



Australian Government
National Drought and North Queensland
Flood Response and Recovery Agency

Annual Report

2019 – 20



ABOUT THIS REPORT

This report outlines the operations and performance of the National Drought and North Queensland Flood Response and Recovery Agency (the Agency) for the financial year ending 30 June 2020. It has been prepared in accordance with the provisions of section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) and the Department of Finance Resource Management Guide Number 135.

The compliance index at Appendix 5 lists the information required by the PGPA Act and PGPA Rule and the corresponding page number within this report.

Online versions are available at www.droughtandflood.gov.au and www.transparency.gov.au.

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LETTER OF TRANSMITTAL



Australian Government

**National Drought and North Queensland
Flood Response and Recovery Agency**

The Hon David Littleproud MP
Minister for Agriculture, Drought and Emergency Management
Parliament House
Canberra ACT 2600

Dear Minister

As the accountable authority of the National Drought and North Queensland Flood Response and Recovery Agency (the Agency), I am pleased to present to you the *2019–20 National Drought and North Queensland Flood Response and Recovery Agency Annual Report* (the report), as required under section 46(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The report has been prepared in accordance with the mandatory requirements of section 46 of the PGPA Act, the content requirements 17AA-17AJ of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) and includes the Agency's audited financial statements as required by Section 43(4) of the PGPA Act.

In accordance with section 17A (2)(b) of the PGPA Rule, I certify that the Agency has:

- prepared fraud risk assessments and fraud control plans
- put in place appropriate fraud prevention, detection, investigation, recording and reporting mechanisms that meet the Agency's specific needs
- taken all reasonable measures to appropriately deal with fraud relating to the Agency.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Shane L Stone'.

The Hon Shane L Stone AC QC
2 October 2020

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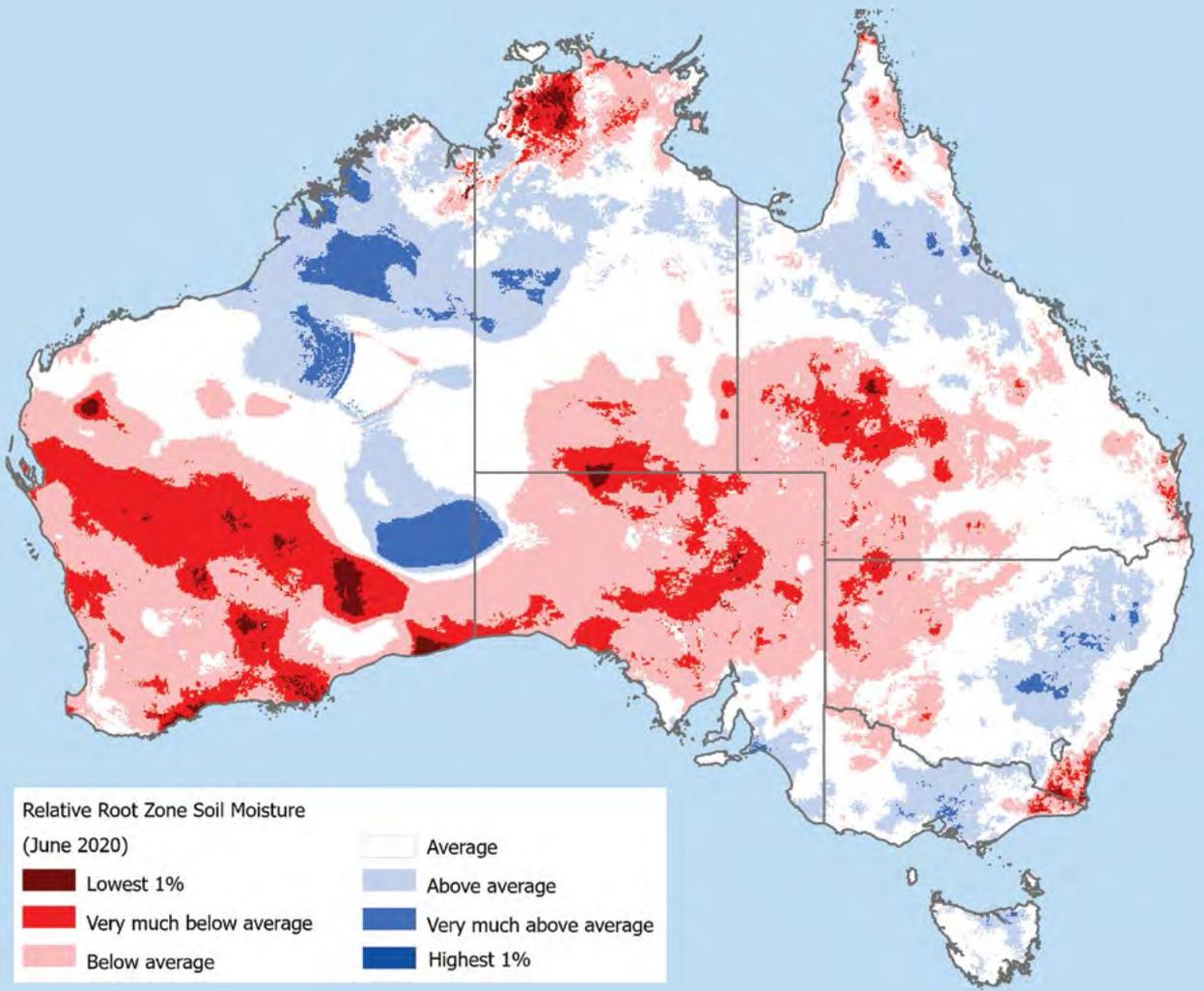
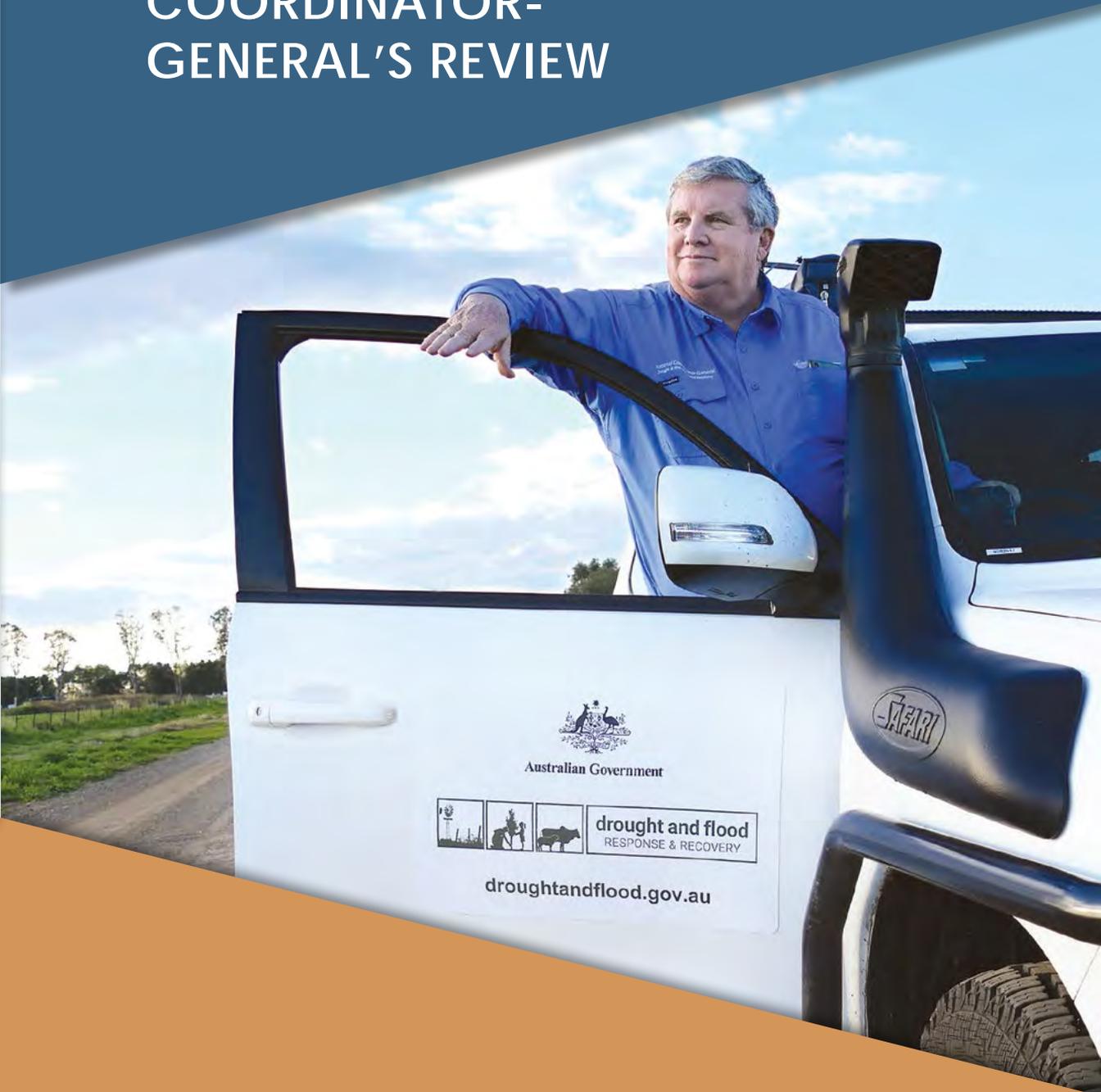


Figure 1: Relative Root Zone Soil Moisture, June 2020

PART 1: COORDINATOR- GENERAL'S REVIEW



drought and flood
RESPONSE & RECOVERY

The Drought and Flood Agency, through its work since early 2019 in the North Queensland flood zone, and through its expanded remit to include drought last December, has proven to be an effective model for on-the-ground delivery of support in regional Australia.

As an Agency, we understand that the issues affecting recovery are complex and go beyond the specific economic hardships caused by flood and drought. We see the bigger picture, adapt our approach to reflect changing circumstances, and empower communities by ensuring the work we undertake remains 'Locally led, locally understood and locally implemented'. We continue to use our influence and congestion-busting approach to 'Work together. Simplify. Act'.

We remain deeply committed to staying well connected with the communities we are here to serve. Since March 2019, Agency staff and I have driven over 100,000 km across Australia, visiting individuals, businesses and communities in affected regions.

The Agency remains committed to a 'boots on the ground' approach because we know it works. In early 2020, we established a national network of Regional Recovery Officers (RROs), who serve as champions for their regions. We have turned up and listened to people's needs, provided information and advice on how to access Australian Government assistance and acted to ensure individuals, families, businesses and communities are appropriately supported in the short, medium and long term. Over the coming years, the Agency will continue to build on the extensive work achieved to date to ensure regional communities are better prepared to respond to future droughts and natural disasters.

Our RROs offer a direct voice for people living outside of the larger cities to inform the Agency, so local ideas and feedback are

regularly delivered to the highest levels of government. The regional team also plays a key coordination role, working with all levels of government, health professionals, counsellors, small businesses, charities, and agricultural and community organisations to ensure the Australian Government is delivering coordinated and effective on-the-ground assistance and advice.

It has been 18 months since the North Queensland flood event, and communities show positive signs of starting to recover. We were there from the beginning, when the floods caused catastrophic and unprecedented damage to lives, property, businesses, and infrastructure, resulting in the death of hundreds of thousands of animals and substantial damage to infrastructure and landscapes. We continue to stand shoulder to shoulder with affected North Queenslanders on their journey of recovery.

The Australian Government has committed more than \$3.3 billion in flood assistance, including grants and low interest loans for primary producers and small businesses, and projects that strengthen community cohesion and improve infrastructure. The Special Disaster Assistance Recovery Grant program was a very welcome source of immediate funding support for those affected by the 2019 North Queensland Monsoon Trough. Primary producers were able to apply for a grant of up to \$75,000 and small businesses and not-for-profit organisations could apply for grants up to \$50,000 to assist with immediate clean up and repair. As at 30 June 2020, the day the program closed, 3,223 grant applications worth \$127.9 million had been approved.

Not long after the floods, the Agency commenced working closely with affected communities to develop a blueprint for the region's long-term recovery and future prosperity.

This blueprint highlighted five strategic priorities:

- to broaden the regions' economic base
- to build more resilient infrastructure (including water infrastructure)
- to support prosperous enterprises
- to foster connected and cohesive communities
- to improve the quality and accessibility of information to support decision making by those in the region.

While the flood event was the catalyst for this blueprint, these five strategic priorities may be used to assist other regions to recover from, and to strengthen resilience for, a range of future shocks— whether that be another flood, a drought, fire or other economic disruptions such as COVID-19.

While a drought has a slower impact than floods or bushfires, it is no less destructive to the individuals, businesses and communities that rely on a healthy agricultural industry to survive. Some people have been living with the current drought for more than seven years— there is no denying the financial, physical and emotional strain this causes.

Despite the recent rain that some parts of Australia have received, the drought is far from over and recovery will take many years. Until farmers in affected regions receive consistent rain and their soil moisture improves, they will not be in a strong position to recover.

On top of this, bushfires and the COVID-19 pandemic have brought added challenges to rural and regional communities already under pressure.

The Australian Government has committed more than \$8 billion in drought assistance and concessional loans since 2018–19. The Agency has played an integral role in guiding the Australian Government's response and helped lead the scaling up and coordination of drought assistance in response to changing

conditions on-the-ground. We have also worked closely with state governments and charities, which are providing their own funding measures.

It is important for governments to take a step back, have a look at how collectively things have been delivered and ask what works well—and what doesn't. It's for this reason the Agency has undertaken a review of the appropriateness, effectiveness and any identified gaps in the Australian Government's drought response to date.

In June, I appeared before the Royal Commission into National Natural Disaster Arrangements, which has been gathering evidence about the nation's preparedness, response to, and recovery from, natural disasters. My hope is that sharing our experience working alongside communities will model how the Australian Government will manage future disaster response and recovery work.

My Agency has demonstrated that it is okay to do things differently, and we have achieved excellent results by taking a more hands-on and community-minded approach to providing targeted Australian Government support. Our regional team will continue talking to farmers, small businesses and people in regional and rural communities to find out what people need to get through the many challenges they face—whether it be drought, flood, bushfire, COVID-19 or other emergencies—and ensure they know what assistance is available and how to access it. We're all in this together.



The Hon Shane L Stone AC QC

Chief Executive Officer and Chairman
National Drought and North Queensland Flood
Response and Recovery Agency

PART 2: ABOUT US



drought and flood
RESPONSE & RECOVERY

Overview

On 1 March 2019, the North Queensland Livestock Industry Recovery Agency (NQLIRA) was established as an executive agency under the *Public Service Act 1999* (PS Act) as a non-corporate Commonwealth entity subject to the requirements of the PGPA Act. NQLIRA's purpose was to coordinate and ensure the timely and effective delivery of the Australian Government's response to the 2019 Monsoon Trough, and to advise government on long-term recovery of the livestock industry in the region.

As announced by Prime Minister the Hon Scott Morrison MP on 5 December 2019, NQLIRA's role was expanded to include leading a national response to the severe drought conditions affecting farmers and rural communities across Australia. Re-named the National Drought and North Queensland Flood Response and Recovery Agency, the Agency operates under the same legislative requirements.

This annual report has been prepared to reflect the broader remit, as reflected in the *Drought and Flood Agency Corporate Plan 2019–20 – 2022–23* and the Portfolio Additional Estimates Statements 2019–20.

The Agency is part of the Department of the Prime Minister and Cabinet (PM&C) portfolio. Since December 2019, The Minister for Agriculture, Drought and Emergency Management, the Hon David Littleproud MP, had ministerial responsibility for the Agency. Prior to this the Agency reported directly to the Prime Minister, the Hon Scott Morrison MP.

Our Role and Functions

The Agency plays a key role in providing strategic leadership and coordination of the Australian Government's North Queensland flood and national drought response and recovery efforts in affected regions across Australia. It works with impacted communities to identify and design appropriate and effective mechanisms for recovery, as well as long-term strategies so individuals, businesses and communities can be better positioned to respond to future droughts and natural disasters.

The Agency's organisational structure at 30 June 2020 is outlined in Figure 2.

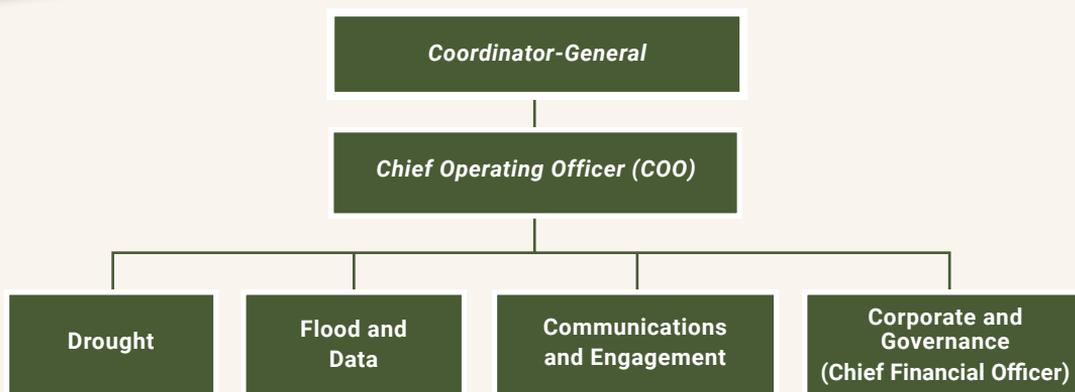


Figure 2: Organisational Structure

Our Leadership

ACCOUNTABLE AUTHORITY

In 2019–20, our Accountable Authority for the Agency was the Hon Shane L Stone AC QC.

Name	Position title/ position held	Period as the accountable authority or member within the reporting period	
		Date of commencement	Date of cessation
The Hon Shane L Stone AC QC	Coordinator-General	01/03/2019	-

Table 1: Accountable Authorities 2019–20

The Hon Shane L Stone AC QC, Coordinator-General

Shane Stone’s appointment as Coordinator-General for the National Drought and Flood Agency builds on a life dedicated to public service.

