

The Auditor-General
Audit Report No.14 2011–12
Performance Audit

Indigenous Protected Areas

**Department of Sustainability, Environment, Water,
Population and Communities**

Australian National Audit Office

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Canberra ACT
23 November 2011

Dear Mr President
Dear Mr Speaker

The Australian National Audit Office has undertaken an independent performance audit in the Department of Sustainability, Environment, Water, Population and Communities with the authority contained in the *Auditor-General Act 1997*. I present the report of this audit and the accompanying brochure to the Parliament. The report is titled *Indigenous Protected Areas*.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's Homepage—<http://www.anao.gov.au>.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian McPhee', is positioned above the printed name and title.

Ian McPhee
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

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Abbreviations

AGLC	Australian Government Land and Coast Division
CAR	Comprehensive, adequate and representative (in relation to the NRS)
CfoC	Caring for our Country
COAG	Council of Australian Governments
DAFF	Department of Agriculture, Fisheries and Forestry
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
IAC	Indigenous Advisory Committee
IBRA	Interim Biogeographic Regionalisation of Australia
ILMF	Indigenous Land Management Facilitators
IPA	Indigenous Protected Area
IUCN	International Union for Conservation of Nature
NHT	Natural Heritage Trust
NRS	National Reserve System
PoM	Plan of Management
SEWPaC	Department of Sustainability, Environment, Water, Population and Communities
WoC	Working on Country

Glossary

Adequate protection	In the context of the National Reserve System this refers to the protection of at least the minimum area of ecologically functional ecosystems needed to provide the ecological viability and integrity of populations, species and ecological communities at an IBRA subregional scale.
Bioregion	A bioregion is a large, geographically distinct area of similar climate, geology, landform, vegetation and animal communities.
Caring for our Country	An Australian Government initiative that funds the environmental management of natural resources. The initiative aims to achieve an environment that is healthier, better protected, well managed, resilient, and provides essential ecosystem services in a changing climate.
Collaborative Australian Protected Area Database	The Collaborative Australian Protected Area Database is an internet based system that provides a national data source for reporting the national status of protected areas.
Comprehensive protection	In the context of the National Reserve System this refers to the protection of the full range of regional ecosystems within an IBRA region.
Consultation phase	The consultation phase is the initial phase of the IPA program, where Indigenous communities are funded to hold community discussions about the viability and responsibility of declaring their land as a protected area. Funding is also provided during this phase for the development of a Plan of Management.
Declaration	The formal recognition by the Australian Government of an Indigenous community's intent to manage their land in perpetuity as a protected area.

Indigenous owned land	Indigenous owned land is land that is held under special freehold title. It cannot be bought, acquired or forfeited.
National Reserve System	Australia's terrestrial network of protected areas, which conserves examples of natural landscapes complete with native plants and animals for future generations.
Plan of Management	Indigenous landowners and/or custodians express their intent to manage their country as a protected area in a Plan of Management. The Plan of Management must establish how the management approach will meet international standards consistent with one or more of the IUCN Protected Area Management Categories
Protected Area	An area of land and/or sea especially dedicated to the protection and maintenance of biological diversity, and of natural and associated cultural resources, and managed through legal or other effective means.
Representativeness	In the context of the National Reserve System this refers to the protection of the variability of regional ecosystems in a bioregion by protecting the full range of regional ecosystems within an IBRA subregion in the NRS.
Traditional ecological knowledge	A cumulative body of knowledge, know-how, practices and representations maintained and developed by Indigenous peoples with extended histories of interaction with the natural environment.
Traditional Owners	Traditional Owners, often called 'TOs', are Aboriginal people who have legally proven their ongoing connections to their traditional Country in land claims or who have been identified as the Traditional Owners of lands reserved under Crown Land Ordinances. ¹

¹ <<http://www.reconciliation.org.au>> [accessed 07.09.11]

Summary and Recommendations

Summary

Introduction

1. The National Reserve System (NRS) is Australia's terrestrial network of protected areas. The Australian Government's aim in supporting the NRS is to secure the long-term protection of a representative sample of Australia's bioregions² and the plants and animals they support. The NRS is made up of national parks, Indigenous lands and reserves established and managed in perpetuity through partnerships between the Australian Government; state, territory and local governments; Indigenous³ and private landholders and non-government organisations.⁴

2. The NRS is one of the six priority areas of the Australian Government's \$2.25 billion Caring for our Country (2008–13) initiative (CfoC). The goal of CfoC is to achieve an environment that is healthier, better protected, well managed, resilient, and provides essential ecosystems in a changing climate. Expanding the NRS is a key element of this policy aim, with the objective of increasing the size of the NRS by 25 million hectares, or 25 per cent, by 2013.

3. Various mechanisms exist for incorporating areas into the NRS, including outright purchase of properties by governments and other organisations as well as the development of covenants, incentives, contracts and conservation agreements with individuals and conservation and philanthropic groups. *Australia's Strategy for Australia's National Reserve System 2009–2030* (the Strategy)⁵ describes the direction, strategic approach and priorities for the expansion and effective management of the system of protected areas to meet NRS and relevant international conservation goals and standards.

² Bioregions are large, geographically distinct areas of land with common characteristics such as climate, ecological features and plant and animal communities.

³ In this report, Indigenous refers to Aboriginal and Torres Strait Islander People.

⁴ Department of Sustainability, Environment, Water, Population and Communities website <<http://www.environment.gov.au/>> [accessed 20 June 2011].

⁵ SEWPaC, *Australia's Strategy for the National Reserve System 2009–2010* <<http://www.environment.gov.au/parks/publications/nrs/pubs/nrsstrat.pdf>> [accessed 20 June 2011].

4. The achievement of the objective to expand the NRS requires the progressive extension of protection to Australia's 85 bioregions in sufficient size, variety and density to provide ecological viability. An analysis of the composition of the NRS in 1994 identified that unrepresented and under-represented bioregions were largely Indigenous owned. As the purchase of Indigenous land was no longer legally possible⁶, efforts were made by the Australian Government to develop a mechanism that would enable the inclusion of this land in the NRS while at the same time recognising and maintaining its status as Indigenous owned and managed.

