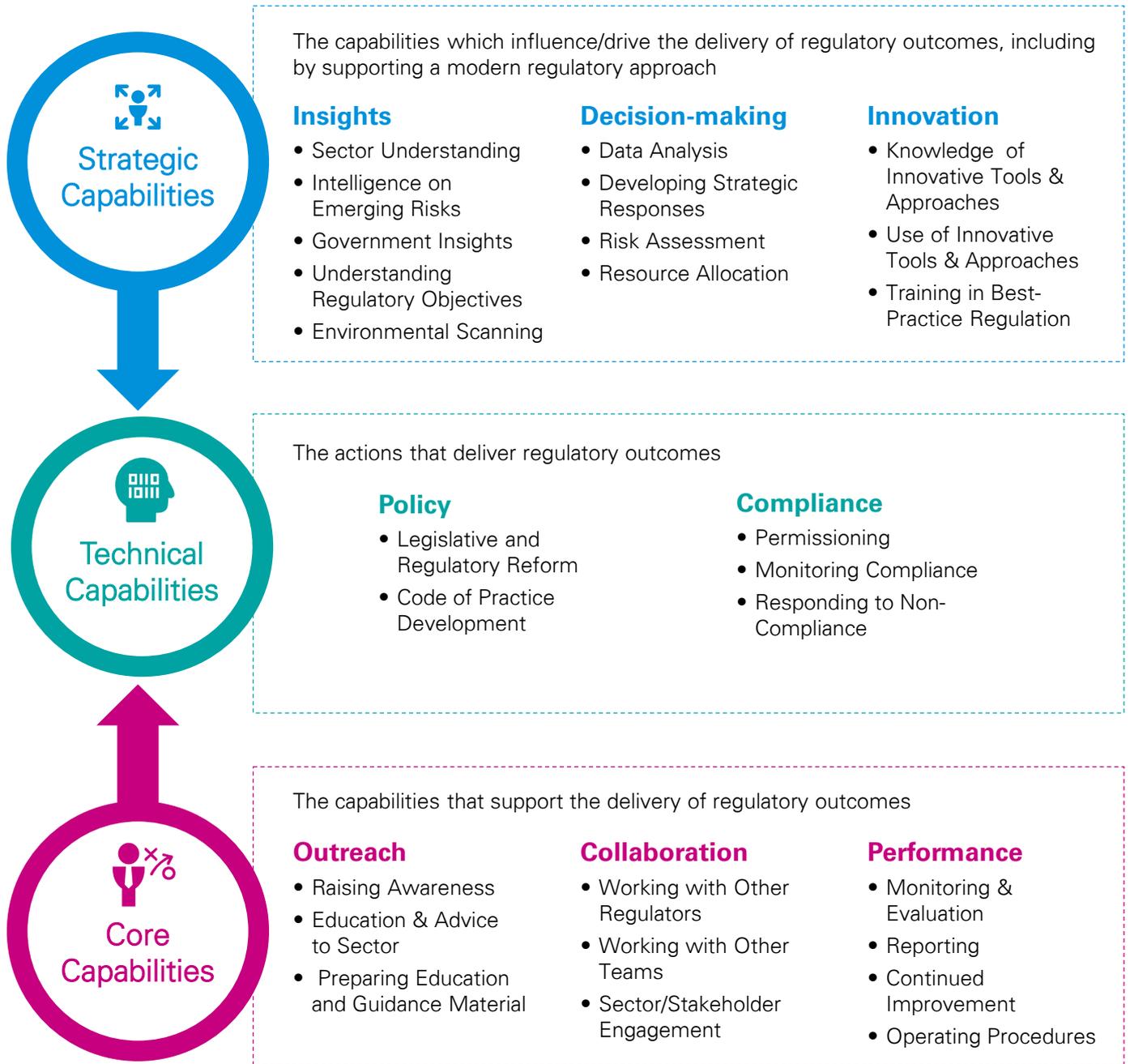
The Broader Regulatory Context, within which Agriculture Victoria operates, also impacts the effectiveness of Agriculture Victoria as a regulator. Agriculture Victoria has limited scope to influence this broader operating environment and it is not included within the Capability Framework.

The impact of the broader regulatory context has not been considered when assessing Agriculture Victoria's capabilities.

The Broader Regulatory Context consists of:

- Whether appropriate legislation is in place to support and facilitate effective regulation
- The Government oversight regime imposed upon the regulator to hold it accountable for fulfilment of its mandate, including requirements for external performance reporting
- Resourcing and funding decisions set by Government
- The legitimacy of the regulator within the sector and broader community.

Agriculture Victoria as a regulator across five systems



CORPORATE ENABLING CAPABILITIES (out of scope): enable the delivery of regulatory outcomes



Strategic Capabilities



The 12 Strategic Capabilities influence and drive the delivery of regulatory outcomes, including by supporting a modern regulatory approach.