The former Chief Minister of the Northern Territory (NT), Shane served in the NT Legislative Assembly for almost 10 years. On retiring from parliament, he was elected and served six years as the Federal President of the Liberal Party during the Howard Government era.

In 2014, Mr Stone was appointed Chairman of the Northern Australian Advisory Group by then prime minister, the Hon Tony Abbott. The Group informed the Australian Government White Paper on developing the north. He also has an extensive background working with not-for-profit organisations and charities.

Prior to entering parliament, Mr Stone worked as a primary school teacher, has graduate qualifications in education, and subsequently trained as a solicitor before reading at the Victorian Bar. He worked on the Royal Commission into the Australian Meat Industry in 1982. As the NT Attorney-General, first law officer, he was appointed a Queen’s Counsel in 1997 by the Administrator. Throughout his working life, Mr Stone served in the Citizen Military Forces (CMF) and Navy Reserve.

Mr Stone was awarded the Centenary Medal in 2001 and appointed a Companion of the Order of Australia in 2006 for his service to politics, industry and bilateral relations between Australia and the Asia-Pacific region.

Having grown up in Wodonga on the NSW/ Victorian border, Mr Stone understands the quiet strength of country and rural Australians who work hard to give their families a decent life and look out for each other in the good and not-so-good times.

Prime Minister the Hon Scott Morrison MP selected Mr Stone to lead the North Queensland flood recovery in early 2019, and later that year, added Coordinator-General of the National Drought and North Queensland Flood Response and Recovery Agency to his responsibilities.



Senior Executives

As at June 2020, our Senior Executive were:



Nico Padovan
Chief Operating Officer (COO)



Hannah Wandel
Executive Director, Drought



Kate Woodbridge
Executive Director,
Communications and Engagement



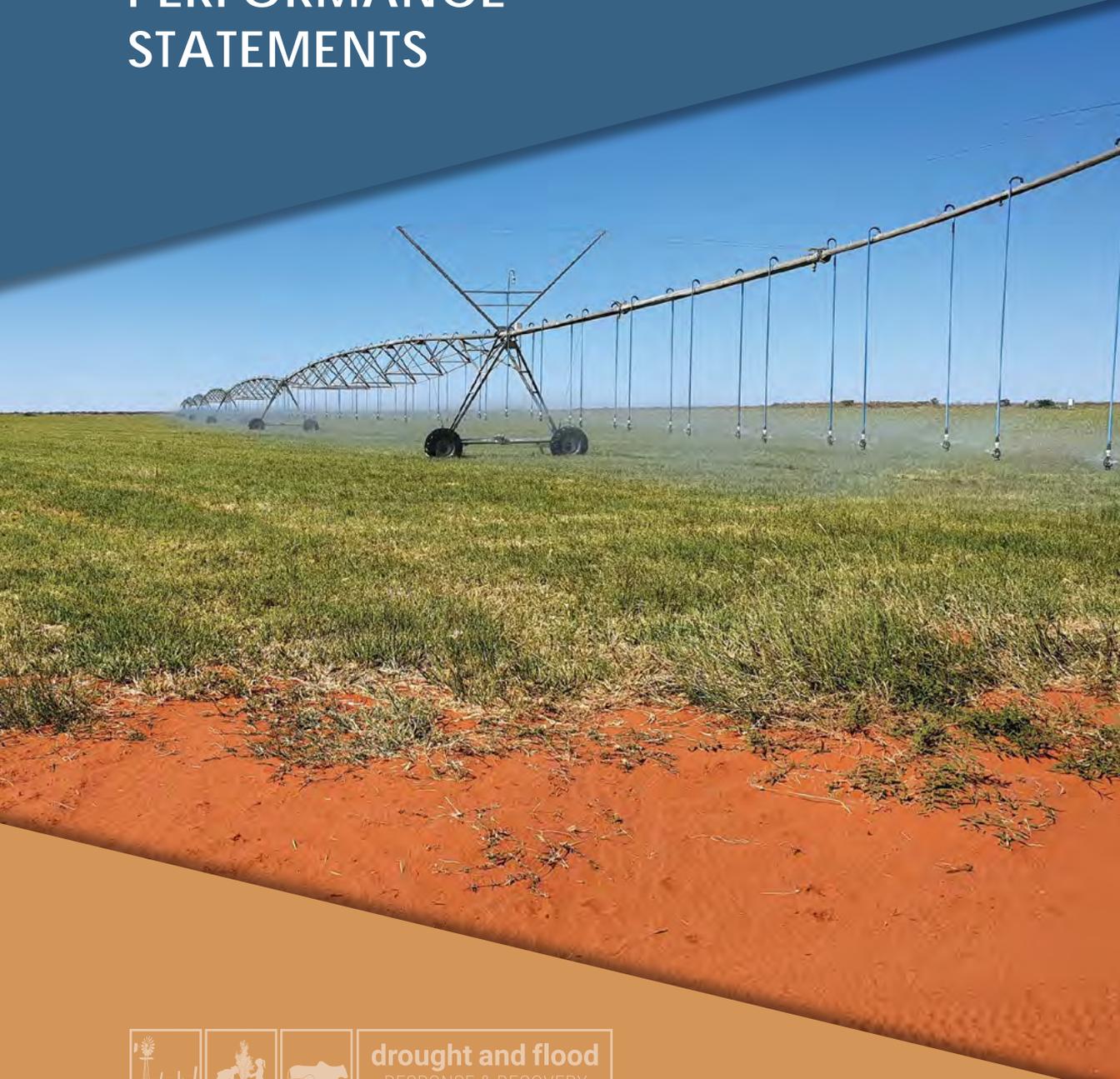
Samantha Montenegro
Executive Director, Corporate
and Governance
(Chief Financial Officer,
Chief Risk Officer)



Paul McNamara
Executive Director,
Flood and Data

Figure 3: Executive Directors

PART 3: ANNUAL PERFORMANCE STATEMENTS



drought and flood
RESPONSE & RECOVERY

Introductory Statement

I, Shane Stone, as the accountable authority of the National Drought and North Queensland Flood Response and Recovery Agency, present the 2019–20 annual performance statement of the Agency as required under paragraph 39(1) (a) of the *Public Governance, Performance and Accountability Act 2013*.

In December 2019, the Prime Minister announced the expansion of the Agency's remit to include national drought responsibilities. From 19 December 2019, NQLIRA transitioned to become the National Drought and North Queensland Flood Response and Recovery Agency, which continues as an executive agency under the *Public Service Act 1999*, and a listed non-corporate Commonwealth entity subject to the requirements of the *Public Governance, Performance and Accountability Act 2013*.

The annual performance statement has been prepared to reflect the broader remit, as reflected in the *Drought and Flood Agency Corporate Plan 2019–20 – 2022–23* and the Portfolio Additional Estimates Statements 2019–20 (under PM&C).

In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the entity and complies with section 39(2) of the *Public Governance, Performance and Accountability Act 2013*.



The Hon Shane L Stone AC QC

Coordinator-General
National Drought and North Queensland Flood
Response and Recovery Agency

Our Purpose and Outcomes

The objective of the PGPA Act is to provide a coherent system of governance and accountability for public resources, with an emphasis on planning, performance and reporting.

Our performance in achieving our purpose is measured against the *Drought and Flood Agency Corporate Plan 2019–20 – 2022–23* and the Portfolio Additional Estimates Statements 2019–20. The relationship between these is shown on the following pages.



OUTCOME 1:

To coordinate Commonwealth activities for the purpose of assisting areas affected by drought or the North and Far North Queensland Monsoon Trough (25 January to 14 February 2019), including through strategic leadership and policy advice, recovery activities, drought preparation, and administering a loan scheme to provide assistance to eligible primary producers affected by the Monsoon Trough.

Source: Portfolio Additional Estimates Statements 2019–20, under PM&C, page 74

PURPOSE:

The purpose of the Drought and Flood Agency is to provide strategic leadership and coordination of the Australian Government's response and recovery assistance to communities affected by drought and the 2019 Monsoon Trough. The Agency will also advise government on the timeliness, effectiveness and delivery of assistance, as well as strategies that enable individuals, businesses and communities to be better positioned to respond to future drought and natural disasters.

Source: Drought and Flood Agency Corporate Plan 2019–20 – 2022–23, page 14

Program 1.1:

The National Drought and North Queensland Flood Response and Recovery Agency was established to provide advice on and coordinate the Australian Government's assistance and support for the drought- or flood-affected communities. The Agency will also design, develop, consult on and coordinate the delivery of a long-term plan for the recovery of flood-impacted areas in North Queensland, and will oversight the implementation of the Australian Government's Drought Response, Resilience and Preparedness Plan.

Source: Portfolio Additional Estimates Statements 2019–20, under PM&C, page 74

Objectives:

Source: Drought and Flood Agency Corporate Plan 2019–20 – 2022–23, page 14

Response and Recovery

Coordinate, communicate and collaborate with stakeholders to enable the delivery of Australian Government support to affected families, primary producers, businesses and communities so that they can recover from the immediate impacts of the drought and 2019 Monsoon Trough.

Consult and Advise

Engage with stakeholders to inform the development of advice to the government on Australian Government policies and measures which enable families, primary producers, businesses and communities to be better positioned for future droughts and natural disasters.

Activities:

Source: Drought and Flood Agency Corporate Plan 2019–20 – 2022–23, page 14

Coordinate with partners and stakeholders, including local governments, community groups, not-for-profit and advocacy groups, to deliver assistance to affected families, primary producers, businesses and communities.

Working together.

Communicate with affected families, primary producers, businesses and communities to provide them with information on the support available, and preparedness strategies for the future.

Awareness.

Engage, consult and collaborate with stakeholders to understand their experiences, requirements and concerns, and inform the streamlining of processes and development of future policy settings and deliverables.

Locally led, locally designed and implemented.

Advise government on drought and North Queensland flood conditions, to support the optimisation of Australian Government assistance.

Simplify. Act.

Our Performance Information

OUR PERFORMANCE

Performance Criteria

Source: 2019–20 Portfolio Additional Estimates Statements, under PM&C, page 74

Coordinate the provision of assistance and support to flood-impacted individuals, families, primary producers, businesses and communities to improve their circumstances, by working in collaboration with a range of stakeholders across the Australian and Queensland governments.

Provide whole-of-government strategic leadership and advice on the government's drought response.

Increase awareness of existing Commonwealth support and assistance for drought-affected communities and North Queensland flood-affected communities.

Targets

Source: 2019–20 Portfolio Additional Estimates Statements, under PM&C, page 74

\$300 million of grants will be made available to primary producers for restocking, replanting and infrastructure rebuilding.

Up to \$1.75 billion worth of low-cost loans may be made available to Authorised Deposit-taking Institutions (ADIs) to pass on to eligible primary producers.

Report to government on the appropriateness and efficacy of the Australian Government's drought response measures by 30 June 2020.

Develop a whole-of-government communication approach for engagement with affected communities, both to provide information and to receive feedback.

Establish a network of regional recovery officers throughout Australia.

Performance Measures*

Source: Drought and Flood Agency Corporate Plan 2019–20 – 2022–23, page 14

PM1) The Agency provides leadership to the coordination of assistance to affected communities.

PM2) Affected communities utilise Australian Government assistance to contribute to their recovery.

PM5) The Agency consults with stakeholders to understand their experiences, requirements and concerns.

PM6) Stakeholders report that the Agency contributed to better outcomes through collaboration in design and/or delivery of Australian Government assistance.

PM1) The Agency provides leadership to the coordination of assistance to affected communities.

PM5) The Agency consults with stakeholders to understand their experiences, requirements and concerns.

PM7) The Agency delivers timely and relevant advice to government in line with commitments.

PM3) Impacted parties report a heightened level of awareness for Australian Government assistance.

PM4) Affected communities report a heightened level of awareness for ways in which they could be better prepared in relation to future droughts and natural disasters.

* Some performance measures in the *Drought and Flood Agency Corporate Plan 2019–20 – 2022–23* relate to more than one performance criteria in the Portfolio Additional Estimates Statements 2019–20. To simplify this for future reporting periods, the Agency has refined its performance information in the Portfolio Budget Statements 2020–21 and *Drought and Flood Agency Corporate Plan 2020–21 to 2023–24*.

SUMMARY OF PERFORMANCE

Performance Criteria	Result
Coordinate the provision of assistance and support to flood-impacted individuals, families, primary producers, businesses and communities to improve their circumstances, by working in collaboration with a range of stakeholders across the Australian and Queensland governments.	Achieved
Provide whole-of-government strategic leadership and advice on the government's drought response.	Partially Achieved
Increase awareness of existing Commonwealth support and assistance for drought-affected communities and North Queensland flood-affected communities.	Achieved
Performance Measure	Result
PM1) The Agency provides leadership to the coordination of assistance to affected communities.	Achieved
PM2) Affected communities utilise Australian Government assistance to contribute to their recovery.	Achieved
PM3) Impacted parties report a heightened level of awareness for Australian Government assistance.	Achieved
PM4) Affected communities report a heightened level of awareness for ways in which they could be better prepared in relation to future droughts and natural disasters.	Achieved
PM5) The Agency consults with stakeholders to understand their experiences, requirements and concerns.	Achieved
PM6) Stakeholders report that the Agency contributed to better outcomes through collaboration in design and/or delivery of Australian Government assistance.	Achieved
PM7) The Agency delivers timely and relevant advice to government in line with commitments.	Partially Achieved

Table 2: Summary of Performance

PERFORMANCE SNAPSHOT

As at 30 June 2020:



\$780 million paid directly to individuals, businesses, communities, and local and state governments as part of the government's North Queensland Flood Recovery Package.



Over 720 engagements in drought-impacted areas across the Northern Territory, Queensland, New South Wales, Victoria and Tasmania.



Established on-the-ground working relationships in 200 Local Government Areas.



15 Regional Recovery Officers employed, with a further 7 positions in the process of being filled.



\$55.3 million Restocking, Replanting and On-farm Infrastructure grants delivered.



Visited 153 communities across Australia, with 72,562 km travelled by the Coordinator-General, Agency staff and Regional Recovery Officers.



Coordinated advice to government across 11 departments and/or agencies responsible for delivery of 25 drought assistance measures that make up more than \$8 billion in drought support.



14,093 visits to the website, with the top 10 drought and flood pages receiving a combined 48,065 unique page visits during this time.



Two Agricultural Minister Working Groups on Drought; two Australian Government Standing Groups on Drought; one Minister's Roundtable on Drought.



688 social media posts across Facebook, Twitter, Instagram and YouTube.



Attended 12 meetings of the Drought Communication and Engagement Cross-Government Group (hosted four of them).



The National Drought Map was accessed 16,641 times in 2019–20. 85% new users and 15% returning users. 85% of users located in Australian capital cities.



Held 11 North Queensland National Partnership Agreement Steering Committee Meetings.



Engaged Services Australia to build a Recovery Connect module to support those in drought-affected areas.



Started to develop a Customer Relationship Management system.

ANALYSIS OF PERFORMANCE

Drought and natural disasters are an ongoing feature in the Australian landscape and much of the Agency's work is twofold—assisting with the immediate response and longer-term recovery, and supporting those impacted to be better prepared for future events.

These annual performance statements demonstrate that the Agency has made substantial contributions towards its purpose in 2019–20, despite a challenging operating environment due to the impacts of the COVID-19 pandemic. In addition, it was a formative year for the Agency, which included an expanded remit to include drought from December 2019.

The COVID-19 pandemic has exacerbated impacts of flood and drought and the recovery efforts in regional communities. It has also affected how the Coordinator-General, Agency staff and the RRO network engaged with drought and flood affected communities. Where travel was restricted, community engagement continued over the phone, via social media, the Agency newsletter, using video conference and through regular communiques.

In relation to the Agency itself, a Pandemic Plan was implemented to ensure the continuity of its operations. The Agency also worked closely with relevant government agencies at all levels and other stakeholders to ensure the needs and concerns of rural and regional communities continued to be heard.

Despite these challenges, the Agency was able to deliver on two of three performance criteria and seven of the eight performance measures. The criterion and measure not met were a direct result of the impacts of the COVID-19 pandemic and we have provided details in the analysis of the individual measures and targets on the following pages.

Our key achievements and contribution towards our purpose in 2019–20 includes the following performance highlights.

National Leadership and Coordination

It has been 18 months since the 2019 North Queensland flood event and the Agency finalised a blueprint for the region's long-term recovery and future prosperity. Following extensive consultation with individuals, businesses, communities and local government affected by the flood event, the Agency developed the *2019 Queensland Monsoon Trough After the flood: a strategy for long-term recovery*.

The strategy provides a blueprint that all interested parties (both government and non-government) can use to guide investment to support longer-term recovery and strengthen resilience of the flood-impacted regions.

The year 2019 was Australia's warmest and driest year ever recorded and, unfortunately, the current drought will not be the last. The Agency plays a pivotal role in providing advice on Australian Government policies and programs, to continuously improve the way in which drought assistance is provided. In 2019–20, the Agency undertook a review into the government's drought response, which included looking into the 25 measures that made up more than \$8 billion in assistance and concessional loans since 2018–19. The Agency reviewed the consistency of the measures against key frameworks, such as the National Drought Agreement (NDA), the Australian Government's Drought Response, Resilience and Preparedness Plan and international principles. We also reviewed the effectiveness of the suite of measures as a whole, and identified the ways in which the government could strengthen its support, which will be progressed in 2020–21.



Stories from the road June 2020

The Coordinator-General and RRO team met with Ken Bridle on his Poll Hereford cattle property at Genoa, Victoria. Ken's property was affected by the bushfires after three years of drought. He has 320 acres and normally runs a couple of hundred breeders, but is down to 120 head. Ken is a fifth-generation farmer but says the fires "pulled the rug right out from under him". During discussions, Agency staff let Ken know about the Australian Government assistance available to him, including Regional Investment Corporation loans, which Ken hadn't heard about. Information was provided and contact details given so Ken could work out what might best suit his needs. When the RROs next pass by, they will drop in to see how Ken is going.