5. The Indigenous Protected Areas (IPA) program was implemented in 1997 as a vehicle to support Indigenous land management and to increase the size of the NRS and improve its comprehensiveness, adequacy and representativeness. Similar to other contributing partners to the NRS, Indigenous communities commit to manage their land in perpetuity to maintain biological diversity according to one or more of the six internationally recognised land management categories defined by the International Union for Conservation of Nature (IUCN).⁷ Unlike other contributors to the NRS, Indigenous communities provide this commitment through a voluntary, rather than a statutory agreement, with the Australian Government. This commitment is made through a Plan of Management developed by the community for their land and endorsed by Traditional Owners. As at June 2008, the IPA program had contributed 20.5 million hectares—more than half the contribution to the NRS in this period.

6. The development of the CfoC initiative in 2008 led the Australian Government to increase funding for the IPA program. An additional \$50 million was provided to enable the inclusion of between eight and 16 million hectares of Indigenous land into the NRS, and the use and reinvigoration of traditional ecological knowledge to support biodiversity conservation in newly initiated IPA projects.

⁶ Aboriginal land is held under special freehold title. It cannot be bought, acquired or forfeited.

⁷ IUCN is the world's oldest and largest global environmental network. It supports scientific research, manages field projects all over the world and brings governments, non-government organisations, United Nations agencies, companies and local communities together to develop and implement policy, laws and best practice. <<http://www.iucn.org/about/>> [accessed 20 June 2011].

7. The CfoC initiative is jointly managed by the Department of Sustainability, Environment, Water, Population and Communities (SEWPaC) and Department of Agriculture, Fisheries and Forestry (DAFF). While the CfoC initiative is jointly managed by SEWPaC and DAFF, the IPA Program is specifically managed by Parks Australia within SEWPaC.⁸

8. The IPA program operates in two ways. Firstly it operates as a mechanism to draw land into the NRS, and secondly as a land management mechanism. Indigenous protected areas are drawn into the NRS when Indigenous landowners voluntarily declare their intent to manage their land in perpetuity, in accordance with local traditional lore and culture, and consistent with the national and international conservation guidelines of the NRS. The IPA program provides grants to interested groups, whose land meets prescribed NRS priorities, to undertake a community-led engagement process. This process enables communities to consider, at their own pace, the merits of declaring their land as a protected area.

9. Prior to the declaration of land as a protected area, a detailed Plan of Management for the area is developed during the consultation or land planning phase of the program. The development of this plan is supported by IPA program grants. The Plan of Management establishes the governance arrangements, including the identification of Traditional Owners and their custodial links to the land, and cultural and other principles that guide decision-making. The plan also identifies and describes which one, or more, of the six International Union for Conservation of Nature (IUCN) Protected Area Management Categories⁹ best describes the land management approach of the particular protected area. This categorisation provides consistency in the classification and management of all protected areas nationally and internationally.

10. The IPA program currently operates as a grants program. Grants are provided to Indigenous landowners who wish to be involved, and who can

⁸ The Director of National Parks is a corporation established under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), with the function of managing Commonwealth reserves. The Director is assisted in performing this function by the staff of Parks Australia (a division of SEWPaC).

⁹ The original intent of the IUCN Protected Area Categories was to create a common understanding of protected areas both within and between countries. Over time the IUCN Protected Area Categories have evolved to provide a full range of protected areas from strict nature conservation to multi-use reserves, and additionally, to describe the way in which sites in each category should be managed.

demonstrate how the inclusion of their land will contribute to the comprehensiveness, adequacy and representativeness of the NRS. Grants are provided initially to support Indigenous landowners to consult with their communities about whether they wish to declare their land as a protected area, and what the potential benefits of this may be. The acceptance of a grant at the consultation phase of the program does not obligate Indigenous landowners to declare their land as a protected area. At this point it is open for communities to walk away from the program if they wish to.

11. The IPA program does not apply a predetermined schedule for movement from the consultation to the declaration phase of the program. Over time, however, the consultation phase for all IPA projects has generally been between three and four years. If the community decides to declare their land as a protected area, IPA program grants are provided to support ongoing land management activities and refinement of the Plan of Management. The declaration of a protected area is formally acknowledged by the Federal Minister for Sustainability, Environment, Water, Population and Communities. Property details are recorded by the Environmental Resources Information Network (ERIN) unit of SEWPaC and registered on the Collaborative Australian Protected Area Database (CAPAD).¹⁰

Audit objective, scope and criteria

12. The audit objective was to assess the effectiveness of SEWPaC's management of the IPA program in relation to the two primary targets of the IPA program under the Caring for our Country initiative (2008–13) which are to:

- expand the contribution of the IPA program to the NRS by between eight and 16 million hectares (an increase of at least 40 per cent), of which 1.8 million hectares are to be in northern and remote Australia; and
- ensure the continued use, support and reinvigoration of traditional ecological knowledge to underpin biodiversity conservation in the Plans of Management of 32 newly initiated projects.

¹⁰ CAPAD is an internet-based system that provides a national data source for reporting the national status of protected areas.

13. The audit criteria focussed on: the effectiveness of the department's program management arrangements; the department's strategy for engagement with Indigenous landowners; and the department's management of funding arrangements between the department and Indigenous landowners.

14. The ANAO also considered the management of the IPA program from the broader perspective of the program being an example of ways in which government can flexibly engage with Indigenous communities using existing grant programs. Effective engagement with Indigenous communities is increasingly emphasised by governments as being central to the effective implementation of programs to achieve objectives.

Overall conclusion

15. The National Reserve System (NRS) has grown to encompass 102 million hectares since 1992. Within this growth, SEWPaC's ongoing management of the Indigenous Protected Area (IPA) program has contributed 25.9 million hectares of bioregionally significant land to the NRS through the declaration of Indigenous owned land as protected areas. In addition, through the development of Plans of Management, the department is contributing to the second program objective of supporting the use and reinvigoration of traditional ecological knowledge.

16. Since 2008, the annualised Caring for our Country (CfoC) target for the IPA program of the addition of two million hectares to the NRS has been exceeded in two of the three program years as indicated below:

- 330 296 hectares in 2008–09 (six IPA declaration projects);
- 2.7 million hectares in 2009–10 (eight IPA declaration projects); and
- 2.4 million hectares in 2010–11 (five IPA declaration projects).

Accordingly, against the overall targeted increase of between eight and 16 million hectares in the period 2008–13, some 5.4 million hectares have been added in the period up to June 2011.