Insights	
	Sector Understanding: <i>The capability to understand the community and industry which Agriculture Victoria regulates, including the activities and concerns of the sector; to foresee relevant industry and community trends across the sector; and to translate this knowledge into insights for their work.</i>
	Government Insights: <i>The capability to understand and work with government and its agenda, operations, expectations, drivers and pressures, and understand the impact on Agriculture Victoria.</i>
	Understanding of Regulatory Objectives: <i>The capability of staff to understand the purpose of Agriculture Victoria as a regulator and their contribution to better outcomes.</i>
	Intelligence on Emerging Risks: <i>The capability to broadly understand the sector risk environment and foresee and plan for any emerging risks and trends that should be addressed.</i>
	Environmental Scanning: <i>The capability to collect and analyse information from environmental scanning and surveillance, identifying events that may have an impact on Agriculture Victoria's activities and regulatory outcomes.</i>
Decision Making	
	Risk Assessment: <i>The capacity to undertake a science-based assessment of risk exposure to people and the environment from a range of hazards, including analysis of causes, risks, impact and the effectiveness of mitigants and controls in place to reduce risk</i>
	Resource Allocation: <i>The capability to strategically decide how resources are allocated across the organisation to meet strategic priorities and, when appropriate, respond to incidents.</i>
	Development of Strategic Responses: <i>The capability to develop strategic approaches to manage identified risks and leverage opportunities.</i>
	Data Analysis: <i>The capability to translate large and complex sets of data into insights that can build knowledge and inform decision making.</i>
Innovation	
	Knowledge of Innovative Tools and Approaches: <i>The capability to identify and understand innovative regulatory tools and approaches that enable better regulatory outcomes.</i>
	Training in Best Practice Regulation: <i>The capability to develop, deliver and facilitate relevant training to staff on best-practice regulatory activities and reinforce learnings.</i>
	Use of Innovative Tools and Approaches: <i>The capability to implement innovative tools and approaches to enable better regulatory outcomes.</i>

Relative capability strength
 Capability benefiting from some improvement
 Capability needing moderate improvement
 Capability needing significant improvement

Technical Capabilities



The 5 Technical Capabilities related to actions that deliver regulatory outcomes.

Policy

Code of Practice Development: *The capability to develop and implement a clear, comprehensive and responsive code of practice that guides day-to-day regulatory activities across Agriculture Victoria, and is aligned to delivering regulatory outcomes.*

Legislative and Regulatory Reform: *The capability to understand the legislative environment and respond to legislative changes that impact Agriculture Victoria's regulatory activities.*

Compliance

Responding to Non-Compliance: *The capability to respond to sector non-compliance with legislated requirements, including education through to enforcement action.*

Permissioning: *The capability to effectively use statutory regulatory tools that give sector permission to operate, such as issuing licenses, permits and approvals, with the overall aim of preventing harm.*

Monitoring Compliance: *The capability to comprehensively and effectively monitor regulatory compliance and proactively detect non-compliance.*

- Relative capability strength ■ Capability benefiting from some improvement ■ Capability needing moderate improvement
■ Capability needing significant improvement



The 10 Core Capabilities support the delivery of regulatory outcomes.

Outreach

Education and Advice to Sector: *The capability to prepare and provide specific advice in response to enquiries from the sector that increases knowledge and promotes compliance.*

Preparing Education and Guidance Material: *The capability to develop education and guidance materials that promote understanding of best practice and the benefits of compliance to the sector.*

Raising Awareness: *The capability to raise awareness of potential risks and the benefits of compliance in the sector and community, through sharing accurate and relevant information in a timely manner.*

Collaboration

Working with Other Regulators: *The capability to effectively collaborate with and gain insights from other regulators who interact with Agriculture Victoria's responsibilities.*

Working with Other Teams: *The capability for teams within Agriculture Victoria to collaborate with each other and share intelligence with each other to promote better day-to-day regulatory outcomes.*

Sector/ Stakeholder Engagement: *The capability to work with stakeholders to create relationships and enable stakeholder input and involvement in the design of processes that impact them.*

Performance

Operating Procedures: *The capability to develop and update operating procedures to guide regulatory activities.*

Continued Improvement: *The capability to be attuned to feedback and to self-improve through analysis and observation at an individual and organisational level.*

Monitoring and Evaluation: *The capability to monitor and measure efficacy and efficiency of day-to-day operations to inform improvement of those operations.*

Reporting: *The capability to measure and accurately communicate performance of Agriculture Victoria's regulatory activities.*

- Relative capability strength
- Capability benefiting from some improvement
- Capability needing moderate improvement
- Capability needing significant improvement