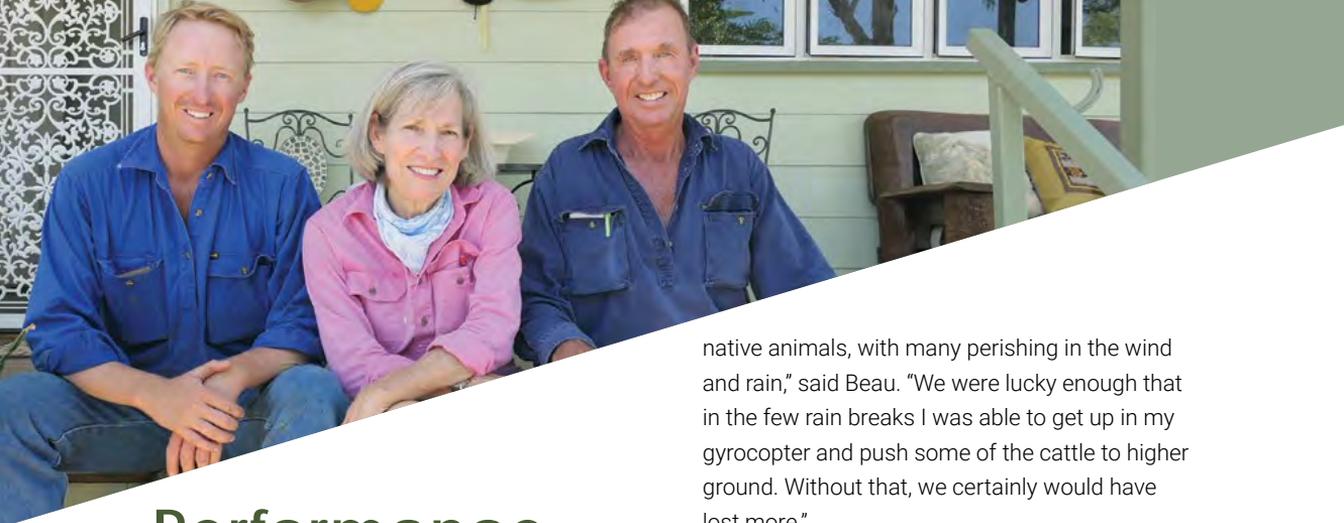
Collaboration, Cooperation and Engagement

The Agency has a demonstrated track record of effectively coordinating across all Australian Government departments, establishing and maintaining relationships with state recovery agencies, local governments, key stakeholders, charities and local community organisations to provide a streamlined, timely and well targeted on-the-ground response.

Communities are central to the recovery process and our model of on-the-ground engagement has been crucial. Communities need to be able to trust the government is listening and will continue to turn up. This is not your usual government organisation; the Agency has been set up to be agile and responsive to people of

regional Australia, to cut through red tape, and stand shoulder to shoulder with the flood and drought affected regions until we come out the other side.

Through our extensive community engagement, we have been able to connect people quickly to the support they need. At 30 June 2020, approximately \$780 million had been paid directly to individuals, businesses, communities, and local and state governments as part of the government's North Queensland Flood Recovery Package.



Performance Snapshot— The Harrington Family

January 2020

Almost a year after the February 2019 flood event, remnants of the monsoon that devastated parts of North Queensland remain carved into the land across Brinard cattle station.

“Entire roads were washed away, along with paddocks, fences, water infrastructure, and of course many of our cattle,” said Brinard station owner, Scott Harrington.

“We will be feeling the impacts for years. Parts of the property are badly eroded, and in other places we’ve lost valuable topsoil which would otherwise be thick with Mitchell grass by now.”

Located 140 km northwest of Julia Creek, Brinard is home to Scott and Gina Harrington and their son Beau. The property has been held by four generations of Harrington graziers, and currently runs a mix of Brahman cross cattle.

Having survived through years of drought, the arrival of soaking February rain was a joyful occasion, but after four days of relentless downpour, the sense of elation switched to anguish.

“The freezing winds and low temperatures that followed were devastating for cattle, as well as

native animals, with many perishing in the wind and rain,” said Beau. “We were lucky enough that in the few rain breaks I was able to get up in my gyrocopter and push some of the cattle to higher ground. Without that, we certainly would have lost more.”

But for the Harringtons, the impact of the storm went well beyond Brinard. Another son, Dudley, and his wife Thea live on Werrina, closer to Julia Creek, which was also badly impacted by flooding. Another family property, Alexmere, south of Nelia, was widely inundated by flood waters and suffered very high stock losses.

Late last year Agency staff visited Brinard to see the impacts of the flood firsthand. The team was joined by Rangelands Officer, Anne Alison from Southern Gulf NRM, a community-based not-for-profit company providing natural resource management services in the southern Gulf of Carpentaria region.

Rangeland officers like Anne have been working closely with graziers and managers to determine the extent of the impact of the flood and assist with remediation and recovery strategies for soil, pastures, livestock production and business management.

As part of its post-flood education work, the Australian Government and Queensland Government, through the Southern Gulf NRM, jointly funded erosion control and pasture remediation workshops, and more recently, herd efficiency and grazing business management workshops.

“Brinard is a property that implements excellent grazing management practices, which were obvious during the drought years and leading up to the flood,” said Anne.

"If good management practices had not been implemented prior to the flood the property would have suffered much more damage than it did.

"The early reduction of livestock numbers during dry times meant that the land was in a healthier condition to be able to withstand some of the impacts of the floods."

Despite the need to build up stock numbers and generate cashflow, the Harringtons are focused on allowing flood-impacted pastures to recover. This is particularly important during and immediately following the wet season as it allows pasture plants to fully establish and go to seed so that they can survive through to the next wet season.

The family is also using earth-moving machines on the more heavily damaged areas to prevent further erosion during the coming wet season.

Like many other properties in the area, fencing is another big issue on Brinard. During the flood clean-up, many graziers discovered that groups of cattle had clustered in paddock corners searching for warmth but ended up being trapped and unable to escape.

"As part of managing our pastures we will put some thought into redesigning fence lines and opening up paddocks so that in the event of another heavy flood the cattle will have somewhere to go," said Beau.

"By the end of this, we will have fixed or replaced around 120 km of fencing, so it's a good opportunity to make improvements where we can."

The Harringtons are one of many grazing families in the McKinlay Shire to receive the Special Disaster Assistance Recovery Grant of \$75,000. They have since applied for the Restocking, Replanting and On-farm Infrastructure Grant of up to \$400,000, but will wait for the results of the next wet season to determine how best to invest the grant money.

"We were very happy with the initial recovery response and the speed with which the \$75,000 grant was made available," said Scott.

"It gave everybody an injection of funds when we needed it most. We are all part of the same community out here and we made sure that the recovery grant money went through as many local hands as possible."

The staff at the National Drought and Flood Agency would like to thank Scott, Gina and Beau Harrington for accepting our request to visit Brinard station, and Anne Alison at Southern Gulf NRM for sharing her time and local knowledge with the Agency.

In February 2020, the Agency established a national network of RROs, who have been recruited from, and are based in, communities across Australia to serve as champions for their region. RROs work directly with impacted individuals, businesses and communities to facilitate access to the support and information needed to help them prosper.

Communities have benefited by having representatives of the Agency come to them to listen, see the impacts firsthand, and have a direct line of communication back to government, providing advice on what is needed most in terms of support.

To date, the Agency has established open and effective working relationships in approximately 200 Local Government Areas. Building and strengthening these relationships has assisted the Agency gather information to inform proposed plans for long-term recovery and develop strategies to enable communities to be better positioned to respond to future drought and Monsoon Trough events.

Performance Snapshot— Drought Community Outreach

February 2020

The Australian Government is continuing to respond to the needs of drought-affected farming communities right across Australia. In February 2020, the government announced a partnership with Rotary Australia World Community Service (Rotary) to provide \$5 million for the Drought Community Outreach program¹. With the support of the Drought and Flood Agency, Rotary signed its grant agreement and was provided the one-off ad hoc grant in June 2020 to start providing \$500 vouchers to eligible drought-impacted households experiencing financial hardship. These vouchers are being distributed across the nation to help put food on the table, buy school supplies and other essential goods. The vouchers also have a flow-on impact, ensuring funds are spent in local shops and with suppliers to generate much needed economic stimulus.

As COVID-19 restrictions are progressively lifted, the Agency will also work with Rotary under the program to run outreach events in drought-impacted communities—bringing together all levels of government, charities, community groups and peak bodies to offer support. Rotary will use part of the \$5 million grant to cater at these events, while also providing the vouchers to affected individuals.

¹ The Drought Community Outreach Program policy entity is the Department of Infrastructure, Transport, Regional Development and Communications and the administering entity is the Department of Industry, Science, Energy and Resources. The Drought and Flood Agency is a co-sponsor of the grant.

PERFORMANCE RESULTS

Performance Criteria: (PAES)	Coordinate the provision of assistance and support to flood-impacted individuals, families, primary producers, businesses and communities to improve their circumstances, by working in collaboration with a range of stakeholders across the Australian and Queensland governments.		
Targets	<p>\$300 million of grants will be made available to primary producers for restocking, replanting and infrastructure rebuilding.</p>	Results	<p>Achieved: The \$300 million grant program was announced on 23 March 2019. At 30 June 2020 a total of 214 grants were approved to the value of \$55.3 million.</p>
	<p>Up to \$1.75 billion worth of low-cost loans may be made available to ADIs to pass on to eligible primary producers.</p>		<p>On hold: The ADI loans have been placed on hold due to the positive and proactive response of the banking sector in providing improved loan terms to primary producers, including reduced interest rates and deferrals of principal and interest payments.</p>
Performance Measures	<p>PM1) The Agency provides leadership to the coordination of assistance to affected communities.</p>		<p>Achieved</p>
	<p>PM2) Affected communities utilise Australian Government assistance to contribute to their recovery.</p>		<p>Achieved</p>
	<p>PM5) The Agency consults with stakeholders to understand their experiences, requirements and concerns.</p>		<p>Achieved</p>
	<p>PM6) Stakeholders report that the Agency contributed to better outcomes through collaboration in design and/or delivery of Australian Government assistance.</p>		<p>Achieved</p>
Source	<p><i>Drought and Flood Agency Corporate Plan 2019–20 – 2022–23, page 14</i> <i>2019–20 Portfolio Additional Estimates Statements, under PM&C, page 74</i></p>		

Table 3: Performance Results for Criterion 1

ANALYSIS

The \$300 million Restocking, Replanting, and On-farm Infrastructure Grants (RRIG) program is delivered by the Queensland Rural and Industry Development Authority (QRIDA) on behalf of the Australian Government in accordance with the National Partnership Agreement on grants assistance to primary producers in the Local Government Areas most significantly impacted by the North Queensland floods.

RRR grants approved by Local Government Area

Data from program inception until 30 June 2020

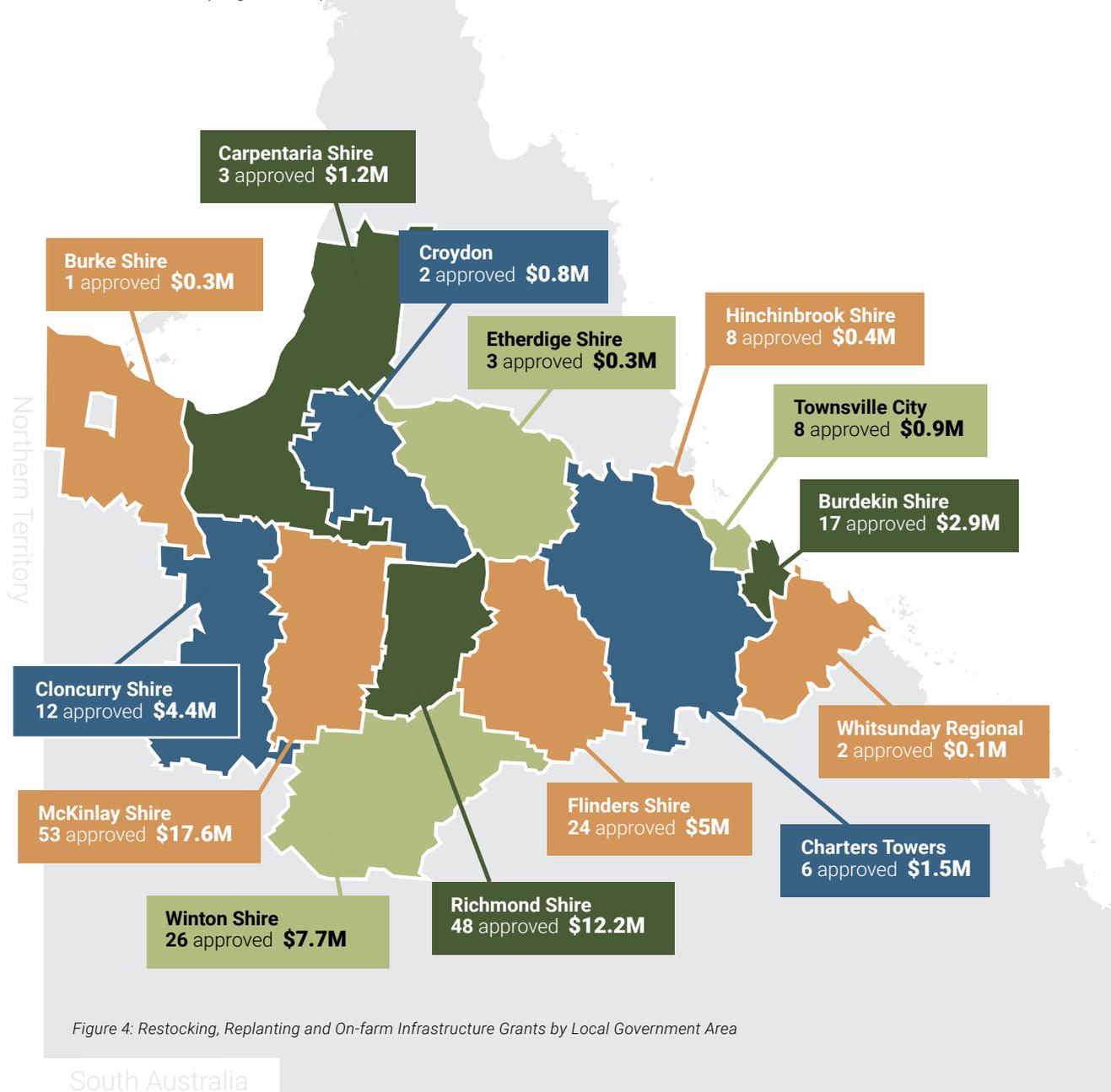


Figure 4: Restocking, Replanting and On-farm Infrastructure Grants by Local Government Area

RRIG Uptake - Industry Breakdown by Number of Approvals

Data from program inception until 30 June 2020

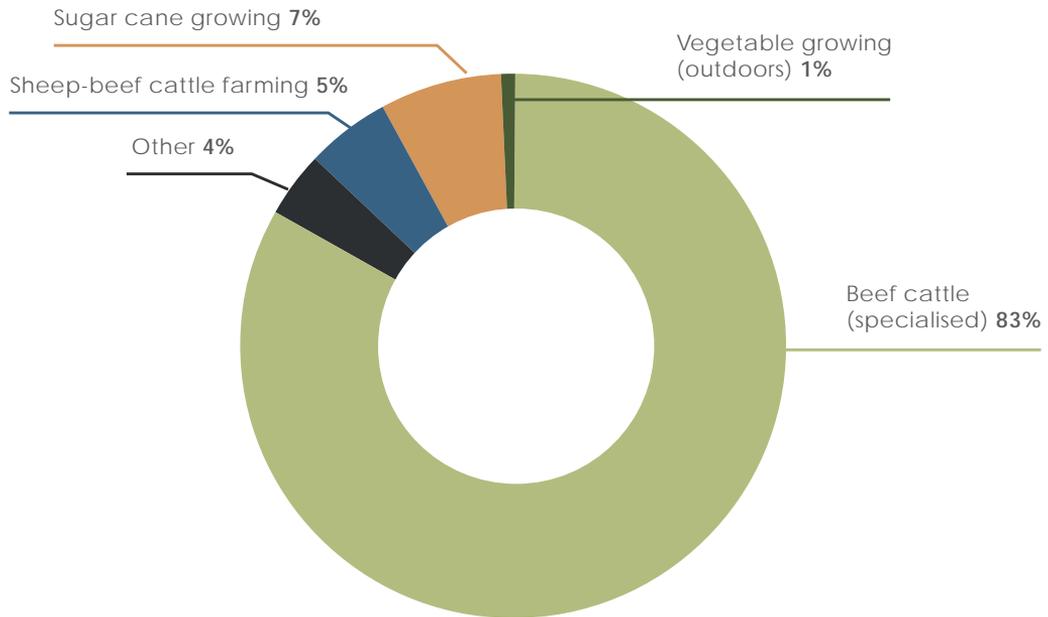


Figure 5: Restocking, Replanting and On-farm Infrastructure Grants uptake by industry

The Agency co-chairs the RRIG Steering Committee with the Department of Agriculture, Water and the Environment, Queensland Department of Agriculture and Fisheries, and QRIDA. The information received from the steering committee highlights the compounding issues confronting primary producers in the region and the importance of making funding available for people to restock and replant when the time is right.

The uptake of the grants has been conservative. This is largely due to the uncertainty in the sector given high cattle prices, poor pasture recovery since the event and a disappointing wet season in 2019–20. In addition, more recent concerns around live exports, trade issues with China, along with the overlay of COVID-19, are all having an impact on confidence in the agriculture sector in this region.

The Agency has worked closely with relevant Queensland Government agencies to forecast the likely uptake of RRIG grants. The Agency and QRIDA proactively undertake social media campaigns to raise awareness of the RRIG program to increase grant applications. In the last quarter of the financial year QRIDA has particularly focused on the on-farm infrastructure grants during the dry season; the preferred time to undertake infrastructure work given the milder weather.