17. As at June 2011, there were 38 IPA projects in the consultation phase of the program which could provide further additions of land to the NRS. These 38 projects cover a combined area of approximately 60.6 million hectares. The historical performance of the program indicates that most IPA consultation projects move to the declaration phase, and the average time taken to achieve this is between three and four years. No declaration, or its timing, is certain, and the size of individual consultation projects and the area

nominated for declaration varies widely. However, if the current pattern of movement is maintained, SEWPaC is likely to exceed the primary CfoC outcome of expanding Indigenous protected areas by between eight and 16 million hectares by 2013.

18. The second primary CfoC target to include traditional ecological knowledge in 32 Plans of Management for newly initiated IPA projects by 2013 is behind schedule. In the three years to June 2011, nineteen new IPA projects had Plans of Management using traditional ecological knowledge approved against a target of 32 newly initiated projects over four years. The approval of an additional 13 Plans of Management in newly initiated projects is required by June 2012 if this target is to be achieved. The consequence of a shortfall in meeting this target has no immediate impact on the primary program target to increase the size of the NRS, as the approval of a Plan of Management is not predictive of the area of Indigenous owned land contributed as a protected area. However, as the approval of a Plan of Management is a critical trigger for the declaration of land as a protected area, the target remains an important priority set by the department to increase the number of newly initiated IPA projects.

19. Overall, SEWPaC's administration of the IPA program has been effective in achieving increases in land contributed to the NRS. A key aspect of this effectiveness has been the engagement with Indigenous landowners, which is essential for the achievement of the IPA program targets, in particular the growth in the size of the NRS. SEWPaC's alignment of program targets with broader national environmental objectives has resulted in the development of a targeted and clearly defined grants assessment process. Tailored program material and support from SEWPaC staff has facilitated Indigenous communities' compliance with prescribed grant reporting and acquittal processes.

20. The IPA program, however, faces a strategic challenge. Although the program runs to 2013, all funds are already committed and no further funding is available for new consultation projects beyond those already in the consultation phase of the program. Further growth therefore can only come from projects already in progress. More broadly, Indigenous protected areas are declared in perpetuity and, under the current model, their retention in the NRS requires ongoing management activities which are currently funded by the Australian Government through the IPA program. IPA grant allocation post 2013 is uncertain, and SEWPaC has yet to address the question as to how the investments made to date in Indigenous communities will be sustained. In

these circumstances, and to promote the sustainability of investments already made, it would be timely for the department to begin to develop options for future funding, including options that would reduce, over time, the dependence of declared IPA projects on Australian Government funding.

21. For most of its history, the IPA program has been managed as a conservation program that involves Indigenous people rather than as an Indigenous-specific program targeted at the social, economic or cultural development of Indigenous Australians. The development, in 2008, of the Council of Australian Governments (COAG) Closing the Gap strategy provides an opportunity for the department to give greater consideration to the contribution the IPA program could make to the government's policy goals in Indigenous affairs.

Key findings

Program Management

22. SEWPaC has aligned its activities under the IPA program with the broader objectives of the Australian Government in relation to the NRS. To achieve the goal of a comprehensive, adequate and representative NRS, all IPA program grant applications are prioritised against the strategic framework of the Interim Biogeographic Regionalisation of Australia (IBRA). The IBRA identifies 85 distinct bioregions nationally, with each bioregion being a large, geographically distinct area of similar climate, geology, landform, vegetation and animal communities. To ensure that Australia progressively extends protection to examples of all Australian bioregions, all IPA projects, in the first instance must demonstrate their contribution to the values of the NRS through an assessment of the IBRA bioregion/s in which it is located.

23. International consistency and compliance in the management of protected areas is facilitated through a Plan of Management that identifies one or more of the six IUCN Protected Area Management Categories under which the area is declared. The application of the IUCN Protected Area Management Categories creates a common understanding of protected areas, and the way in which areas in each category are managed, within Australia and internationally. SEWPaC's management of the IPA program has, to date, facilitated the expansion of the NRS through the IPA program, consistent with national criteria and international management standards, and has positioned the department to meet the outcomes set by government for the program for the period to 2013.

24. SEWPaC's monitoring and reporting against targets for the IPA program has focussed on the two primary outcomes of CfoC. However, through the progressive implementation of Cybertracker, a computer linked data gathering system, SEWPaC anticipates an increased capacity to report on the environmental impact of land management activities of IPA projects. In addition, SEWPaC has commenced work to gather evidence attributing socio-economic benefits to Indigenous communities engaged in land management activities on their country. The development of data collection strategies to formally capture this information will assist SEWPaC to make stronger linkages between the IPA program and contributions to the broader Australian Government initiative to close the gap on Indigenous disadvantage.

25. The rapid expansion of the IPA program made possible by the increased funding under CfoC has resulted in significant growth in the number of declared Indigenous protected areas, as well as consultation projects that are likely to progress to declaration. Indigenous protected areas are declared in perpetuity and the maintenance costs to preserve Australia's biodiversity under the NRS are an important financial consideration. IPA program grants facilitate the maintenance of Indigenous protected areas consistent with national and international criteria. Without access to ongoing funding there is a strong risk that the management of these areas may not meet the criteria to maintain inclusion in the NRS. This emphasises the importance of the department working with IPA project communities, and providing advice to government, on the development of strategies that support the maintenance of Indigenous protected areas.

Program Performance

26. Against the overall targeted increase of between eight and 16 million hectares in the period 2008–2013, some 5.4 million hectares had been added to the NRS through the declaration of Indigenous land as protected areas by July 2011. This is less than the annualised target of two million hectares per year, or six million hectares over the first three years of the CfoC. However, if the 38 projects in the consultation phase of the program move to declaration within the established program timeframe, several declarations of land as protected areas are likely in 2011–12 and 2012–13, in which case it is likely that the targeted increase in the size of the NRS will be met. Within the program expansion target, the target to include 1.8 million hectares in northern and remote Australia was met in 2009–10. To achieve the four-year target of the use of traditional ecological knowledge in the Plans of Management of 32 newly

initiated IPA projects over four years, the approval of an additional 13 Plans of Management is necessary prior to June 2012.

27. Although the program is currently behind its overall targets, the growth in the number of consultation projects indicates a strong potential trajectory of growth overall. With the increased funding under the CfoC initiative, the intake of new consultation projects almost doubled from nine new projects in 2007, to 16 in 2008, followed by sustained growth of 14 in 2009 and 15 in 2010. The large number of potential declaration projects indicated by the growth in the number of consultation projects, positions the department well to achieve the outcomes of CfoC to 2013.

