



The Hon. Barnaby Joyce MP

**Minister for Agriculture
Federal Member for New England**

Ref: MNMT2014-03743

Dr Paul Grimes
Secretary
Department of Agriculture
GPO Box 858
CANBERRA ACT 2601

Dear Dr Grimes *Paul,*

As you will be aware, the Government is committed to an ambitious deregulation agenda that aims to reduce regulatory burden on businesses, community organisations and individuals by at least \$1 billion a year. Achieving this target requires a concerted effort across the Government. I am therefore writing to you to set out my expectations for regulatory behaviour for the Department of Agriculture.

Recognising that regulation is defined as 'any rule endorsed by the Government where there is an expectation of compliance', the agriculture portfolio has regulatory responsibilities across the broad scope of the administrative arrangements orders issued in December 2013. Under these orders, the agriculture portfolio is responsible for 88 Acts and the regulatory responsibilities associated with those Acts. The department also administers a number of systems to facilitate international trade, including those arising from free trade agreements and relevant international treaties and conventions. The department also provides regulatory services on behalf of other agencies, including the departments of health and environment.

While the Government will have a broad role in setting policy and regulatory posture, it is important that the department continues to act in accordance with the principles of best practice regulation. Where appropriate you should ensure that regulatory decisions take into account the broader areas of government activity with direct relevance to the deregulation agenda, including the *Public Governance, Performance and Accountability Act 2013* when it commences in July 2014, together with any recommendations agreed by the Government arising from the National Commission of Audit and the Agricultural Competitiveness and the Northern Australia white papers. Where discretionary powers exist, the department should adopt a regulatory posture that delivers a proportionate response to the regulatory issues or problems being confronted.

Industry and related businesses require regulatory certainty so they can plan and invest with confidence. I acknowledge that the department has a strong track record in regulatory reform and will continue to adopt a risk-based approach, regulating only to the extent required in accordance with the Government's approach to managing risk.

Regulation should be designed so it is easy to understand and follow, making compliance for industry straightforward and clear. I also recognise that for the department, a risk-based approach to decision making is imperative to biosecurity operations and efforts in this area should continue.

There are also a number of areas where I expect further regulatory reforms to be pursued, including:

- policy support and direction for the portfolio's external regulators;
- export, biosecurity, audit and inspection services; and
- improvements to operational and service delivery aspects of regulation, including cost recovery arrangements.

I expect that the department's deregulation unit will engage closely with all areas of the department and with portfolio agencies to contribute to the portfolio's regulatory reduction target; participate in the comprehensive audit of portfolio regulation being undertaken in 2014; bring forward contributions to Repeal Days; and work collaboratively to improve the portfolio's approach to regulatory behaviour and posture.

I also expect that, in addition to broader stakeholder consultation, the department will continue working with my Parliamentary Secretary and the Agricultural Industry Advisory Council to obtain stakeholder input to key aspects of the deregulation agenda, particularly the regulation audit being conducted in 2014.

I will be issuing a further letter of expectation after the Government has endorsed a framework for regulator performance. At this time, I will provide further detail on the Government's expectations against specific performance indicators.

I have copied this letter to the Prime Minister, the Hon. Tony Abbott MP, and to the Hon. Josh Frydenberg MP, Parliamentary Secretary the Prime Minister, and to Senator, the Hon. Richard Colbeck, Parliamentary Secretary to the Minister for Agriculture, for their information.

Yours sincerely

A handwritten signature in black ink, appearing to be 'BJ', followed by a horizontal line.

Barnaby Joyce MP

02 JUN 2014