The Steering Committee is well positioned to identify any genuine challenges, barriers or issues with the grant guidelines and resolve them. This includes amending the guidelines if required to meet needs on-the-ground. The reporting framework supports the Steering Committee to ensure appropriate accountability by focusing on the achievement of outcomes, carrying out of responsibilities, and enhanced performance reporting.



Performance Snapshot—The Tritton family

Case study and image provided by QRIDA

Richmond graziers Corbett and Beris Tritton were among hundreds of primary producers to lose cattle, infrastructure and assets during the February 2019 Monsoon Trough. Their ability to get back to business quickly, along with many others, has benefited the region and the industry.

The Trittons lost more than 2,300 head of cattle and suffered damage to assets and infrastructure after flood water and treacherous conditions impacted their property. They estimate their total damage bill topped \$4 million.

They were able to access a restocking, replanting and on-farm infrastructure co-contribution grant, administered through QRIDA on behalf of the Australian Government. This helped them restock the cattle they lost and restore their cash flow.

While the Trittons were able to use the grant funding immediately, they said the ability for applicants to draw down the funds when seasons and markets permitted was beneficial to the region and the industry.

“We felt the grant was necessary for us to survive. It was a big hit and it was for a lot of people.”

Corbett said support distributed to the North West following the disaster event was an indication to flood-affected graziers there was help available and the nation depended on them to move forward.

As part of the North Queensland Flood Recovery Package, the Australian Government committed \$1.75 billion in low-cost loans to ADIs to support interest rate relief for existing and new business loans to eligible flood-affected primary producers. The ADI loans have been placed on

hold due to the positive and proactive response of the banking sector in providing improved loan terms to primary producers, including reduced interest rates and deferrals of principal and interest payments. The Agency will continue to monitor the situation into 2020–21.

Performance Criteria: (PAES)	Provide whole-of-government strategic leadership and advice on the government's drought response.		
Target	Report to government on the appropriateness and efficacy of the Australian Government's drought response measures by 30 June 2020.	Result	Partially Achieved: The Agency's report into the appropriateness and effectiveness of drought measures was drafted by the end of June 2020, however due to delays in receiving responses from targeted consultation and postponement of the Advisory Board's June 2020 meeting due to COVID-19 restrictions, the Agency gained agreement to provide the report to government by the end of July 2020.
Performance Measures	PM7) The Agency delivers timely and relevant advice to government in line with commitments.		Partially Achieved
	PM5) The Agency consults with stakeholders to understand their experiences, requirements and concerns.		Achieved
	PM1) The Agency provides leadership to the coordination of assistance to affected communities.		Achieved
Source	<i>Drought and Flood Agency Corporate Plan 2019–20 – 2022–23, page 14</i> 2019–20 Portfolio Additional Estimates Statements, under PM&C, page 74		

Table 4: Performance Results for Criterion 2



ANALYSIS

The Agency provided formal monthly reports on the government's drought response to the Minister for Agriculture, Drought and Emergency Management from January 2020. Through the advice provided, the Agency has communicated the changing drought situation on-the-ground, the status of Australian Government measures being implemented and any delivery challenges, as well as feedback from individuals, businesses and regional communities impacted by drought.

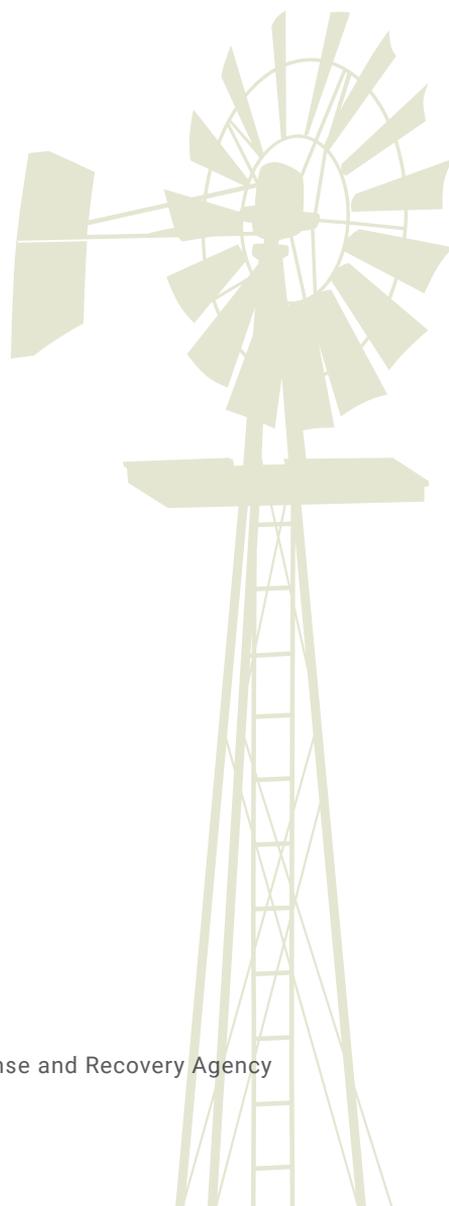
The Agency is providing leadership across the Australian Government by coordinating advice to the Minister across 11 departments and/or agencies, which are responsible for the delivery of 25 drought measures that make up more than \$8 billion in drought support.

The Agency has held:

- two meetings of the AGMIN Working Group on Drought (with state and territory counterparts, the National Farmers' Federation (NFF) and the Australian Local Government Association (ALGA))
- two meetings of the Australian Government Standing Group on Drought (with Australian Government agencies responsible for drought support measures)
- one Minister's Roundtable on Drought (with state farming organisations, the NFF, ALGA and the Australian Banking Association (ABA)).

Further, the RROs have conducted over 720 engagements in drought-impacted areas across the Northern Territory, Queensland, New South Wales, Victoria and Tasmania to ensure Agency advice to government is grounded in the experience and knowledge of those on-the-ground that have experienced the full impact of the drought. Visits to Western Australia and South Australia were postponed due to COVID-19.

The Agency has reviewed existing drought measures and developed a report for government that advises on the appropriateness and effectiveness of the drought response. To inform the Agency's analysis and advice, the Agency wrote to 30 stakeholders for feedback, and undertook a detailed survey of Australian Government agencies on each of the drought measures. The information has helped identify opportunities to enhance the government's drought response, which the Agency will work to address. The report is expected to be published following consideration by government.



Stories from the road June 2020

Coordinator-General, Shane Stone and Drought and Flood RRO, Chris Clarke met with Local Land Services (LLS) in Bega, NSW recently. LLS works with farmers' networks and groups like SAGE (Sustainable Agriculture & Gardening Eurobodalla Inc), running drought preparedness and 'how do you react to drought' workshops. Although there has been rain following the bushfires, it hasn't been enough to replenish the soil moisture. The effects of drought and disasters don't stop at the farm gate—we need to support towns and communities as well, which is why Chris spends time talking to people in the regions about what Australian Government assistance support available, to help people get through the tough times, and restock and replant once the drought breaks.

From L to R: Hannah Wandel, Chris Clark, Andrew Taylor (LLS), Shane Stone and Clare D'Arcy at the Bega NSW LLS Office



Performance Criteria: (PAES)	Increase awareness of existing Commonwealth support and assistance for drought-affected communities and North Queensland flood-affected communities.		
Targets	Develop a whole-of-government communication approach for engagement with affected communities, both to provide information and to receive feedback.	Results	<p>Achieved:</p> <p>The Agency chairs the Drought Communication and Engagement Cross-Government Group to ensure consistent communications.</p> <p>Delivery of an initial capability to simplify and improve access to services across all levels of government as well as charities, using a location-based online tool.</p> <p>Within the constraints of COVID-19 travel restrictions, the Coordinator-General, Agency staff and RRO network undertook extensive travel across Australia to regional communities to raise awareness of Australian Government flood and drought assistance measures and connect people with the relevant Agency to make applications or receive further information and advice.</p>
	Establish a network of regional recovery officers throughout Australia.		<p>Achieved:</p> <p>15 RROs have been employed, with a further eight officers to be engaged in 2020–21.</p>
Performance Measures	PM3) Impacted parties report a heightened level of awareness for Australian Government assistance.		Achieved
	PM4) Affected communities report a heightened level of awareness for ways in which they could be better prepared in relation to future droughts and natural disasters.		Achieved
Source	<i>Drought and Flood Agency Corporate Plan 2019–20 – 2022–23, page 14</i> 2019–20 Portfolio Additional Estimates Statements, under PM&C, page 74		

Table 5: Performance Results for Criterion 3

ANALYSIS

The Coordinator-General, Agency staff and the RRO network travelled extensively across Australia, within the constraints of COVID-19 travel restrictions, to talk with communities affected by drought and flood, listen to their views and experiences, provide information about existing Australian Government support and assistance measures, link those impacted with the relevant program and application information, and ensure a direct line of communication between people in the regions and the Australian Government. In 2019–20, the Agency and RRO team visited 153 communities across Australia.

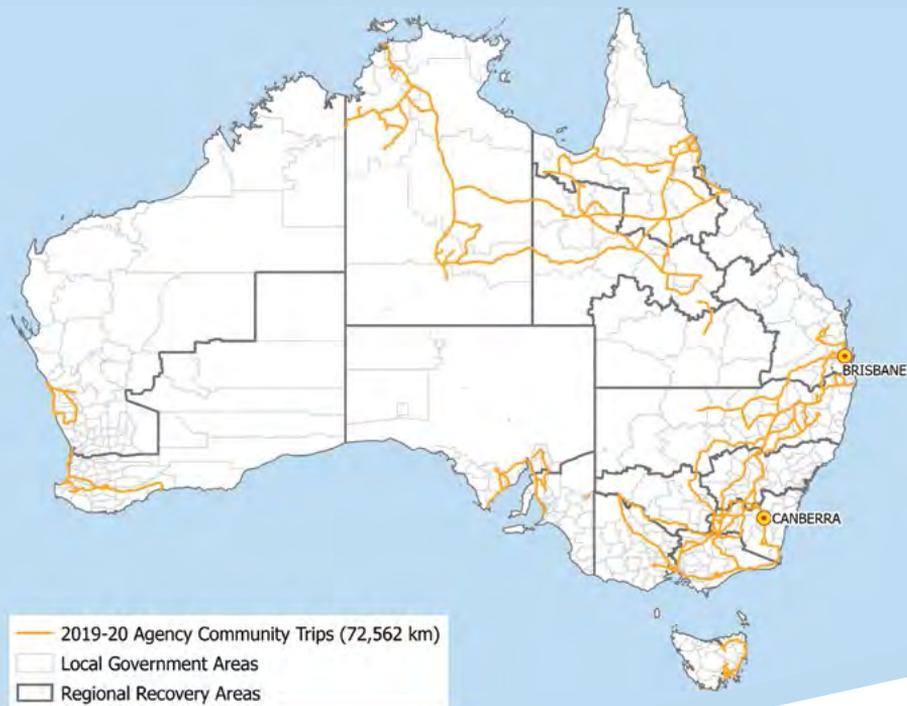


Figure 6: Community Visits 2019–20

The Agency took over leadership of the Drought Communication and Engagement Cross-Government Group in 2019–20. The group comprises 49 members representing 10 Australian Government departments, seven state government agencies, and four non-government organisations. The scope of the group was expanded by the Agency to ensure consistent communications and information across Australian Government and state governments, the NFF and charities. Agencies also worked together to cross-promote drought initiatives on their respective social media channels,

through newsletters and at community events. In 2019–20, the Agency attended 12 meetings (hosting four of them).

The Agency employed 15 RROs in 2019–20 to work directly with rural communities across Australia. The RROs work closely on-the-ground with other Australian Government agencies, such as the Rural Financial Counselling Service, Australian Taxation Office, Regional Investment Corporation, and Services Australia to coordinate activities and assist with access to grants and information. Travel restrictions were implemented in early 2020 due to COVID-19 and a number of these activities were moved online, with promotion through local media, social media and various stakeholder newsletters.



Performance Snapshot— Regional Recovery Officers

The Drought and Flood Agency's Northern Territory RRO, Jane Mack, has an area to cover that is five times larger than the United Kingdom. Being part of a national response to nature's unpredictable cycles takes on a whole new reality when you discover that your office is a four-wheel drive traversing a sixth of Australia's landmass.

Jane spends much of her time on the road talking to farmers and communities to find out what can help them in the face of the challenges that have come about through lack of rain in the southern regions and to talk about future

The Agency enhanced its website and used social media channels to increase awareness of Australian Government assistance for drought and flood affected communities. This included posts on:

- information from other Australian Government and state departments and charities
- drought and flood assistance available and how to apply

drought preparedness through innovative land management practices.

It's remarkable seeing the innovative way farmers are dealing with drought issues and speaking with, not only them, but government advisors and staff from various organisations across the NT. Having these conversations has been hugely beneficial to understanding issues that have existed in some cases for years, alongside new challenges such as COVID-19, which has affected every aspect of their livelihoods.

With the enthusiasm that drives her in her new role and the knowledge she is making a difference, Jane is mapping out a program of visits to businesses, communities, landholders—from families and companies—and to government representatives to let people know how to access Australian Government assistance measures and provide feedback from on-the-ground directly back into Canberra.

- local stories to demonstrate the positive outcomes for people who have received assistance
- the RRO network and how to find the nearest RRO
- updates from the Coordinator-General and Agency staff travelling in the regions.

Through this work, the Agency recognised that data and information are key to our role. In 2019–20, the Agency initially undertook a high-level assessment regarding its ICT capability and started its journey down a capability development pathway to ensure that it could better meet the needs of its stakeholders and staff.

Performance Snapshot — Data and Information

National Drought Map

In 2019–20, the Agency assumed responsibility for the National Drought Map.

Quality, clear and accurate data helps drought-affected farmers and communities make decisions that help them respond to, recover from and prepare for drought. Since assuming responsibility for the strategic leadership and oversight of the drought response, the Agency has worked to build and transform the Map to ensure information is readily available for those who need it most. Importantly, the Map also provides a tool that supports government to

make informed decisions about the provision of drought support, ensuring the right people, in the right regions, are targeted.

The map brings together a range of data and information on climate conditions and government initiatives. The Agency has also worked with CSIRO's Data61 to better ensure user expectations are being met. The Map is being developed alongside Recovery Connect, which will provide location-specific information to people in need so they can access charity and mental health assistance, government programs, and better understand support that is available.

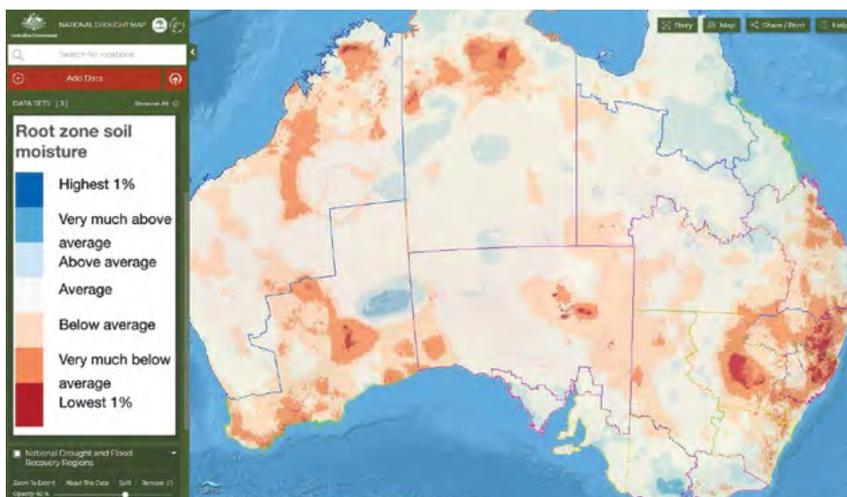


Figure 7: National Drought Map

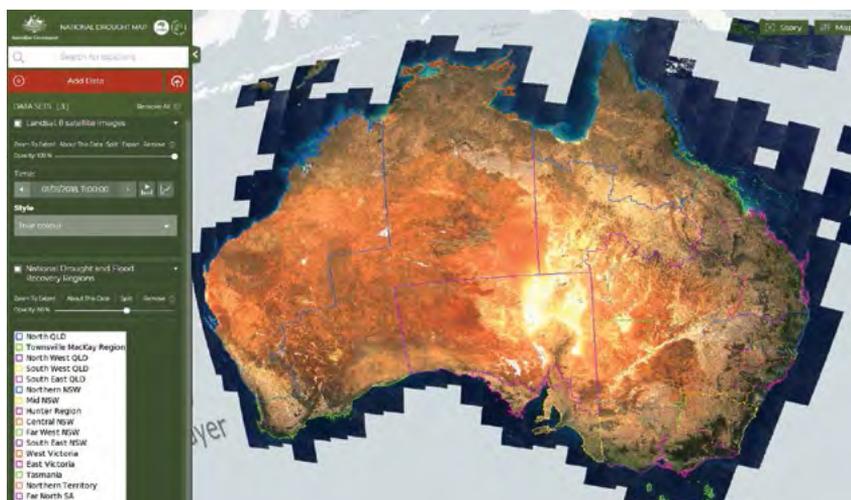


Figure 8: National Drought Map

Performance Snapshot — Data and Information (continued)

Recovery Connect

During 2019–20, the Agency engaged Services Australia to enhance the Recovery Connect online tool to better support those impacted by drought and floods. This is a location-based service finder connecting users to a one-stop-shop of government and charity services based on their address or device location. This tool complements the Map by providing a single source of information on available programs and services. From the outset this capability has been designed to accommodate future disaster recovery assistance in conjunction with the National Bushfire Recovery Agency and Emergency Management Australia.