28. However, the growth in numbers at the consultation phase of the program also indicates a likely substantial demand for the funding of the land management activities at the declaration phase. Historically, all IPA projects have received grants, with some projects receiving grants for more than ten years. Progressively, the demand for funds at the land management or declaration phase of the program will reduce the number of grants available for consultation projects which have the capacity to draw land into the NRS. Of the 2010–11 IPA program grants, approximately 40 per cent were allocated to consultation projects and approximately 60 per cent to declaration projects.

29. The future and ongoing challenge for the IPA program is to be able to identify and fund consultation projects that progress to declaration as protected areas, as well as to identify strategies to support work on declared Indigenous protected areas to ensure the maintenance of national and international land management standards within the NRS.

Community Engagement and Support

30. The term *country* is often used by Indigenous Australians to describe family origins and associations with particular areas of Australia. The IPA Program engages with Indigenous Australians through this strong traditional and cultural relationship with the land, and provides a strategy that supports their customary responsibility to take care of *country* while delivering land management services for the Australian Government. Taking advantage of this shared interest represents one policy model of co-production. Models of co-production have multiple design characteristics, but central to all models is the engagement and involvement of those community groups who are best placed to act on or address a particular issue or deliver a particular service. Importantly, models of co-production 'tend to be more successful where there

is an equal relationship...and where both parties stand to gain from the outcome'. This approach to engagement is reflected in the original design and access approach of the IPA program.

31. Since the establishment of the IPA program, Indigenous landowners have become the single largest contributor of land to the NRS. The contribution of this land is, in part, a result of SEWPaC's capacity to effectively engage with Indigenous landowners to support their customary responsibility to care for their country consistent with national and international guidelines. SEWPaC's initial engagement strategy of referral and endorsement by Indigenous and/or environmental advocates engendered interest and facilitated access to the program by interested landowners. The public promotion of the program and increased funding under CfoC capitalised on the growing interest in the program and resulted in an almost doubling of IPA projects, most of which have the capacity to add land to the NRS.

32. SEWPaC's engagement with Indigenous landowners is supported by a flexible approach to program management, and supports IPA project communities to build capacity by identifying and facilitating access to professional networks, resources and training. In addition to ongoing assistance to individual project communities and sponsorship of a number of environmental conferences at which IPA project communities attend and make presentations, SEWPaC funds and hosts the annual IPA Managers' Meeting. These strategies have developed a cohort of IPA project peers, and established awareness of IPA project communities and their role within the broader environmental network.

33. Effective engagement with the Indigenous community is, in part, reliant on government agencies having access to and acting on guidance from specialist advisors. SEWPaC has ensured that the IPA sub-committee of the Indigenous Advisory Committee (IAC) has an active advisory role in guiding the development of the program, and providing specialist input to the assessment of program grants. This has enabled the committee to work effectively with the department and intervene as necessary to ensure program engagement, access and management strategies remain appropriate for Indigenous communities.

IPA Program Grants Management

34. Grant programs involving Australian Government funding necessarily require procedures in place for recipients to effectively acquit funds

received and report on results achieved through the use of the grant funds. Government agencies can support recipients manage these requirements by ensuring that administrative processes are commensurate with the size and nature of the grant, reporting guidelines and formats are concise and clearly aligned with the activities for which the grant was allocated, and by providing assistance, as necessary, to ensure recipients are able to comply with grant requirements. This support is particularly important in the context of providing grants to community organisations in remote areas.

35. SEWPaC has aligned the IPA program grant application and assessment process with the broader intended objective of the CfoC initiative to increase the size of the NRS, and has also tailored the grant application process to facilitate access by Indigenous communities. Through the use of head agreements, multi year funding, and support for reporting and acquittal processes, SEWPaC has sought to minimise the administrative burden on grant recipients.

36. SEWPaC's approach to monitoring individual IPA grant projects relies mainly on the grant acquittal and reporting arrangements contained in the grant agreements with participants. The department's approval of multi-year grants with payments made biannually on receipt of a progress report and an annual report provides an effective risk management strategy, while limiting the administrative burden on Indigenous communities. Additionally, ongoing contact and site visits by SEWPaC staff to project communities facilitates the early identification, and action to address, any potential or actual reporting and acquittal issues.

Summary of agency response

37. A summary of SEWPaC's response to the report, dated 4 November 2011, is reproduced below. SEWPaC's full response is at Appendix 1.

The Department of Sustainability, Environment, Water, Population and Communities welcomes the ANAO audit into the Indigenous Protected Area program, and particularly notes the report's findings that the program has been very successful in bringing Indigenous land into the National Reserve System through its effective model of consultative engagement with Indigenous landowners.

SEWPaC notes that the report highlights the need for IPAs to have access to ongoing funding to support their management as protected areas, and emphasises the importance of the Department working

with IPA project communities and providing advice to government on the development of strategies that support the maintenance of Indigenous Protected Areas. In this context, SEWPaC supports the report's recommendation that the Department develop options for future funding including options that would reduce over time the dependence of IPAs on Australian Government funding. The Department is continuing to work with private sector partners and across governments to develop approaches and maximise opportunities to broaden the base of support for ongoing sustainable management of Indigenous Protected Areas.

SEWPaC notes the audit findings in relation to the potential linkages between the IPA program and contributions to the broader Australian Government initiative to close the gap on Indigenous disadvantage, and is continuing work to reinforce the contribution made by IPA program outcome to closing the gap on Indigenous disadvantage.

Recommendation

The ANAO has made the following recommendation aimed at strengthening SEWPaC's strategic planning for the IPA program.

Recommendation No. 1

Paragraph 3.28

To facilitate the continued contribution of Indigenous owned land to the National Reserve System post 2013, the ANAO recommends that SEWPaC develop options for future funding, including options that would reduce, over time, the dependence of Indigenous protected areas on Australian Government funding.

SEWPaC's response: Agreed

Audit Findings

1. Introduction

Background

This chapter describes the Indigenous Protected Areas Program; its design and operation, and relation to other Australian Government environmental programs. The audit approach is also outlined.