Next Steps

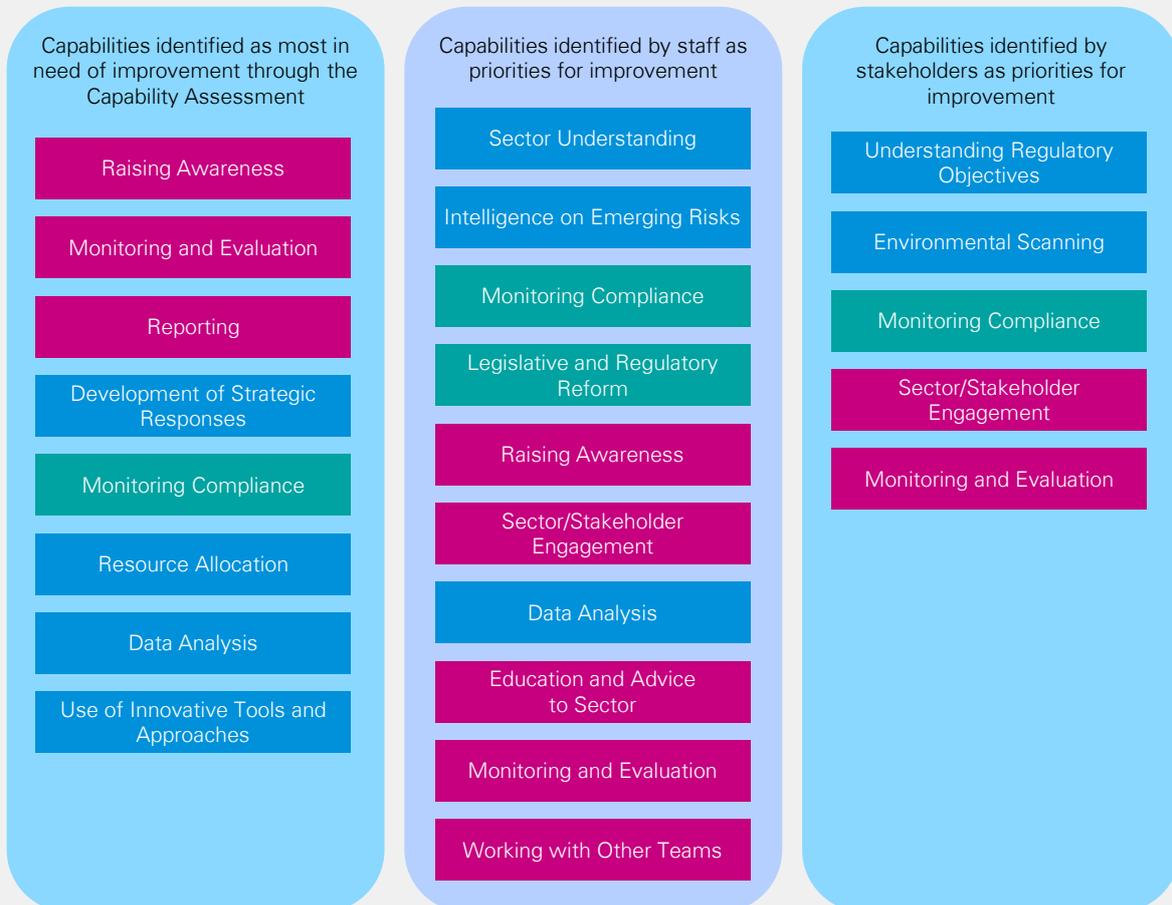
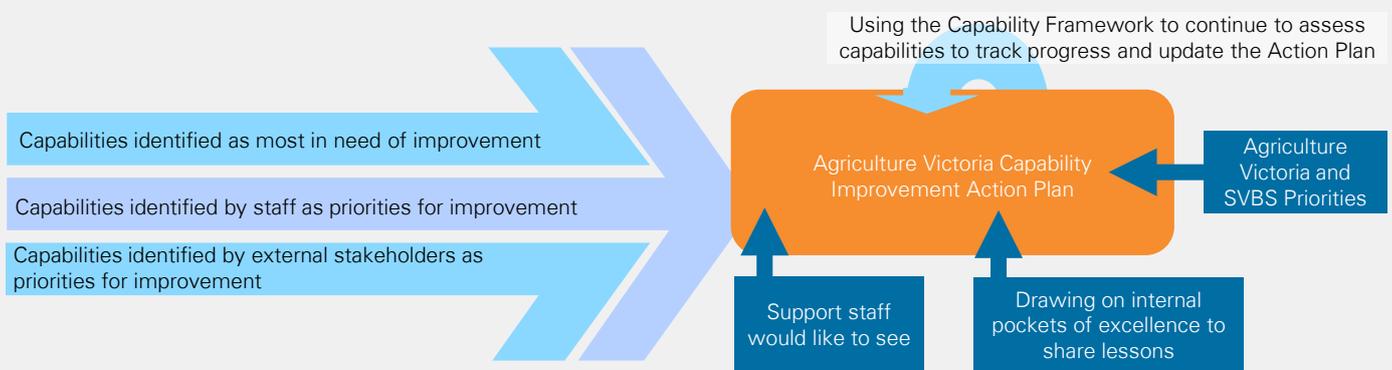
Agriculture Victoria has an opportunity to draw on this assessment to inform its approach to capability uplift and development

KPMG’s assessment is intended to be used to support an action plan for improvement, to be developed by Agriculture Victoria based on the organisation’s priorities. During consultations with staff and external stakeholders, we were able to identify

In developing the Action Plan, Agriculture Victoria could consider:

- What are the areas where the expected short-term impacts are highest? (Depending on the level of serious non-compliance, areas where there have been most visible issues).
- What are the areas where there is relative ease of implementation (which is affected by cost, level of support for a change, internally and externally)?

In developing an Action Plan, Agriculture Victoria should consider the following inputs:





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