Figure 9: Beta Version of Recovery Connect

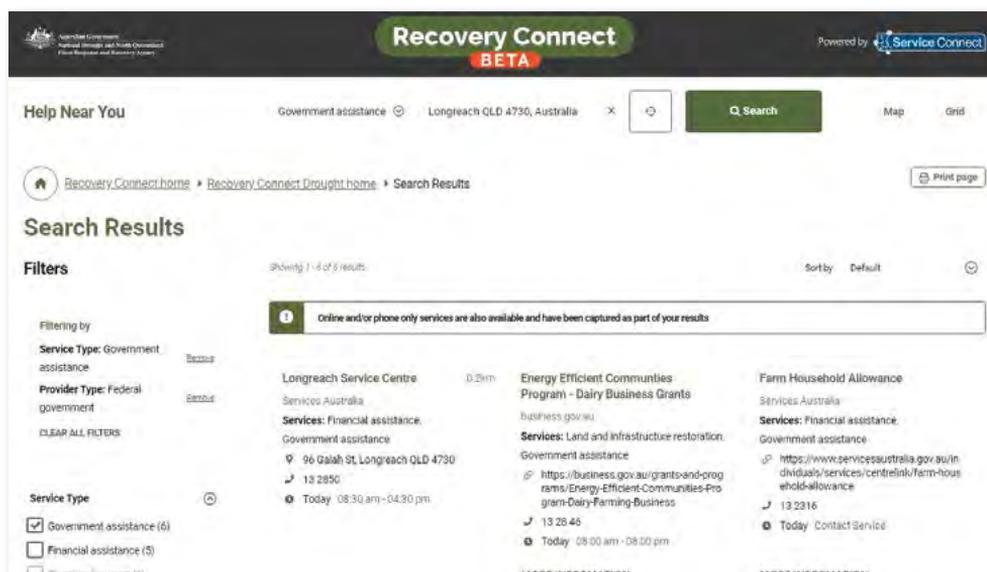
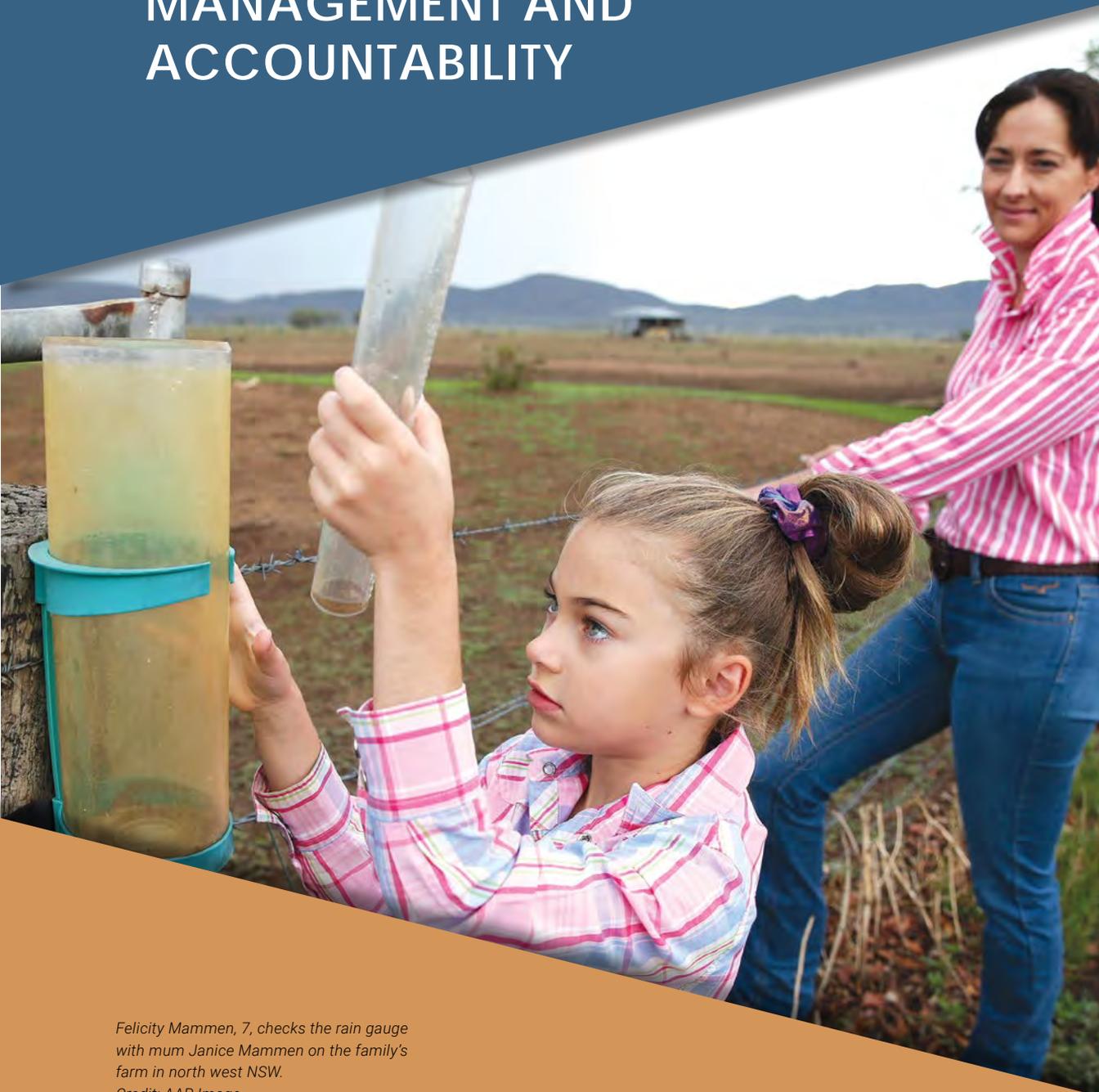


Figure 10: Location-based service finder

Customer Relationship Management

The Agency has commenced development of a Customer Relationship Management (CRM) system. The CRM will improve the Agency's capability to engage meaningfully with stakeholders by providing a consolidated depository of our interactions, enabling the Agency to better tailor future communications and regional engagement activities. The CRM system will be implemented by early 2021 and is designed so that it can support a broad range of recovery activities.

PART 4: MANAGEMENT AND ACCOUNTABILITY



Felicity Mammen, 7, checks the rain gauge with mum Janice Mammen on the family's farm in north west NSW.

Credit: AAP Image



drought and flood
RESPONSE & RECOVERY

Corporate Governance

The focus this year has been on strengthening our corporate governance framework, consisting of:

- governance bodies
- risk and fraud management
- audit and assurance activities
- human resources/performance
- policies and guidelines.

Our system of governance and accountability for public resources is guided by the PGPA Act, and associated legislative instruments. As a small agency, we focus on compliance whilst maintaining flexibility in our approach, so we can target our efforts on helping those most in need.

Shared Services Arrangement

PM&C has agreed, under a Shared Services Agreement, to provide certain corporate services to the Agency. Executed on 14 January 2020, the agreement has the agencies working collaboratively to meet specific obligations of both parties and meet service delivery and reporting requirements.

Committee Structure

Our governance structure comprises three main bodies—the Executive Group, Advisory Board and Audit and Risk Committee. In response to the COVID-19 Pandemic, the Agency also stood up a Crisis Management Team. The relationships between the governance bodies is shown in Figure 11.



Figure 11: Committee Structure

EXECUTIVE GROUP

The **Executive Group** comprises the Coordinator-General, Chief Operating Officer and Executive Directors. The role of the Executive Group is to govern and provide leadership to the Agency in accordance with its outcome, purpose and objectives. It also provides advice, assistance and assurance to the Coordinator-General as the Accountable Authority for the Agency. The Executive Group considers significant strategic matters and interdependencies impacting the Agency.

ADVISORY BOARD

The Advisory Board comprises members with on-the-ground industry knowledge, as well as experience working with government and non-government organisations. The Board plays a vital role in providing expert advice to the Coordinator-General. During 2019–20, the Board met six times and discussed:

- The 2019 Queensland Monsoon Trough flood strategy for long-term recovery and resilience.
- Progress of recovery in North Queensland.
- The Australian Government's drought response.
- Communication and engagement activities.
- Opportunities to improve access to information and services for affected individuals, businesses and communities.

The following members left the Advisory Board during 2019–20: Mr Daryl Quinlivan, former Secretary, Department of Agriculture, and Cr Gregory Campbell, Mayor, Cloncurry Shire. Ms Tracey Hayes OAM, Chair, Darwin Waterfront Corporation, stood down in February 2020 to contest the Northern Territory election.

Figure 12: Advisory Board Meeting, July 2020

(L to R) Mr David Galvin, Ms Fiona Simson, Mr Don Heatley OAM, the Hon Shane Stone AC QC (Chair), Dr Wendy Craik AM, Mr Nico Padovan PSM (Chief Operating Officer), the Hon Fiona Nash, Mr Gavin Baskett
Not photographed: the Hon Simon Crean and Secretary Andrew Metcalfe AO



AUDIT AND RISK COMMITTEE

The **Audit and Risk Committee**, established in compliance with section 45 of the PGPA Act, provides independent advice to the Coordinator-General on the Agency's financial and performance reporting responsibilities, risk oversight and management, system of internal controls and governance arrangements.

The Committee's Charter is available on the Agency's website at <https://www.droughtandflood.gov.au/reporting>

In 2019–20, the committee had five formal meetings and one induction meeting. The committee consists of four external members (including the chair). The members, their experience and meeting attendance is outlined in Table 6.

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended	Total annual remuneration (\$)
Lembit Suur (Chair)	<p>Mr Suur is a recognised leader and innovator of public sector governance design and practice, process improvement and efficiency, performance monitoring, reporting and accountability structures. He has had extensive experience in central government budgeting and resourcing processes, and led development and implementation of the PGPA Act.</p> <p>Mr Suur holds a Bachelor of Law/Bachelor of Arts (Hons) from the University of Sydney as well as postgraduate qualifications from the University of New South Wales, Stanford University and the Australian Institute of Company Directors.</p>	6 / 6	19,909.05
Ken Clarke	<p>Mr Clarke has an extensive career in public administration, with particular experience in public finance and governance and more recently, in the private sector as a consultant and company Director. Specific strengths include financial analysis, project and program evaluation, risk analysis, pricing policies, public policy development, strategic and business planning, problem analysis and resolution, public sector governance and resource management.</p> <p>Mr Clarke holds a Bachelor of Commerce (Hons) from the University of Western Australia as well as a Graduate Diploma in Management from Stanford University. Mr Clarke is also a member of the Australian Institute of Company Directors and the Institute of Public Administration.</p>	5 / 6	11,945.44

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended	Total annual remuneration (\$)
Emma Robinson	<p>Ms Robinson is a beef producer from North Queensland, bringing extensive industry experience to the committee. She formed the Beef Collaboration Project, which aims to develop opportunities to create new value and sustainability through farmer collaboration. Ms Robinson was named the Queensland 2016 RIRDC Rural Women of the Year and in 2015 undertook a Winston Churchill Trust Fellowship to research farmer cooperatives and beef supply chain innovation in the UK, US and Canada. She has previously worked in the Queensland Department of Agriculture and is a former director of Beef CRC Limited.</p> <p>Ms Robinson holds a Bachelor of Applied Science from the University of Queensland and a Masters of Science from Swinburne University. Ms Robinson is also a Graduate of the Australian Institute of Company Directors.</p>	6 / 6	14,931.80
Peter Conran AM	<p>Mr Conran was Director General of the Western Australian Department of the Premier and Cabinet until August 2016. He has over 30 years of policy and leadership experience within the Western Australian, Northern Territory and Commonwealth governments and many senior leadership roles during his long public service career. In 2009, he was made a member of the Order of Australia for service to the executive arm of government, particularly through advisory roles and to strategic policy development and implementation, and to intergovernmental relations at both state and federal levels.</p> <p>Mr Conran is qualified as a legal practitioner and is a member of the Australian Strategic Policy Institute.</p>	4 / 6	11,945.44

Table 6: Audit and Risk Committee membership, 2019–20

CRISIS MANAGEMENT TEAM

In response to the COVID-19 pandemic, the Agency mobilised a Crisis Management Team (CMT) to monitor, review and manage our response to the evolving situation. Membership of the CMT consisted of the:

- Chief Operating Officer
- Executive Director, Corporate and Governance
- Executive Director, Communications and Engagement
- Executive Director, Flood and Data
- Executive Director, Drought
- Director People
- Director, Corporate
- Assistant Director, People.

The CMT met 18 times in 2019–20 and enacted the Agency's Pandemic Plan and a Workplace Return Transition Plan.

Risk Management

In 2019–20, the Agency developed its enterprise risk management framework, which sought to encourage a structured yet flexible risk management approach, based on sound judgement and the best information available. This enabled the Agency to identify, manage and derive maximum benefits from new

opportunities in the pursuit of our purpose while effectively managing risks.

The framework supports the Coordinator-General to meet his duties under section 16 of the PGPA Act and complies with the Commonwealth Risk Management Policy. The Executive Director, Corporate and Governance was also appointed as the Agency's Chief Risk Officer.

The Agency actively manages risks through systems, processes and strategies that are designed to respond to our operating environment, shape our activities and improve our capability. Our people are encouraged to identify and mitigate risks, and use risk management as a tool to make sound business decisions that support the achievement of our purpose.

Our risk management includes identifying areas of strategic risk which, if realised, could affect our ability to achieve our purpose. During the year, the Agency refined its Risk Strategy which presents the current risk profile including the strategic risks. It also articulates the risk appetite and tolerances for officials to use when making decisions about the day-to-day management of risks.

We identified three strategic risks to be monitored in 2019–20.

1



That the Australian Government's assistance for affected communities is poorly targeted, uncoordinated or ineffective, due to a failure or an inability to effectively communicate and engage with stakeholders.

2



That our success is interdependent on stakeholders across jurisdictions, sectors and interest groups, where our authority and mandate is not sufficient in and of its own, and current environmental factors restrict the implementation of our engagement model.

3



Ensuring that we adequately support our RROs when they are on the road in remote and rural locations, to ensure their ongoing safety and wellbeing.

PANDEMIC PLAN

During the COVID-19 pandemic, the Agency implemented its Pandemic Plan, overseen by the CMT. The plan provided an enterprise-wide framework to manage the Agency's response to the pandemic, including trigger points for action, and roles and responsibilities of staff.

The key components were:

- Preparedness—undertaking preparedness activities to reduce the impacts on staff and on the Agency during a pandemic.
- Containment—preventing transmission, implementing infection control measures and providing services to people who are isolated or quarantined.
- Maintaining essential functions—provision for business continuity in the face of staff or key service provider absenteeism.
- Communication—ensuring communications meet business needs and were in line with whole-of-government messaging to inform staff of any changes to normal activities.

The CMT focused on determining the best course of action in a changing environment with a high degree of uncertainty and constant change. Working from home arrangements were put in place with guidance and resources provided to assist staff with workstation set-up, ergonomics, technology and wellbeing.

In line with the Agency's risk framework, the Agency has a low appetite for risks related to the health and safety of its people. With this in mind, the CMT has been cautious to implement a full transition of staff back to the workplace. Since June 2020, on average 50 per cent of staff are working in the Brisbane and Canberra offices.

RROs and outposted staff continue to work in their regions, meeting with stakeholders and their local communities where they can. This activity follows the advice and travel restrictions in place in each state and territory.

The Agency was able to ensure the continuity of its operations by working with relevant government agencies and other stakeholders.

Fraud

The Agency takes a zero-tolerance approach to fraud and corruption. We encourage a culture characterised by the highest standards of integrity.

In 2019–20, the Agency established its Fraud Policy Statement and Fraud and Corruption Control Plan. The plan outlines the Agency's approach to effectively prevent, detect, investigate and respond to fraud, consistent with section 10 of the PGPA Rule.

The Agency also undertook a fraud risks and controls assessment, which identified the key fraud risks for the Agency. The risk assessment is reviewed regularly through the Agency's planning cycle, with the next review scheduled for November 2020.

To support our internal controls, the Agency has a fraud awareness strategy that includes mandatory induction training for new staff, followed by refresher training every two years. The training covers the Commonwealth Fraud Control Framework and how to identify, detect and report potential fraud. Training is undertaken online and through tailored face-to-face delivery to meet the needs of individuals.

Non-compliance with Finance Law

During 2019–20, there were no instances of non-compliance with finance law reported.

External Scrutiny

During 2019–20, the Agency was **not** involved in any:

- judicial decisions
- decisions of administrative tribunals
- decisions by the Australian Information Commissioner
- Agency capability reviews
- reports on the operations of the entity, including by:
 - o the Auditor-General
 - o Parliamentary committee
 - o Commonwealth Ombudsman.

On Thursday 4 June 2020, the Coordinator-General appeared at the Royal Commission into Natural Disaster Arrangements, which is examining the coordination, preparedness for, response to and recovery from disasters as well as improving resilience and adapting to changing climatic conditions and mitigating the impact of natural disasters. The Agency also provided a submission highlighting the Agency's role, experiences and learnings largely based on the work that has occurred as a result of the 2019 flood event and the subsequent recovery and preparedness activities in affected communities. The Agency's submission related to the Commission's terms of reference regarding responsibility and coordination of response, and arrangements for improving resilience and mitigation.

Environmental Impact

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* requires the Agency to report annually on how its activities accord with and contribute to the principles of ecologically sustainable development and the environmental performance of its internal operations.

As a new Agency, we are committed to incorporating these principles into our foundations where relevant. During 2019–20, the Agency:

- co-located with other agencies in regional locations where appropriate
- reduced the reliance on paper by supporting electronic document management and collaboration as well as digital and mobile technology solutions for staff (iPads and laptops)
- defaulted office printers to black and white and two-sided printing
- used energy saver mode for most office equipment when not in use across Canberra and Brisbane office locations.

Moving forward, the Agency will further review how we contribute to ecologically sustainable development and how we can continue to mitigate our impact on the environment.

Disability

The Agency has established policies to ensure staff with a disability have access to reasonable adjustments in the workplace, including access to flexible work arrangements.

Disability reporting is included in the annual State of the Service Report and the APS Statistical Bulletin. These reports are available on the Australian Public Service Commission's website at www.apsc.gov.au. The *National Disability Strategy 2010–2020* sets out a national policy framework for improving the lives of people with disability, promoting participation and creating a more inclusive society. A high-level two-yearly report tracks progress against each of the six outcome areas of the strategy and presents a picture of how people with disability are faring. Copies of these reports are available on the Department of Social Services website at www.dss.gov.au.