1.1 The Indigenous Protected Areas (IPA) Program is a grants program with a current funding investment of \$50 million over five years (2008–13). The program was established in 1997 with the dual purpose of supporting Indigenous land management, and to increase the size and improve the comprehensiveness, adequacy and representativeness of the National Reserve System (NRS). The program operates nationally and provides grants for between one and five years (up to 2013) to Indigenous landowners who wish to declare and manage their land as a protected area, consistent with national and international conservation standards as part of Australia's NRS. The program has been continuously funded since its commencement in 1997, and currently operates as a component of the Caring for our Country (CfoC) initiative. The CfoC initiative is jointly managed by the Department of Sustainability, Environment, Water, Population and Communities (SEWPaC) and Department of Agriculture, Fisheries and Forestry (DAFF). While the CfoC initiative is jointly managed by SEWPaC and DAFF, the IPA Program is specifically managed by Parks Australia within SEWPaC.

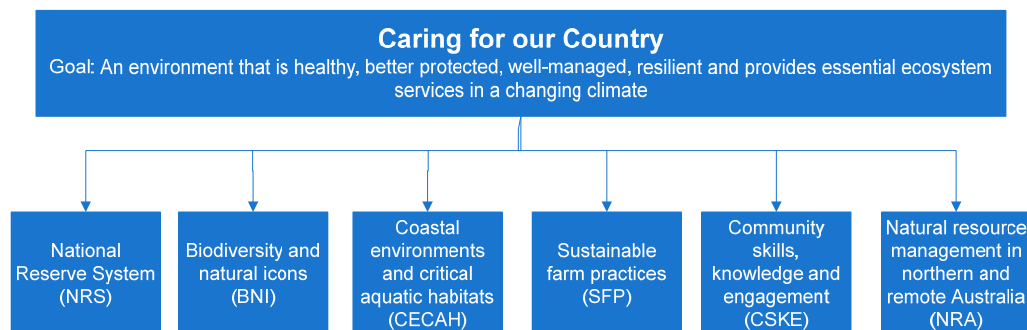
Caring for our Country

1.2 In July 2008, the Australian Government consolidated all previous natural resource management activities under the newly developed CfoC initiative to be jointly managed by SEWPaC and DAFF through the Australian Government Land and Coast Division (AGLC) of SEWPaC. The goal of CfoC is to achieve an environment that is healthier, better protected, well managed, resilient, and provides essential ecosystems in a changing climate.¹¹ There are six national priorities under CfoC, one of which is the management of the NRS, as illustrated in Figure 1.

¹¹ <<http://www.nrm.gov.au>> [accessed 10 August 2011].

Figure 1

Caring for our Country priority areas



Source: Caring for our Country Business Plan 2009–10, p. 4.

The National Reserve System and Indigenous Protected Areas

1.3 The NRS is Australia's network of protected areas and aims to conserve examples of natural landscapes, native plants and animals for future generations. The NRS had its origins in the United Nations Conference on Environment and Development (UNCED) 1992, informally known as the Rio Earth Summit. When the Earth Summit adopted the Convention of Biological Diversity, Australia was one of the first nations to ratify the Convention in June 1993. In so doing, Australia agreed to develop a National Strategy for the Conservation of Australia's Biodiversity, of which the development of a comprehensive system of protected areas was a major component. The land-based network of protected areas established in cooperation with the states and territories has come to be known as the NRS.

1.4 The Australian Government's aim in developing the NRS was to ensure that environmental protection was progressively and systematically extended to examples of all Australian bioregions¹² so as to develop a comprehensive, adequate and representative (CAR) system of protected areas. *Australia's Strategy for Australia's National Reserve System 2009–2030* (the Strategy)¹³ describes the direction, strategic approach and priorities for the expansion and

¹² A bioregion is a large, geographically distinct area of similar climate, geology, landform vegetation and animal communities.

¹³ SEWPaC, Australia's Strategy for the National Reserve System 2009–2010 <<http://www.environment.gov.au/parks/publications/nrs/pubs/nrsstrat.pdf>> [accessed 20 June 2011].

effective management of the system of protected areas to meet NRS and relevant international conservation goals and standards.

1.5 The achievement of the Australian Government's objective for the NRS requires the progressive extension of protection to Australia's 85 bioregions in sufficient size, variety and density to provide ecological viability. This occurs through the incorporation of land areas into the NRS. Various mechanisms exist for incorporating land areas into the NRS, including outright purchase of properties by governments and the development of covenants, incentives, contracts and conservation agreements with individuals and conservation and philanthropic groups.

The Indigenous Protected Areas Program

1.6 An analysis of the composition of the NRS in 1994 identified that bioregions that were unrepresented and under-represented largely comprised Indigenous owned land. As the purchase of Indigenous land was no longer legally possible¹⁴, efforts were made by the Australian Government to develop a mechanism that would enable the inclusion of this land in the NRS while at the same time recognising and maintaining its status as Indigenous owned and managed. The IPA program was the result of those efforts.

1.7 The initial concept for the IPA program grew from the recognition that Indigenous Australians could contribute their land to the NRS through a voluntary partnership with the Australian Government, similar to the way in which the protected areas of states and territories were contributed to the NRS. While protected areas in Australia were, and are, generally managed by state and territory legislation, the revisions to the International Union for Conservation of Nature¹⁵ (IUCN) Guidelines for Protected Area Management categories in 1994 defined a protected area as:

An area of land and/or sea especially dedicated to the protection and maintenance of biological diversity, and of natural and associated cultural resources, and managed through legal or other effective means.¹⁶

¹⁴ Indigenous land is held under special freehold title. It cannot be bought, acquired or forfeited.

¹⁵ IUCN is the world's oldest and largest global environmental network. It supports scientific research, manages field projects all over the world and brings governments, non-government organisations, United Nations agencies, companies and local communities together to develop and implement policy, laws and best practice. < <http://www.iucn.org/about/> > [accessed 20 June 2011].

¹⁶ < <http://data.iucn.org/dbtw-wpd/edocs/PAPS-016.pdf> > [accessed 01 March 2011].

This definition facilitated the use of 'other effective means', as a practical land management option. A land management plan devised and committed to by Indigenous landowners could meet this condition under the IUCN Guidelines.

1.8 Additionally, revisions to the IUCN Protected Area Management Categories, which classify the management of protected areas into six different categories depending on land management intent, provided sufficient flexibility to accommodate Indigenous ownership, management and use of the land compatible with protected area status. The revised categories and management guidelines allowed for activities such as hunting and gathering, if carried out in a sustainable way, in even the most highly protected areas.

1.9 Similar to other contributing partners to the NRS, Indigenous communities commit to manage their land in perpetuity to maintain biological diversity according to one or more of the six internationally recognised land management categories defined by the IUCN. Unlike other contributors to the NRS however, Indigenous communities provide this commitment through a voluntary rather than a statutory agreement with the Australian Government. This commitment is made through a Plan of Management developed by the community for their land and endorsed by Traditional Owners.

1.10 Previous analysis by the ANAO in the *Review of the Administration of the National Reserve System*¹⁷ presented in Table 1.1, indicates that in the ten years between July 1997 and June 2007, approximately 18.5 million hectares, representing 71 per cent of all contributions to the NRS, were made by Indigenous Australians through the IPA program, at a cost of approximately \$1 per hectare to the Australian Government. The contribution made through the IPA model is significant in terms of size and cost effectiveness relative to contributions by other NRS partners using other mechanisms to contribute land

¹⁷ ANAO (2008) *Review of the Administration of the National Reserve System*.

Table 1.1**Contribution of partners to the NRS from July 1997 to June 2007**

Partner	Joint Investment (\$)		Protected Area Size (ha)
	Partner	Australian Government	
State/territory governments	60 344 386	55 641 864	5 771 708
Conservation agencies	22 879 831	16 002 276	1 749 301
Local governments	12 743 551	6 386 471	1 075
Community groups	2 663 280	1 323 261	11 020
Private	157 200	244 491	185
Indigenous Protected Areas	n/a	17 934 660	18 561 933
Total	98 788 248	97 533 023	26 095 222

Source: ANAO 2008 'Review of the Administration of the National Reserve System' tabled 3 March 2008, p. 4.

1.11 The development of the CfoC initiative enabled the Australian Government to increase funding for the IPA program. Under the initiative, \$180 million was allocated to the NRS and \$50 million to the IPA program. Previous five year funding for both programs was \$40 million.

1.12 With the introduction of the CfoC initiative, SEWPaC published *Caring for our Country Outcomes 2008–2013*, a comprehensive document that identifies the five year outcomes for all six priorities of the initiative. The main planned outcome for the NRS priority is to expand the area that is protected within the NRS to at least 125 million hectares—an increase of 25 per cent. Within this overall expansion of the NRS, the Australian Government has identified two specific objectives that drive the IPA program. These are to:

- expand the contribution of Indigenous protected areas to the NRS by between eight and 16 million hectares (an increase of at least 40 per cent), of which at least 1.8 million hectares are to be in northern and remote Australia; and
- ensure the continued use, support and reinvigoration of traditional ecological knowledge to underpin biodiversity conservation.

1.13 These outcomes are planned to be achieved over the five years of the initiative. Annual targets have also been set for the IPA program and are defined by SEWPaC as either primary or secondary targets. The primary

targets are to increase the size of the NRS by two million hectares per year and to use traditional ecological knowledge in the Plans of Management in at least 32 newly initiated IPA projects over four years. These align to the national CfoC priority areas of: the National Reserve System and Community Skills Knowledge and Engagement. The outcomes and targets are summarised at Table 1.2. The IPA program also contributes to a number of other CfoC targets through the management of invasive species and the expansion of traditional fire management regimes. Details of these targets are included at Appendix 2.

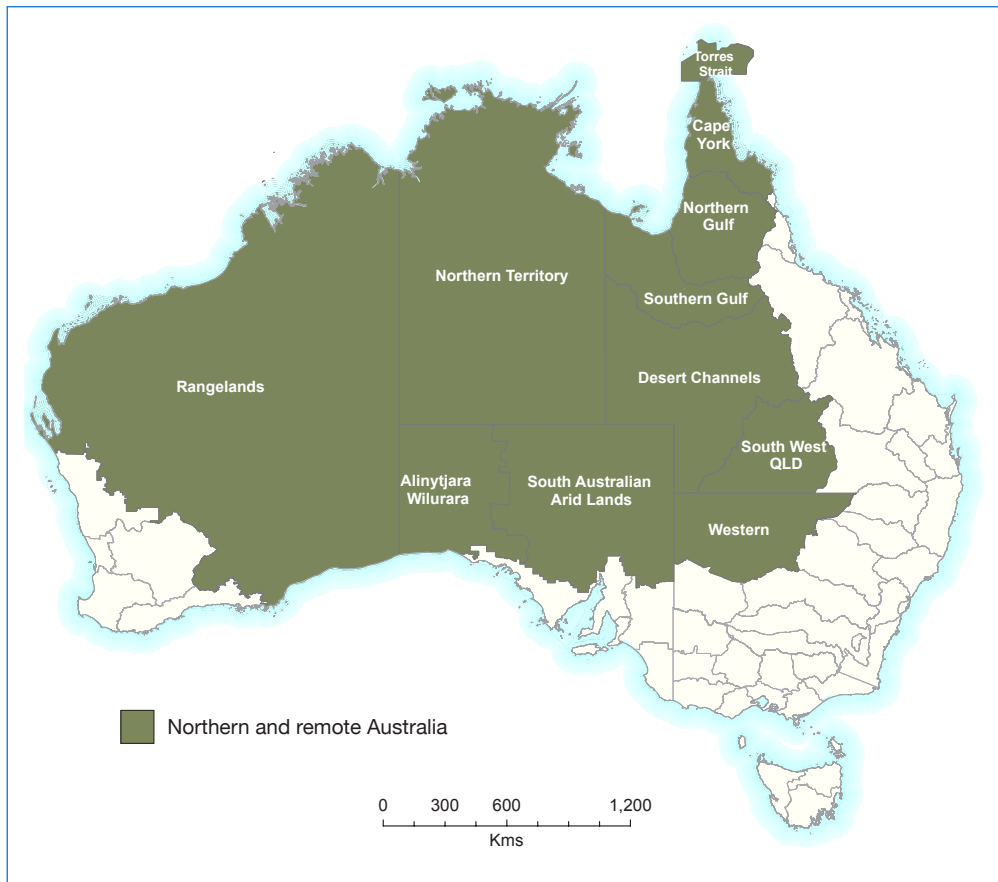
Table 1.2

Caring for our Country Primary Targets 2008–13

Caring for our Country Five Year Outcomes	Caring for our Country Annual Target/s
National Reserve System Expand the contribution of Indigenous Protected Areas to the National Reserve System by between eight and 16 million hectares (an increase of at least 40 per cent) This expansion is to include at least 1.8 million hectares in Indigenous Protected Areas in northern and remote Australia.	To increase the areas of Indigenous-owned land declared as Indigenous Protected Areas by two million hectares a year in under-represented bioregions and managed as part of the National Reserve System.
Community Skills Knowledge and Engagement Ensure the continued use, support and reinvigoration of traditional ecological knowledge to underpin biodiversity conservation.	To use traditional ecological knowledge in the Plans of Management in at least 32 newly initiated IPA projects over four years.