Freedom of Information

Under Part II of the *Freedom of Information (FOI) Act 1982*, the Agency is required to publish information to the public as part of the Information Publication Scheme. More information can be found on our website at www.droughtandflood.gov.au/foi.

Advertising and Market Research

During 2019–20, the Agency did not conduct any advertising campaigns or market research.

Procurement

The Agency's approach to procuring goods and services, including consultancies, is consistent with the Commonwealth Procurement Rules. These rules are applied to activities through the Agency's Accountable Authority Instructions and internal policies.

Where appropriate, the Agency utilises panel arrangements for the procurement of goods and services where an assessment of suppliers against evaluation criteria has already been conducted. Panels are usually established by open tender and through deeds of standing offers with contracts (work orders) formed under those deeds.

Under the Shared Services Arrangements, the Agency is included under PM&C's Annual Procurement Plan, which is listed on AusTender to give prospective suppliers the opportunity to prepare for potential work with the Agency.

The Agency fully supports the Indigenous Procurement Policy and under the PM&C portfolio has met its purchasing target set by the government to ensure that opportunities for Indigenous employment and business continue to grow.

Small Business

The Agency supports small business participation in the Australian Government procurement market. The Agency's procurement practices support Small-Medium Enterprise (SMEs) by adopting whole-of-government solutions to simplify interactions with SMEs. This includes using the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000.

In accordance with paragraph 5.4 of the Commonwealth Procurement Rules, the Agency has procurement practices and internal policies in place to ensure that SMEs are not unfairly discriminated against. These measures include but are not limited to:

- the mandatory use of the Commonwealth Contracting Suite for all low-risk procurements up to \$200,000 (GST inclusive)
- formal procurement training, including a session on contracting with SMEs
- a dedicated online procurement toolkit to provide advice to procuring officers.

Participation statistics for SMEs are available on the Department of Finance's website at <https://www.finance.gov.au/government/procurement/statistics-australian-government-procurement-contracts>.

Asset Management

The Agency manages its assets in accordance with the Accountable Authority Instructions, relevant accounting standards and Department of Finance requirements.

Consultants

The Agency engages consultants where specialist skills are required and not available in house. Consultancies normally relate to individuals, partnerships or corporations that provide professional, independent, and expert advice and services. Decisions to engage consultants were made in accordance with the PGPA Act, the Commonwealth Procurement Rules and relevant internal policies.

This report contains information about actual expenditure on contracts for consultancies. Information on the value of individual contracts and consultancies is available on the AusTender website at www.tenders.gov.au.

During 2019–20, the Agency entered into eight consultancy contracts involving expenditure of \$0.73m [GST inclusive] with one ongoing contract active at the end of the financial year.

	Total
No. of new contracts entered into during the period	8
Total actual expenditure during the period on new contracts (inc. \$GST)	0.73m
Total actual expenditure during the period on ongoing contracts (inc. \$GST)	0.73m

Table 7: Consultants 2019–20

Grants

The Agency does not directly administer any grants as per the *Commonwealth Grant Rules and Guidelines*. However, the Agency is a co-sponsor on the Drought Community Outreach Program. The policy entity for the program is the Department of Infrastructure, Transport, Regional Development and Communications, and the administering entity is the Department of Industry, Science, Energy and Resources. Information on the program can be found at the Department of Industry, Science, Energy and Resources website.

Australian National Audit Office Access Clauses

During 2019–20, The Agency entered into two contracts for leased premises over \$100,000 that do not contain an ANAO access clause. The details are outlined in Table 8.

Name of contactor	Details	Value	Reason why access was not included
Comcare	Lease of premises – Level 3, 121 Marcus Clarke St Canberra	\$510,126 which includes 3.5% p.a. escalation at 1 July each year.	The contracts used an industry standard lease agreement. We maintain access to documents associated with the lease which are available to ANAO.
Perpetual Corporate Trust Limited	Lease of premises – 10 Felix St Brisbane	Expected lease amount \$519,147 which includes a lease incentive rebate and escalation of 3% p.a. at 16 March each year.	The contracts used an industry standard lease agreement. We maintain access to documents associated with the lease which are available to ANAO.

Table 8: Contracts—ANAO Access Clause

Exempt Contracts

No contracts in excess of \$10,000 (inclusive of GST) during 2019–20 were exempted by the Agency from being published on AusTender on the basis that they would disclose exempt matters under the *Freedom of Information Act 1982*.

Management of Human Resources

Our people are critical to delivering on our purpose and objectives. The Agency’s values and our strong community focus gives our staff a genuine connection with the communities and stakeholders we work with.

EMPLOYMENT ARRANGEMENTS

All Agency employees transitioned from PM&C to be employees of the Agency from 14 May 2020.

The Agency established a determination under s24(1) of the PS Act. This determination provides the terms and conditions of employment for non-SES employees of the Agency.

SES officers are employed under the terms of individual determinations made under section 24(1) of the PS Act with the Agency.

No performance pay provisions were in operation for employees.

The Agency provided non-salary benefits to a limited number of employees, including salary packaging, laptops, mobile phones, carparks and airline lounge memberships.

WORK HEALTH AND SAFETY

No incidents were deemed notifiable under section 38 of the *Work Health and Safety Act 2011* (WHS Act) and no notices were issued under Part 10 of the same Act.

The Agency has a strong commitment to the health and wellbeing of all staff, along with those impacted by our work. A significant number of policies, procedures and documents were developed and implemented to assist the Agency to meet its duties under the WHS Act, with a particular focus on identifying and eliminating, where possible, risks to health and safety.

An internal audit of the Agency's work health and safety arrangements found the Agency was, overall, performing well. There were three recommendations identified and as at 30 June 2020, measures have been implemented to address these, including:

- establishment of a WHS Committee
- stronger procedures to ensure Trip Plan Assessments were fully completed prior to travel
- revision of risk assessments for remote area travel.

All staff have access to an Employee Assistance Program (EAP), which offers staff and their immediate family members free, confidential counselling for personal or work-related matters. Given the Agency's stakeholder base, all staff are expected to participate in Mental Health Intervention training to improve their own understanding of mental health and its impact on them as individuals, and to assist them to identify, acknowledge and assist others who may be experiencing low levels of mental health.

The Agency established requirements for staff to have vaccinations where they are required to travel to remote areas. This includes

vaccinations for Q Fever, tetanus, diphtheria, and whooping cough. Additionally, the Agency supported the health and wellbeing of staff through voluntary influenza vaccinations,

RECRUITMENT

During 2019–20, the Agency's staffing profile went from a headcount of 25 to 67. We undertook a national recruitment campaign to identify talent from across Australia to fill key roles including RRO roles. The recruitment of 15 RROs nationally applies the Agency's 'boots on the ground' approach, and ensures we are supporting communities by employing local people with lived experience.

A temporary national employment register was also established in June 2020 to provide a ready pool of candidates for future temporary vacancies or surge requirements in staffing, if required.

Statistics on the Agency's employees is available at **Appendix 1**.

PROFESSIONAL DEVELOPMENT

The Agency invested in the ongoing professional development of its staff to ensure they are equipped with the necessary skills and capabilities for their roles.

Under Shared Services arrangements with PM&C, staff were able to access online learning and development through platforms such as LearnHub and LinkedIn Learning. The Agency also commenced the planning and delivery of a series of information sessions, masterclasses, and a speaker series for all staff, to build knowledge and understanding in a variety of topics. A Studies Assistance Policy for the Agency was finalised and promoted to staff as a way to continue their professional development.

EMPLOYEE PERFORMANCE MANAGEMENT

Following establishment of the Agency, all staff were required to establish a performance and development plan with their manager and actively participate in the Agency's performance management process. The Agency is committed to ensuring effective performance from all staff, and places a strong emphasis on employees and managers having regular, ongoing and meaningful performance conversations. The Agency commenced the development of a performance management framework, which is to include resources and practical information to support effective employee performance, as well as provide advice and support for managers to empower timely resolution of performance concerns. This work will be completed in 2020–21.

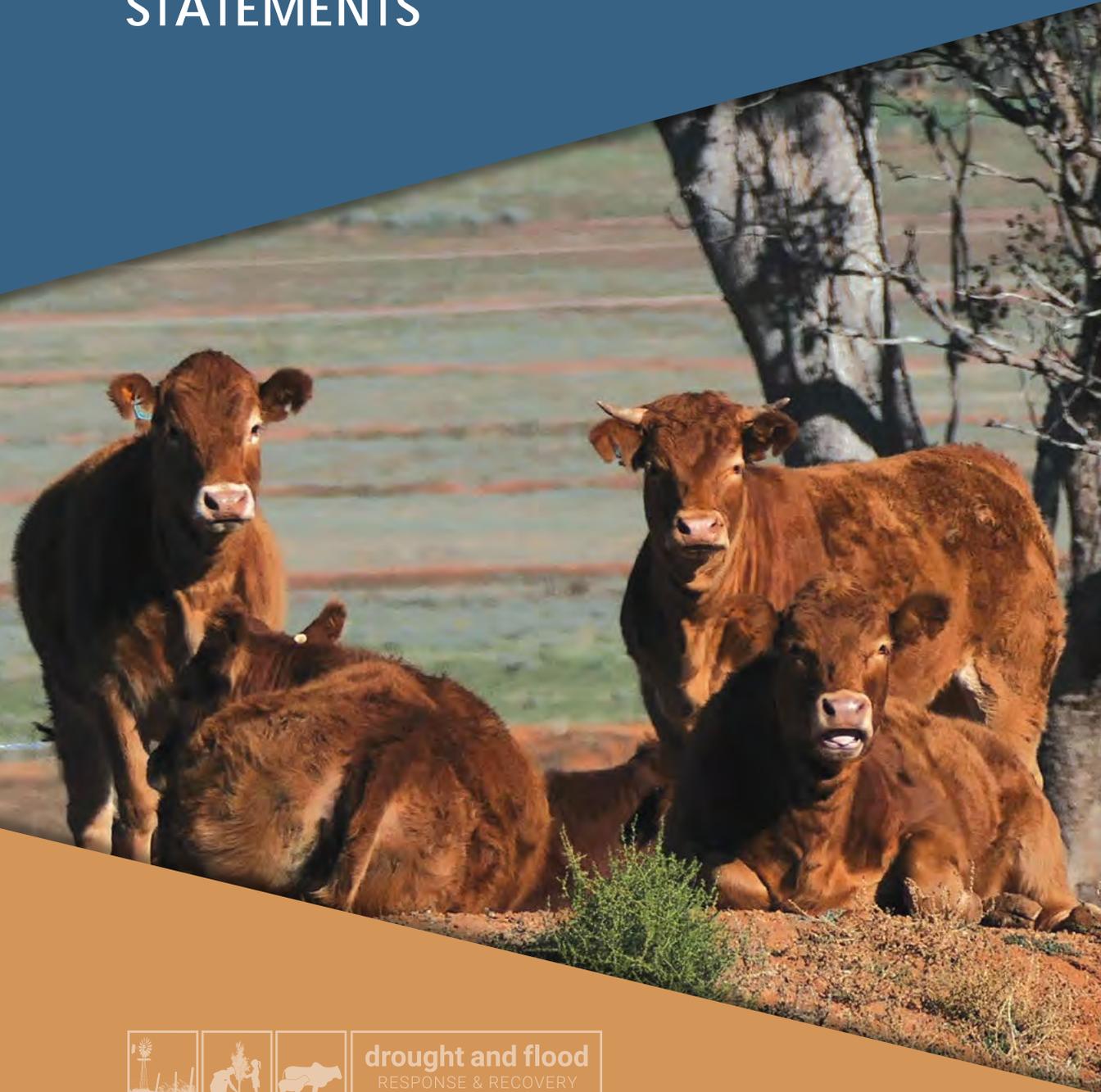
ETHICAL STANDARDS

The Agency is committed to maintaining high standards of integrity, good governance and ethics. All employees are required to uphold the APS Values, Employment Principles and Code of Conduct. This is supported and promoted by a requirement for all staff to undertake mandatory training on the APS Values, Employment Principles, Code of Conduct and Fraud Awareness. During 2019–20, following the establishment of the Agency, procedures for managing suspected breaches of the APS Code of Conduct, as required by s.15(3) of the PS Act, were established. The Agency has also instituted a requirement for all staff to complete an annual conflict of interest declaration.



PART 5:

FINANCIAL STATEMENTS



drought and flood
RESPONSE & RECOVERY

Financial Overview

For the 2019-20 financial year, the Agency recorded an operating surplus after depreciation and amortisation of \$10.2 million.

The Agency is in a sound financial position as at the 30 June 2020, with financial assets of \$13.8 million exceeding total liabilities of \$3.0 million.

The increase in costs for 2019-20 reflects the continued establishment of the Agency and ramping-up of community engagement activities, as planned, as well as the broader remit associated with the national drought response and recovery activities.

The operating surplus for the Agency is attributed to the progressive and measured establishment of the Agency, coupled with constraints placed on the Agency due to COVID-19.

Despite the challenges associated with COVID-19 in particular, the Agency continues to deliver on its strategic objectives, including utilising alternate mechanisms for stakeholder engagement where appropriate.



INDEPENDENT AUDITOR'S REPORT

To the Prime Minister

Opinion

In my opinion, the financial statements of the National Drought and North Queensland Flood Response and Recovery Agency (the Entity) for the year ended 30 June 2020:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2020 and for the year then ended:

- Statement by the Coordinator-General and Chief Financial Officer;
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity; and
- Statement of Cash Flows.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Coordinator-General is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Coordinator-General is also responsible for such internal control as the Coordinator-General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Coordinator-General is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Coordinator-General is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Jodi George

Executive Director

Delegate of the Auditor-General

Canberra

2 October 2020

STATEMENT BY THE COORDINATOR-GENERAL AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2020 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are prepared from properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Agency will be able to pay its debts as and when they fall due.

Signed



The Hon Shane L Stone AC QC
Coordinator-General
2 October 2020

Signed



Katrina Tonkin
Chief Financial Officer
2 October 2020

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BASIS OF PREPARATION

Overview

The National Drought and North Queensland Flood Response and Recovery Agency (NDNQFRRRA) is a non-corporate Commonwealth entity subject to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The NDNQFRRRA provides strategic leadership, policy advice and coordination for the Government's response and recovery efforts directed at drought and the flood affected areas of North, Far North and Western Queensland.

These financial statements are for the reporting period 1 July 2019 to 30 June 2020. They are required by section 42 of the PGPA Act, and are general purpose financial statements prepared on a going concern basis.

The financial statements have been prepared in accordance with:

- the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an historical cost basis, except where noted.

The financial statements are presented in Australian dollars and values are rounded as indicated.

Major Agency changes in 2019-20

On the 5 December 2019, the Prime Minister announced the remit of the North Queensland Livestock Industry Recovery Agency (NQLIRA), would be expanded to include the coordination of the Australian Government's national drought response. The Agency was renamed the National Drought and North Queensland Flood Response and Recovery Agency (NDNQFRRRA).

Additional drought funding was provided through 2019-20 Additional Estimates. The expanded remit included the transfer of the Drought Map from the Department of Agriculture, Water and the Environment.

Significant Accounting Judgements and Estimates

The Agency has made no assumptions or estimates identified as having a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Events after Reporting date

There are no significant events after the reporting date that affect these accounts.

Reporting of Administered Activities

In the 2019-20 Budget, the Agency reported administered estimates. These estimates related to a concessional loan program to financial institutions under the program known as 'Urgent assistance

for eligible primary producers' affected by floods in Northern Queensland. This program was established by the *Treasury Laws Amendment (North Queensland Flood Recovery) Act 2019*.

Lending conditions to affected primary producers were better than anticipated and no loans were made.

The Agency therefore has not reported any administered actuals for 2019-20.

New Australian Accounting Standards

AASB 16 Leases

AASB 16 became effective on 1 July 2019.

This new standard has replaced AASB 117 *Leases, Interpretation 4 Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases—Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

AASB 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. Except in certain circumstances, AASB 16 requires most leases to be recognised as a liability representing future lease payments and a 'right of use' asset in the Statement of Financial Position.

AASB 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Agency applied the practical expedient not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

Upon transition, the Agency had only some minor lease arrangements with terms of less than 12 months. These transactions were expensed in 2019-20 as a practical expedient.

New Australian Accounting Standards applicable in future reporting periods

No new accounting standard or amendment to an existing standard effective in future reporting periods is anticipated to have a significant effect on the accounts of the Agency.

Taxation

The Agency is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Revenues, expenses and non-financial assets are recognised net of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and for receivables and payables.

Statement of comprehensive income

for the period ended 30 June 2020

	Notes	Actual 2020 \$'000	Actual 2019 \$'000	Original Budget ¹ 2020 \$'000
NET COST OF SERVICES				
Expenses				
Employee Benefits	1	5,945	1,569	5,308
Suppliers Expenses	2	3,507	816	3,482
Finance Costs		7	-	-
Depreciation and amortisation		429	-	18
Total Expenses		9,888	2,385	8,808
Own-Source Income				
Own-Source Revenue				
Other Revenue		1	-	-
Assets received free of charge		825	-	-
Services received free of charge		140	2,366	-
Total own-Source Revenue		966	2,366	-
Net cost of services		(8,922)	(19)	(8,808)
APPROPRIATION FUNDING				
Revenue from Government		19,147	-	8,790
Total Appropriation Funding		19,147	-	8,790
Surplus (deficit)		10,225	(19)	(18)

¹ The Agency's original Budgeted financial statement that was first presented to Parliament in respect of the reporting period was the 2019-20 Portfolio Budget Statements. The Budgeted financial statements have not been audited. Budgeted figures have been amended between Employee Benefits and Suppliers to align to the classification used for actuals.

The above statement should be read in conjunction with the accompanying notes.