Source: 2010–11 IPA Assessment Tool, Department of Sustainability, Environment, Water, Population and Communities.

1.14 For the purpose of managing CfoC, northern and remote Australia includes the following Natural Resource Management Regions: Rangelands, Northern Territory, Alinytjara Wilurara, South Australia Arid Lands, Desert Channels, Southern Gulf, Northern Gulf, Cape York, Torres Strait, South West Queensland and Western Australia. These areas are identified in Figure 2.

Figure 2**Northern and remote Australia CfoC categories**

Source: *Caring for our Country Business Plan 2010–11*, p. 85.

The IPA program model

1.15 The IPA program operates in two ways. Firstly, it operates as a mechanism to draw land into the NRS, and secondly as a land management mechanism. Indigenous protected areas are drawn into the NRS when Indigenous landowners voluntarily declare their intent to manage their land as a protected area, in accordance with local traditional lore and culture, and consistent with the national and international conservation guidelines of the NRS. The IPA program provides grants to interested groups, whose land meets prescribed NRS priorities, to undertake a community-led engagement process. This process enables communities to consider, at their own pace, the merits of declaring their land as a protected area.

1.16 Eight key principles were considered central to the design of the IPA program.¹⁸ These were:

- people tend to behave responsibly when they have responsibility;
- good decisions will generally be made when the decision-makers have good information presented in an appropriate way;
- don't push too hard or too fast for a result—allowing time and space for decisions results in better and more durable outcomes;
- all decisions regarding *country* remain with the Indigenous owners/managers;
- Indigenous groups are free to run the consultative process their own way and to hire their own experts to help;
- funding must allow for on-ground work from the beginning, rather than just planning and talking in the abstract;
- everyone needs to know they can withdraw from the process at any time; and
- regular monitoring and review by the land managers is necessary every two years to maintain good management outcomes.

1.17 Prior to the declaration of land as a protected area, a detailed Plan of Management for the area is developed during the consultation or land planning phase of the program. The development of this plan is also supported by IPA program grants. The Plan of Management establishes the governance arrangements, including the identification of Traditional Owners and their custodial links to the land, and cultural and other principles that guide decision-making. The plan also identifies and describes which one, or more, of the six IUCN Protected Area Management Categories¹⁹ best describes the land management approach of the particular protected area. This categorisation

¹⁸ Szabo, S. and Smyth, D. 2003. Indigenous Protected Areas in Australia. In, Jaireth, H. and D. Smyth (Eds), *Innovative Governance: Indigenous Peoples, Local Communities and Protected Areas*, p. 145-164. IUCN-sponsored by publication, published by Ane Books, New Delhi.

¹⁹ The original intent of the IUCN Protected Area Categories was to create a common understanding of protected areas both within and between countries. Over time the IUCN Protected Area Categories have evolved to provide a full range of protected areas from strict nature conservation to multi-use reserves, and additionally, to describe the way in which sites in each category should be managed.

provides consistency in the classification and management of all protected areas nationally and internationally.

1.18 Declaration is a formal and public announcement of the intention to manage land as an Indigenous Protected Area according to the specified IUCN category. Indigenous landowners who have decided to declare their land as a protected area and whose Plan of Management meets NRS and IUCN criteria, write to the Federal Department of Sustainability, Environment, Water, Population and Communities (SEWPaC) to formally acknowledge their desire to declare their land as a protected area in perpetuity.

1.19 The IPA program currently operates as a grants program, with grants provided to Indigenous landowners who wish to be involved, and who can demonstrate how the inclusion of their land will contribute to the comprehensiveness, adequacy and representativeness of the NRS. Grants are provided initially to support Indigenous landowners to consult with their communities about whether they wish to declare their land as a protected area and what the potential benefits of this may be. The acceptance of a grant at the consultation phase of the program does not obligate Indigenous landowners to declare their land as a protected area. At this point it is open for communities to walk away from the program if they wish to. No predetermined schedule for movement from the consultation to the declaration phase of the program is prescribed by program policy. However, over the period of the program, almost all consultation projects proceed to declaration within three to four years.

1.20 By June 2011, declared IPA projects constituted over 23 per cent of the NRS covering 25.9 million hectares nationally. At this time, there were 44 Indigenous owned, bioregionally significant areas voluntarily declared as Indigenous protected areas, and 47 consultation projects across Australia in which Indigenous landowners were engaged with the Australian Government with a view to progressing to declaration as a protected area.²⁰

²⁰ The 47 consultation projects include the 38 projects that can add land to the NRS. Another eight consultation projects are co-management projects which do not involve Indigenous owned land and so cannot contribute land to the NRS, and one IPA consultation project that has yet to verify hectare value for inclusion in the NRS.

Audit objective, scope and criteria

1.21 The audit objective was to assess the effectiveness of SEWPaC's management of the IPA program in relation to the two primary targets of the IPA program under the Caring for our Country initiative (2008–13) which are to:

- expand the contribution of the IPA program to the NRS by between eight and 16 million hectares (an increase of at least 40 per cent), of which 1.8 million hectares are to be in northern and remote Australia; and
- ensure the continued use, support and reinvigoration of traditional ecological knowledge to underpin biodiversity conservation in the Plans of Management of 32 newly initiated projects.

1.22 The audit criteria focussed on: the effectiveness of the department's program management arrangements; the department's strategy for engagement with Indigenous landowners; and the department's management of funding arrangements between the department and Indigenous landowners.

1.23 The ANAO also considered the management of the IPA program from the broader perspective of the program being an example of ways in which government can flexibly engage with Indigenous communities using existing grant programs. Effective engagement with Indigenous communities is increasingly emphasised by governments as being central to the effective implementation of programs to achieve objectives.