Accounting Policy

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Agency gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as income at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements.

Contributions of assets are outlined in Note 4 and comprise leasehold improvements (\$0.6 million) and plant and equipment (\$0.2 million).

Statement of financial position

as at 30 June 2020

	Notes	Actual 2020 \$'000	Actual 2019 \$'000	Original Budget ¹ 2020 \$'000
ASSETS				
Financial Assets:				
Cash and Cash Equivalents		125	-	-
Trade and other Receivables	3	13,712	-	1,186
Total Financial Assets		13,837	-	1,186
Non-Financial Assets:				
Property, Plant and Equipment	4	2,196	-	683
Computer Software	5	60	-	-
Supplier Prepayments		62	-	-
Total Non-Financial Assets		2,318	-	683
Total Assets		16,155	-	1,869
LIABILITIES				
Payables:				
Salary and Superannuation		113	-	-
Supplier Payables – at amortised cost		999	-	-
Total Payables		1,112	-	-
Interest Bearing Liabilities				
Lease Liabilities	6	1,354	-	-
Total Interest Bearing Liabilities		1,354	-	-
Provisions:				
Employee Provisions	7	495	19	1,186
Other Provisions	8	87	-	-
Total Provisions		582	19	1,186
Total Liabilities		3,048	19	1,186
Net Assets		13,107	(19)	683
EQUITY				
Retained Surplus		10,206	(19)	(18)
Contributed Equity		2,901	-	701
Total Equity		13,107	(19)	683
Current Assets		13,899	-	
Non-Current Assets		2,256	-	
Current Liabilities		2,033	11	
Non-Current Liabilities		1,015	8	

¹ The Agency's original Budgeted financial statement that was first presented to Parliament in respect of the reporting period was the 2019-20 Portfolio Budget Statements. The Budgeted financial statements have not been audited.

The above statement should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the period ended 30 June 2020

Notes	Actual 2020 \$'000	Actual 2019 \$'000	Original Budget ¹ 2020 \$'000
RETAINED SURPLUS			
Opening balance	(19)	-	-
Surplus (deficit) for the period	10,225	(19)	(18)
Closing balance	10,206	(19)	(18)
CONTRIBUTED EQUITY			
Opening balance	-	-	-
Capital injection - Capital budget	2,901	-	701
Closing balance	2,901	-	701
Total Equity	13,107	(19)	683

¹ The Agency's original Budgeted financial statement that was first presented to Parliament in respect of the reporting period was the 2019-20 Portfolio Budget Statements. The Budgeted financial statements have not been audited.

The above statement should be read in conjunction with the accompanying notes.

Cash flow statement

for the period ended 30 June 2020

	Notes	Actual 2020 \$'000	Actual 2019 \$'000	Original Budget ¹ 2020 \$'000
OPERATING ACTIVITIES				
Cash received (used):				
Appropriations		8,649	-	8,790
Services and other		1	-	-
Employees		(5,183)	-	(5,308)
Finance costs		(7)	-	-
Suppliers		(3,304)	-	(3,482)
Transfers to Official Public Account		(1)	-	-
Net cash from operating activities	9	155	-	-
INVESTING ACTIVITIES				
Cash (used):				
Purchase of assets		(92)	-	(701)
Net cash from investing activities		(92)	-	(701)
FINANCING ACTIVITIES				
Cash received (used):				
Departmental capital budget		267	-	701
Principal payments of lease liabilities		(205)	-	-
Net cash from financing activities		62	-	701
Net increase in cash held		125	-	-
Add cash held at the beginning of period		-	-	-
Cash held at the end of the period		125	-	-

¹ The Agency's original Budgeted financial statement that was first presented to Parliament in respect of the reporting period was the 2019-20 Portfolio Budget Statements. The Budgeted financial statements have not been audited.

The above statement should be read in conjunction with the accompanying notes.

Budget variance commentary

The following provides a comparison against original Budget as presented in the 2019-20 Portfolio Budget Statements to the outcome for 2019-20.

Explanations of major variances are provided below.

The original Budget estimates presented in these accounts were for NQLIRA. On 5 December 2019, the Agency was renamed the National Drought and North Queensland Flood Response and Recovery Agency, to reflect the expanded remit of the agency to include national drought. Increased funding was received to support the expansion of the Agency's functions and responsibilities.

The operating surplus of \$10.2 million for the Agency is attributed mainly to the progressive and measured establishment of the Agency, and constraints placed on the Agency due to COVID-19 in areas such as travel and on the ground community engagement; leveraging existing Australian capabilities such as Services Australia Recovery Connect and timings associated with the transition of capabilities from other agencies, such as the National Drought Map have also attributed to the Agency's surplus.

Statement of Comprehensive Income

Major variances and explanations	Affected line items
Revenue from Government was \$10.4 million higher than original Budget as a result of additional funding for the expanded Agency remit (\$9.2 million) and the transfer of \$1.2 million for the National Drought Map.	<ul style="list-style-type: none"> Revenue from Government
<p>Resources received free of charge (services and assets) are higher than original Budget, which assumed nil received. During 2019-20, the Agency received a number of resources received free of charge, including:</p> <ul style="list-style-type: none"> assets from the Department of Prime Minister and Cabinet funded from residual 2018 19 funds for the establishment of NQLIRA; receipt of leasehold improvements for already established office premises; and the provision of audit services from the Australian National Audit Office provided at no cost. 	<ul style="list-style-type: none"> Resource received free of charge Own source income
Employee benefits were higher than original Budget by \$0.6 million as a result of additional employees engaged to meet the expanded remit.	<ul style="list-style-type: none"> Employee benefits
Depreciation was more than Budgeted by \$0.4 million. This was mainly due to the accounting changes for AASB 16 Leases not being included in original Budget.	<ul style="list-style-type: none"> Depreciation

Statement of Financial Position

Major variances and explanations	Affected line items
<p>Appropriation Receivable was \$12.5 million higher than original Budget due to the additional funding provided during the year not being fully utilised, the progressive and measured establishment of the Agency, coupled with constraints placed on the Agency due to COVID-19.</p>	<ul style="list-style-type: none"> • Appropriation receivable
<p>Lease liabilities and leased assets (included in Property Plant and Equipment), were not included in original Budget.</p>	<ul style="list-style-type: none"> • Property, plant and equipment • Leased Liabilities
<p>Payables were higher than original Budget due to timing differences with unpaid items at 30 June (payments that were outstanding included secondees, shared services and leave transfers).</p>	<ul style="list-style-type: none"> • Salary and Superannuation payable • Supplier Payables
<p>Employee provisions were lower than original Budget due to the assumptions used at original Budget.</p>	<ul style="list-style-type: none"> • Employee Provisions

Cash Flow Statement

Major variances and explanations	Affected line items
<p>Purchases of assets and appropriations for financing activities were lower than original Budget as a result of contributions of assets (leasehold improvements and assets contributed by PM&C from residual 2018 19 Agency establishment funding) to the entity negating the need to purchase assets.</p>	<ul style="list-style-type: none"> • Purchases of assets • Departmental capital budget

Note 1A: Employee Benefits

Employee benefits

	Actual 2020 \$'000	Actual 2019 \$'000
Wages and salaries	3,003	167
Seconded costs	2,146	1,374
Superannuation	468	9
Leave entitlements	267	19
Other employee expenses	61	-
Total	5,945	1,569

In 2019-20, seconded costs have been moved to employee expenses from supplier expenses to better reflect the Agency's employee expenditure.

Accounting policies for employee related expenses are contained in Note 7: Employee Provisions.

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Agency, directly or indirectly.

Key management personnel comprise the Prime Minister, Portfolio Minister, the Agency's Co ordinator General and the Chief Operating Officer.

The Agency only remunerates the Co ordinator General and the Chief Operating Officer directly. The below table sets out their remuneration on an accrual basis.

	Actual 2020 \$'000	Actual 2019 \$'000
Salary and other short-term benefits	890	183
Other long-term employee benefits	14	3
Post-employment benefits	89	9
Termination benefits	-	-
Total	993	195
Number of key management personnel	2	1

Note 1B: Related Party Disclosures

Related party relationships

The Agency is an Australian Government controlled entity. Related parties to this entity are Key Management Personnel including the Prime Minister and Portfolio Minister, and other Australian Government entities.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as any ordinary citizen. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the Agency it has been determined that there are no related party transactions to be separately disclosed for 2020 (2019: nil).

Note 2: Supplier expenses

Supplier expenses

	Actual 2020 \$'000	Actual 2019 \$'000
Accommodation costs	232	-
ANAO - notional audit fee	54	13
Consultants and legal fees	693	344
Recovery Connect	547	-
Shared services	905	203
Travel	435	142
Workers compensation premium	8	34
Other ¹	633	80
Total	3,507	816

¹ In 2019-20 seconded costs have been moved to employee expenses from supplier expenses to better reflect the Agency's employee expenditure.

Note 3: Trade and Other Receivables

Accounting policy

Receivables are measured at fair value on initial recognition and at amortised cost on subsequent measurement.

Appropriations receivable are recognised at their nominal amounts. Appropriations receivable are appropriations available for use held in the Official Public Account under the government's 'just in time' drawdown arrangements.

Trade and Other Receivables

	Actual 2020 \$'000	Actual 2019 \$'000
Appropriations receivable	13,133	-
GST	3	-
Leave transfers pending – carried at amortised cost	442	-
Trade receivables – carried at amortised cost	134	-
Total	13,712	-

All receivables are with related government entities.

Recovery of Trade and Other Receivables expected in

	Actual 2020 \$'000	Actual 2019 \$'000
No more than 12 months	13,712	-
More than 12 months	-	-
Total	13,712	-
Trade and Other Receivables are aged as follows:		
Not overdue	13,712	-
Overdue	-	-
Total	13,712	-

Note 4: Property, Plant and Equipment

Accounting policy

Asset recognition threshold on acquisition

Purchases of leasehold improvements are recognised initially at cost except for purchases costing less than \$10,000 which are expensed at the time of acquisition.

For leasehold improvements the estimated cost of removing and restoring the leased premises to their original condition is included in the initial cost of leasehold improvements.

Leased assets are recognised initially at the discounted value of future lease payments less incentives received.

Purchases of plant and equipment are recognised initially at cost except for purchases costing less than \$10,000 which are expensed at the time of acquisition.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Impairment

All assets are assessed annually for impairment.

Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

Revaluations

Following initial recognition at cost, valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not materially differ from fair value as at the reporting date. Fair value is determined by depreciated replacement cost for leasehold improvements and by secondary market information for plant and equipment.

Leased assets are carried at cost.

Property, plant and equipment

	Actual 2020 \$'000	Actual 2019 \$'000
Gross value:		
Leasehold improvements	690	-
Leased assets - right of use	1,559	-
Plant and equipment	369	-
Accumulated depreciation:		
Leasehold improvements	(134)	-
Leased assets - right of use	(227)	-
Plant and equipment	(61)	-
Total	2,196	-

No indicators of impairment were identified for property, plant and equipment.

Reconciliation of changes in gross value

	Actual 2020 \$'000	Actual 2019 \$'000
Opening value	-	-
Additions – property & vehicles leases	1,559	-
Additions – make-good obligation	87	-
Additions – purchases	147	-
Additions – resources received free of charge	825	-
Closing value	2,618	-

Contributions of assets (resources received free of charge) comprise leasehold improvements (\$0.6 million) and plant and equipment (\$0.2 million).

For leasehold improvements (and the make-good component) contributed the value was determined by an independent qualified valuer, JLL. The valuation of leasehold improvements used a depreciated replacement cost methodology. This approach reflects the amount a market participant would be prepared to pay to acquire or construct a substitute asset of comparable utility, adjusted for physical depreciation and obsolescence. JLL have noted in their valuation report with COVID-19 there is increased market uncertainty in the real estate market, and whilst the report can be relied upon as of the valuation date periodic reassessment is recommended.

Reconciliation of changes in accumulated depreciation

	Actual 2020 \$'000	Actual 2019 \$'000
Opening value	-	-
Depreciation charge for period – Leasehold improvements	(134)	-
Depreciation charge for period – Leased assets - right of use	(227)	-
Depreciation charge for period – Plant and equipment	(61)	-
Closing value	(422)	-

Depreciation

Leasehold improvements are depreciated on a straight line basis over the unexpired period of the lease.

Plant and equipment is depreciated on a straight line basis, on the basis of the following useful lives.

Useful life

The useful lives of property and related make-good is the initial lease term.

The useful life assigned to property plant and equipment is 3 years.

Useful lives are assessed annually and revised if necessary to reflect current estimates of an asset's useful life.

Revisions in useful life affect the rate of depreciation applied for the current period and future periods.

No useful lives were revised in 2019-20.

Note 5: Computer Software

Accounting policy

Asset recognition threshold on acquisition

Purchases of computer software are recognised initially at cost except for purchases costing less than \$10,000 which are expensed at the time of acquisition.

An item of software represents a software licence granted for greater than 12 months; or a developed software application.

Developed software is recognised by capitalising all directly attributable internal and external costs that enhance the software's functionality and therefore service potential.

De-recognition

An item of computer software is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Impairment

All assets are assessed annually for impairment.

Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

Computer Software

	Actual 2020 \$'000	Actual 2019 \$'000
Gross value	66	-
Accumulated amortisation	(6)	-
Total	60	-

No indicators of impairment were identified for computer software.

Amortisation

Software assets are amortised on a straight line basis over their anticipated useful lives, being three years.

Software assets are carried at cost and are not subject to revaluation.

Note 6: Lease Liabilities

Accounting policy

Lease liabilities represent the present value of future lease payments less any lease incentives received. Payments for short-term leases (under 12 month's duration) that were in existence at the commencement of the financial year were expensed as a practical expedient on transition to the new accounting standard, AASB 16 *Leases*. The amount expensed was \$14,196.

The present value of future lease payments is determined using the rate implicit in the lease or where this is not evident, the Commonwealth's borrowing rate as published by the Reserve Bank of Australia.

Lease payments are split between an interest expense and a principal repayment. The amounts disclosed as lease payments in the maturity schedule represent the reduction in the principal only.

Reconciliation of changes in lease liabilities

	Actual 2020 \$'000	Actual 2019 \$'000
Opening Value	-	-
New leases property	1,014	-
New leases vehicles	545	-
Lease payments	(205)	-
Total	1,354	-

Lease liabilities maturity schedule

	Actual 2020 \$'000	Actual 2019 \$'000
Within 12 months	703	-
12 Months to 5 years	651	-
Total	1,354	-

Note 7: Employee Provisions

Accounting policy

Leave

The liability for employee benefits includes provisions for annual leave and long service leave. No provision has been made for personal leave as personal leave is non vesting and the average personal leave taken in future years is estimated to be less than the annual entitlement for personal leave.

Long service leave and annual leave are measured at the present value of the estimated future payments to be made. The Department of Finance has issued a methodology developed by an actuary for valuing Long Service Leave, known as the Finance short-hand method. These accounts utilise this method.

For employees on temporary transfer from another agency under s26 of the *Public Service Act 1999* leave provisions are recognised only where the liability for leave has been formally transferred. For administrative convenience leave transfers are generally not undertaken for employees on temporary transfer.

Superannuation

The Agency's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The Agency accounts for the contributions as if they were contributions to defined contribution plans.

Employee Provision

	Actual 2020 \$'000	Actual 2019 \$'000
Annual leave	259	16
Long service leave	236	3
Total	495	19

Payment of Employee Provisions expected to be settled in:

	Actual 2020 \$'000	Actual 2019 \$'000
No more than 12 months	218	11
More than 12 months	277	8
Total	495	19

Note 8: Other Provisions

Other provisions are for the restoration of the Canberra Office upon lease expiry.

Other Provisions

	Actual 2020 \$'000	Actual 2019 \$'000
Make-good on leasehold premises	87	-
Total	87	-
Other provisions are expected to be settled in:		
Less than 12 months	-	-
More than 12 months	87	-
Total	87	-

Reconciliation of movements in Other Provisions

	Actual 2020 \$'000	Actual 2019 \$'000
Opening balance	-	-
New / re-measurements	87	-
Closing balance	87	-

Note 9: Appropriations

The following table outlines appropriations for the period and the amount utilised for the period.

Annual appropriations

	Actual 2020 \$'000	Actual 2019 \$'000
Annual appropriations:		
Ordinary annual services	17,989	-
Departmental capital budget	2,901	-
Section 74 - retained receipts	1	-
Section 75 - transfer	1,158	-
Total available for payment	22,049	-
Appropriation applied (current and prior years)	(8,791)	-
Variance	13,258	-
Represented By:		
Cash	125	-
Appropriations receivable	13,133	-
Total	13,258	-

The variance in departmental appropriations available to appropriations applied (spent) is attributed to the progressive and measured establishment of the Agency, coupled with constraints placed on the Agency due to COVID-19 in areas such as:

- travel and on the ground community engagement;
- assets received free of charge for leased premises;
- leveraging existing Australian Government capabilities such as Services Australia Recovery Connect, where appropriate; and
- timings associated with the transition of capabilities from other agencies, such as the National Drought Map.

The following table outlines the unspent balance of appropriations available as at the end of the reporting period.

Unspent departmental annual appropriations

	Actual 2020 \$'000	Actual 2019 \$'000
Appropriation Act (No. 1) 2019-20 ¹	1,859	-
Appropriation Act (No. 3) 2019-20	11,399	-
Total	13,258	-

¹ Includes section 75 transfer of the National Drought Map from the Department of Agriculture, Water and the Environment.

Note 10: Contingencies

The Agency is not aware of any quantifiable or unquantifiable departmental contingencies as of the signing date that may have an impact on its operations.

Attachment A: Financial Performance

NDNQFRRRA - Resource Statement

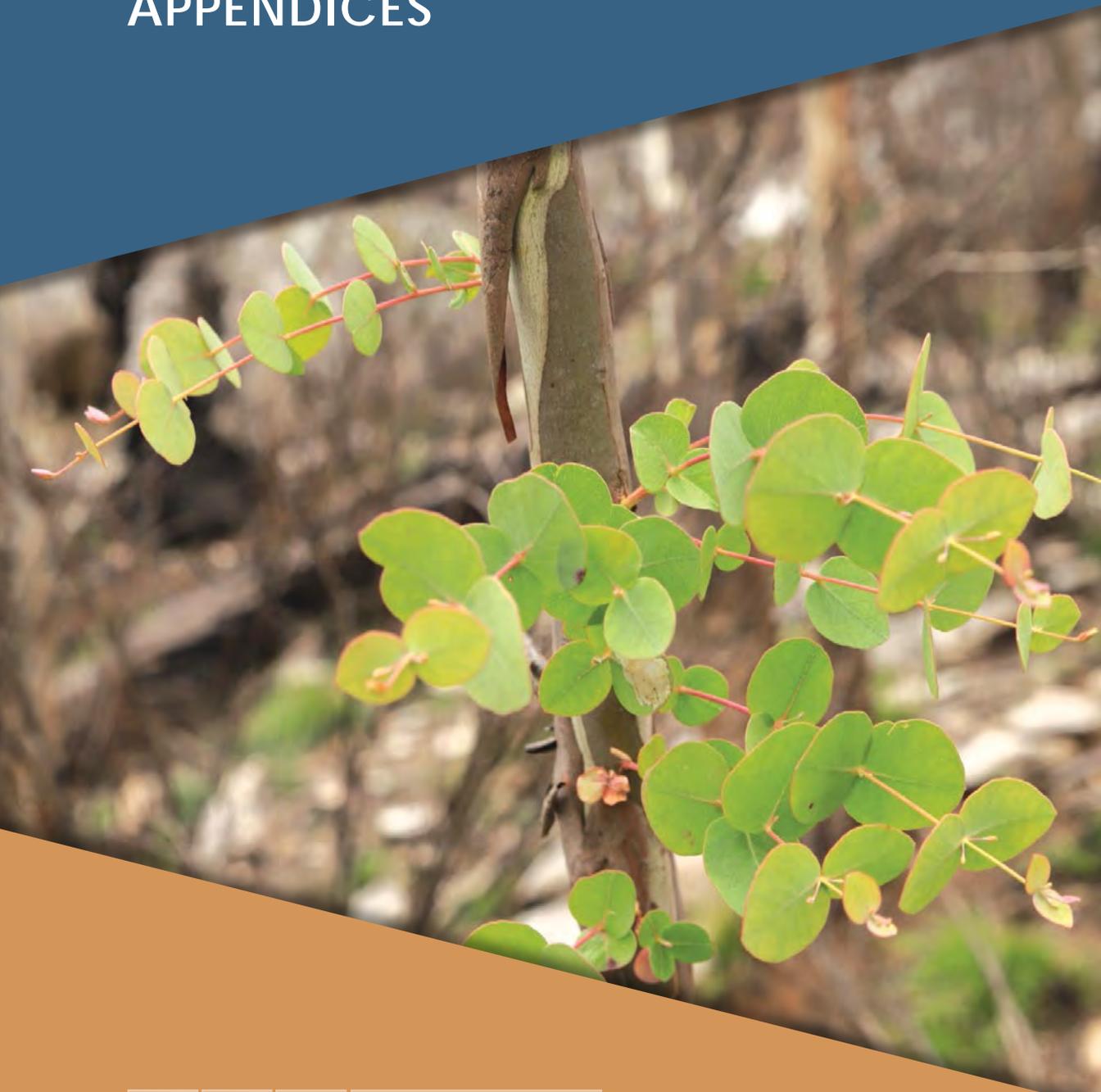
	Actual Available appropriation current year (a) \$'000	Payments made (b) \$'000	Balance remaining (a)-(b) \$'000
Departmental - Outcome 1			
Annual appropriations - ordinary annual services ^{1 2}	22,049	8,791	13,258
Total departmental annual appropriations	22,049	8,791	13,258
Total departmental resourcing (A)	22,049	8,791	13,258
Total resourcing and payments for NDNQFRRRA (A)	22,049	8,791	13,258

¹ Includes amounts for section 74 receipts and \$1.158 million for section 75 transfer from the Department of Agriculture, Water and the Environment.

² Includes an amount of \$2.901m in 2019–20 for the departmental capital budget.

PART 6:

APPENDICES



drought and flood
RESPONSE & RECOVERY

Appendix 1: Staff Data

Staff Data

Secondees were recruited from a number of Australian Government agencies and remain employees of their home agency. At 30 June 2020, the Agency had 13 secondees.

During 2019-20, the Agency operated as NQLIRA and was supported by a taskforce hosted within the Department of the Prime Minister and Cabinet. The Agency did not have its own workforce as secondees were recruited to the taskforce from a number of Commonwealth agencies.

	Male			Female			Indeterminate			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total Indeterminate	
NSW	-	-	-	1	-	1	-	-	-	1
Qld	-	-	-	3	-	3	-	-	-	3
SA	-	-	-	-	-	-	-	-	-	-
Tas	-	-	-	-	1	1	-	-	-	1
Vic	-	-	-	-	-	-	-	-	-	-
WA	-	-	-	1	-	1	-	-	-	1
ACT	5	-	5	13	4	17	-	-	-	22
NT	-	-	-	-	-	-	-	-	-	-
External Territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Total	5	-	5	18	5	23	-	-	-	28

Table 9: All Ongoing Employees Current Report Period (2019–20)

Staff Data (continued)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total Indeterminate	
NSW	-	-	-	2	-	2	-	-	-	2
Qld	1	-	1	7	-	7	-	-	-	8
SA	1	-	1	1	-	1	-	-	-	2
Tas	-	-	-	-	-	-	-	-	-	-
Vic	2	-	2	-	-	-	-	-	-	2
WA	-	-	-	1	-	1	-	-	-	1
ACT	3	-	3	3	1	4	-	-	-	7
NT	-	1	1	1	-	1	-	-	-	2
External Territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Total	7	1	8	15	1	16	-	-	-	24

Table 10: All Non-Ongoing Employees Current Report Period (2019–20)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total Indeterminate	
SES 3	-	-	-	-	-	-	-	-	-	-
SES 2	1	-	1	-	-	-	-	-	-	1
SES 1	-	-	-	-	-	-	-	-	-	-
EL 2	-	-	-	7	1	8	-	-	-	8
EL 1	2	-	2	5	2	7	-	-	-	9
APS 6	2	-	2	4	2	6	-	-	-	8
APS 5	-	-	-	3	-	3	-	-	-	3
APS 4	-	-	-	-	-	-	-	-	-	-
APS 3	-	-	-	-	-	-	-	-	-	-
APS 2	-	-	-	-	-	-	-	-	-	-
APS 1	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total	5	-	5	19	5	24	-	-	-	29

Table 11: Australian Public Service Act Ongoing Employees Current Report Period (2019–20)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total Indeterminate	
SES 3	-	-	-	-	-	-	-	-	-	-
SES 2	-	-	-	-	-	-	-	-	-	-
SES 1	-	-	-	1	-	1	-	-	-	1
EL 2	-	-	-	1	-	1	-	-	-	1
EL 1	-	1	1	2	-	2	-	-	-	3
APS 6	7	-	7	9	1	10	-	-	-	17
APS 5	-	-	-	-	-	-	-	-	-	-
APS 4	-	-	-	-	1	1	-	-	-	1
APS 3	-	-	-	-	-	-	-	-	-	-
APS 2	-	-	-	-	-	-	-	-	-	-
APS 1	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total	7	1	8	13	2	15	-	-	-	23

Table 12: Australian Public Service Act Non-Ongoing Employees Current Report Period (2019–20)

	Ongoing			Non-Ongoing			Total
	Full time	Part time	Total Ongoing	Full time	Part time	Total Non-Ongoing	
SES 3	-	-	-	-	-	-	-
SES 2	1	-	1	-	-	-	1
SES 1	-	-	-	1	-	1	1
EL 2	7	1	8	1	-	1	9
EL 1	7	2	9	2	1	3	12
APS 6	6	2	8	16	1	17	25
APS 5	3	-	3	-	-	-	3
APS 4	-	-	-	-	1	1	1
APS 3	-	-	-	-	-	-	-
APS 2	-	-	-	-	-	-	-
APS 1	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	24	5	29	20	3	23	52

Table 13: Australian Public Service Act Employees by Full time and Part time Status Current Report Period (2019–20)

Staff Data (continued)

	Ongoing	Non-Ongoing	Total
NSW	1	2	3
Qld	3	8	11
SA	-	2	2
Tas	1	-	1
Vic	-	2	2
WA	1	1	2
ACT	22	7	29
NT	-	2	2
External Territories	-	-	-
Overseas	-	-	-
Total	28	24	52

Table 14: Australian Public Service Act Employment Type by Location Current Report Period (2019–20)

	Total
Ongoing	-
Non-Ongoing	-
Total	-

Note: Provision of this data is voluntary and staff may have chosen not to disclose.

Table 15: Australian Public Service Act Indigenous Employment Current Report Period (2019–20)

Employment Arrangements

	SES	Non-SES	Total
Enterprise Agreement	-	-	-
Section 24(1) determination	2	50	52
Individual flexibility arrangement	-	-	-
Total	2	50	52

Table 16: Australian Public Service Act Employment Arrangements Current Report Period (2019–20)

	Minimum Salary	Maximum Salary
SES 3	\$352,084	\$397,857
SES 2	\$263,971	\$292,721
SES 1	\$199,824	\$232,806
EL 2	\$125,115	\$148,907
EL 1	\$107,494	\$122,513
APS 6	\$83,647	\$94,000
APS 5	\$75,626	\$80,851
APS 4	\$68,495	\$73,253
APS 3	\$62,967	\$65,586
APS 2	\$56,384	\$60,084
APS 1	\$48,006	\$52,490
Other	-	-
Minimum/Maximum range	\$48,006	\$397,857

Table 17: Australian Public Service Act Employment Salary Ranges by Classification Level (Minimum/Maximum) Current Report Period (2019–20)

Executive Remuneration

The categories of officials covered by the disclosure are:

- Key management personnel
- Senior executives

The Coordinator-General's remuneration is set by the Remuneration Tribunal under section 13 of the Remuneration Tribunal Act 1973.

Remuneration for the Department's Senior Executive Service (SES) employees is established through individual determinations made under section 24(1) of the Public Service Act 1999. The individual determinations are established by the Coordinator-General based on remuneration arrangements similar to the Department of Prime Minister and Cabinet or the Department of Agriculture, Water and the Environment.

During the period, some SES officers (including the Chief Operating Officer) were on secondment for some or all of their period working at the Agency. Information on their remuneration for the secondment period was obtained from the relevant Department to complete the remuneration information presented below.

Key Management Personnel

During the reporting period ended 30 June 2020, the Agency had two executives who meet the definition of key management personnel. Their names and the length of term as KMP are summarised below:

Name	Position	Term as KMP
Shane Stone	Coordinator-General	Full year
Nico Padovan	Chief Operating Officer	Full year

Table 18: Key Management Personnel (KMP) 2019–20

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits and allowances		Long service leave	Other long-term benefits		
Shane Stone	Coordinator-General	\$560,580	-	\$15,650	\$34,308	\$7,093	-	-	\$617,631
Nico Padovan	Chief Operating Officer	\$311,183	-	\$2,417	\$54,809	\$6,570	-	-	\$374,980

Table 19: Information about Remuneration for Key Management Personnel

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances		Average long service leave	Average other long-term benefits		
\$0-\$220,000	6	\$74,855	-	\$920	\$12,670	\$1,272	-	\$89,717	
\$220,001 - \$245,000	-	-	-	-	-	-	-	-	
\$245,001 - \$270,000	-	-	-	-	-	-	-	-	
\$270,001 - \$295,000	-	-	-	-	-	-	-	-	
\$295,001 - \$320,000	1	\$244,968	-	\$3,935	\$40,232	\$7,500	-	\$296,635	
\$320,001 - \$345,000	-	-	-	-	-	-	-	-	
\$345,001 - \$370,000	-	-	-	-	-	-	-	-	
\$370,001 - \$395,000	-	-	-	-	-	-	-	-	
\$395,001 - \$420,000	-	-	-	-	-	-	-	-	
\$420,001 - \$445,000	-	-	-	-	-	-	-	-	
\$445,001 - \$470,000	-	-	-	-	-	-	-	-	
\$470,001 - \$495,000	-	-	-	-	-	-	-	-	
\$495,001 -	-	-	-	-	-	-	-	-	

Table 20: Information about remuneration for senior executives

Appendix 2: Glossary of Acronyms and Abbreviations

ABA	Australian Banking Association
AC	Companion of the Order of Australia
ADI	Authorised Deposit-taking Institutions
ALGA	Australian Local Government Association
ANAO	Australian National Audit Office
APSC	Australian Public Service Commission
CMF	Citizen Military Forces
CMT	Crisis Management Team
COO	Chief Operating Officer
CPRs	Commonwealth Procurement Rules
CRM	Customer Relationship Management
CSIRO	Commonwealth Scientific and industrial Research Organisation
Drought and Flood Agency OR Agency	National Drought and North Queensland Flood Response and Recovery Agency
DSS	Department of Social Services
EAP	Employee Assistance Program
EL	Executive Level
FOI	Freedom of Information
GST	Goods and Services Tax
LGA	Local Government Area
LLS	Local Land Services
MP	Member of Parliament
NDA	National Drought Agreement
NFF	National Farmers' Federation
NQLIRA	North Queensland Livestock Industry Recovery Agency
OAM	Medal of the Order of Australia
PGPA Act	<i>Public Governance Performance and Accountability Act 2013</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
PM&C	Department of Prime Minister and Cabinet
PS Act	<i>Public Service Act 1999</i>
QC	Queen's Counsel
QRIDA	Queensland Rural and Industrial Development Authority
RRIG	Restocking, Replanting, Infrastructure Grants
RRO	Regional Recovery Officer
SAGE	Sustainable Agriculture & Gardening Eurobodalla Inc
SES	Senior Executive Service
SMEs	Small and Medium Enterprises
the Hon	The Honourable
WHS	Workplace Health and Safety
WHS Act	<i>Work Health and Safety Act 2011</i>

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Appendix 5: List of Requirements

PGPA Rule Reference	Part of Report	Description	Requirement
17AD(g)	Letter of transmittal		
17AI	2	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
17AD(h)	Aids to access		
17AJ(a)	3	Table of contents.	Mandatory
17AJ(b)	84	Alphabetical index.	Mandatory
17AJ(c)	82	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	89	List of requirements.	Mandatory
17AJ(e)	1	Details of contact officer.	Mandatory
17AJ(f)	1	Entity's website address.	Mandatory
17AJ(g)	1	Electronic address of report.	Mandatory
17AD(a)	Review by accountable authority		
17AD(a)	5-7	A review by the accountable authority of the entity.	Mandatory
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	9	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	9	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	13-14	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	14	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(aa)(i)	10	Name of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(ii)	10	Position of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(iii)	10	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory

Appendix 5: List of Requirements (continued)

PGPA Rule Reference	Part of Report	Description	Requirement
17AD(b)	Overview of the entity		
17AE(1)(b)	n/a	An outline of the structure of the portfolio of the entity.	Portfolio departments - mandatory
17AE(2)	n/a	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory
17AD(c)	Report on the Performance of the entity		
	Annual performance Statements		
17AD(c)(i); 16F	13-34	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
17AD(c)(ii)	Report on Financial Performance		
17AF(1)(a)	49	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	73	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	n/a	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.
17AD(d)	Management and Accountability		
	Corporate Governance		
17AG(2)(a)	41	Information on compliance with section 10 (fraud systems).	Mandatory
17AG(2)(b)(i)	2	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(2)(b)(ii)	2	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	2	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	36-37	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	n/a	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory
Audit Committee			
17AG(2A)(a)	38	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	38-39	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	38-39	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	38-39	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	38-39	The remuneration of each member of the entity's audit committee.	Mandatory
External Scrutiny			
17AG(3)	42	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	42	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory

Appendix 5: List of Requirements (continued)

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(3)(b)	42	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	n/a	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory
Management of Human Resources			
17AG(4)(a)	45-47	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	75-76	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location.	Mandatory
17AG(4)(b)	76-77	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: Statistics on staffing classification level; Statistics on full-time employees; Statistics on part-time employees; Statistics on gender; Statistics on staff location; Statistics on employees who identify as Indigenous.	Mandatory
17AG(4)(c)	79	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the Public Service Act 1999.	Mandatory
17AG(4)(c)(i)	79	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	79	The salary ranges available for APS employees by classification level.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(4)(c)(iii)	45	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	45	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	N/A	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	N/A	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	N/A	Information on aggregate amount of performance payments.	If applicable, Mandatory
Assets Management			
17AG(5)	43	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, Mandatory
Purchasing			
17AG(6)	43	An assessment of entity performance against the Commonwealth Procurement Rules	Mandatory
Consultants			
17AG(7)(a)	44	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory
17AG(7)(b)	44	A statement that "During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]".	Mandatory

Appendix 5: List of Requirements (continued)

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(7)(c)	44	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	44	A statement that "Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website."	Mandatory
Australian National Audit Office Access Clauses			
17AG(8)	45	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory
Exempt contracts			
17AG(9)	N/A	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory
Small business			
17AG(10)(a)	43	A statement that "[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(10)(b)	43	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	N/A	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, Mandatory
Financial Statements			
17AD(e)	50-72	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
Executive Remuneration			
17AD(da)	80-81	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory
Other Mandatory Information			
17AH(1)(a)(i)	N/A	If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, Mandatory
17AH(1)(a)(ii)	43	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	44	A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, Mandatory

Appendix 5: List of Requirements (continued)

PGPA Rule Reference	Part of Report	Description	Requirement
17AH(1)(c)	42	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	43	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	N/A	Correction of material errors in previous annual report.	If applicable, mandatory
17AH(2)	46 (WHS) 42 (environmental impact)	Information required by other legislation.	Mandatory



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