1.24 The audit was conducted in accordance with the ANAO Auditing Standards at a cost of \$391,975.

How the report is structured

1.25 The report is structured as follows:

- Chapter 2—Program management, considers SEWPaC's management arrangements, in particular program governance, risk management and the extent to which SEWPaC has aligned the program with the Australian Government's broader environmental objectives. The chapter also considers the extent to which SEWPaC's performance framework provides a reflection of performance against the program's objectives.
- Chapter 3—Program performance, examines the contribution Indigenous protected areas have made to the expansion and effective management of the NRS under the CfoC initiative. It also examines the reliance of declared projects on IPA program grants for land management activities, and the reducing capacity of the IPA program to fund the established rate of growth in both program phases.
- Chapter 4—Community engagement and support, examines the approach taken by SEWPaC to engage with Indigenous communities to facilitate access to the program and provide timely and flexible support.
- Chapter 5—IPA program grants management, considers SEWPaC's management of IPA program grants and the measures taken to ensure the effective assessment, management and monitoring of grants to achieve program targets.

2. Program Management

This chapter considers SEWPaC's management arrangements, in particular program governance, risk management and the extent to which SEWPaC has aligned the program with the Australian Government's broader environmental objectives. The chapter also considers the extent to which SEWPaC's performance framework provides a reflection of performance against the program's objectives.

Overview

2.1 Effective program management has several key features. Sound structures for governance and risk management underpin effective program management and should operate to support the achievement of program objectives. In general, there should also be a clear alignment between the overall outcomes set by government, the operational objectives of the particular program, and the nature of the activity within the program, so that effective implementation of these activities can be reasonably expected to lead to the achievement of program objectives and contribute to the overall outcomes. In this respect, effective program management would include the establishment and use of performance information systems that can accurately capture progress towards the operational objectives. The ANAO has considered the elements of program governance, risk management, alignment with the broader national environmental objectives, and monitoring and reporting of program outcomes in relation to the overall program management.

Governance structures for the IPA program

2.2 Governance is the set of responsibilities, practices, policies and procedures exercised by an agency's executive to provide strategic direction, ensure objectives are achieved, risks are managed and resources are used responsibly and with accountability. Sound governance arrangements are critical to the success of program implementation. Consideration needs to be given to the roles, responsibilities and accountabilities of those involved; the rules and procedures for decision-making; and the integration of project

governance arrangements within an agency's broader corporate governance framework.²¹

2.3 Proportionality is a key principle of the Australian Government's strategy for the effective administration of grants. Proportionality as described by the *Commonwealth Grant Guidelines—Policies and Principles for Grants Administration* (CGGs) July 2009²² emphasises that a grants administration process be commensurate with the overall scale of the grant activity. Accordingly, the nature and complexity of governance arrangements should reflect the size and scope of the initiative. Generally, a relatively small and defined grants program would be supported by similarly streamlined governance arrangements. At the time the audit was undertaken, the governance arrangements of the IPA program were allocated to various parts of SEWPaC including the Australian Government Land and Coast Division (AGLC), the division jointly staffed by SEWPaC and DAFF. This was due to a combination of the way the program had been previously delivered and the way it was subsequently incorporated into the department's approach to managing the broader CfoC initiative.

2.4 From 2008, IPA program governance was located within the governance arrangements of the broader CfoC initiative, and the AGLC became responsible for the delivery and management of all CfoC outcomes and management of the total budget. Within these arrangements, Parks Australia²³, a different division of SEWPaC, was responsible for the delivery of the NRS priority and associated IPA component. Responsibility for the delivery of the NRS and IPA programs within Parks Australia maintained the administrative arrangement established under the Natural Heritage Trust at the commencement of the IPA program in 1997. Historically, the then Minister for the Environment, Water, Heritage and the Arts had retained delegation for authorising both NRS and IPA program grants and this practice was continued

²¹ ANAO and the Department of the Prime Minister and Cabinet Better Practice Guide—*Implementation of Programme and Policy Initiatives*, October 2006, Canberra, p.13.

²² Department of Finance and Deregulation, *Commonwealth Grant Guidelines—Policies and Principles for Grants Administration*, Finance Management Guidance No 23, July 2009, p. 19.

²³ The Director of National Parks is a corporation established under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), with the function of managing the national reserves. The Director is assisted in performing this function by the staff of Parks Australia (a division of SEWPaC).

under the CfoC arrangements. Table 2.1 illustrates the decision-making roles of each group and the responsible Minister in place as at June 2011.

Table 2.1

Responsibility for decision-making

Phase	Decision-making roles		
	Parks Australia	AGLC	Minister
Timing of CfoC grant applications		√	
Design of IPA assessment process	√		
Assessment of IPA grant applications	√		
Recommendation of IPA grants	√		
Review of IPA grant recommendations		√	
IPA grant approval (delegate)			√
Approval for payment of IPA grants		√	
Assessment of IPA grant variations	√		
Approval of IPA grant variations		√	
Monitoring of IPA grants	√		

Source: ANAO analysis of grant administration obtained from SEWPaC documents.

2.5 The allocation of specific decision-making roles to the AGLC in terms of grant applications reflected a desire by SEWPaC to have a consistent approach across the whole CfoC initiative. In so doing, however, the approach also served to remove decisions from the area of the department that was responsible for achieving the program outcomes. In circumstances such as this, where decision-making is split across a number of divisions, an effective communication strategy between the groups is important. The *Risk Assessment of the NRS and Indigenous Protected Areas components of the Caring for our Country Program* (March 2010) commissioned by Parks Australia reported:²⁴

There is general consensus on the opportunity to improve the level of integration between the AGLC and Parks Australia at all levels and ensure that all resources are working well in delivering the Caring for our Country program. There is a relatively low level of understanding within AGLC of the NRS and IPA programs. Parks [Australia] and AGLC managers and staff have

²⁴ *Risk Assessment of the National Reserve System and Indigenous Protected Areas components of the Caring for our Country Program*, March 2010, p.6.

not had an appropriate level of interaction in regular forums and there is no clear set of protocols for meetings and communication flow.

2.6 The risk assessment recommended that ‘formal governance and communication arrangements between Parks [Australia] and AGLC for the delivery of the Caring for our Country program at all levels of management’ be implemented. SEWPaC advised ANAO that the sharing of roles and responsibilities had led to some inefficiency, and, in August 2011, the department had initiated procedures to transfer the IPA and NRS elements of CfoC grants management and reporting from AGLC to Parks Australia in order to streamline the administrative arrangements.

Linkages between the IPA program and other SEWPaC portfolio programs

2.7 The COAG service delivery principles for programs and services for Indigenous Australians include the principle of integration, which emphasises the importance of effective collaboration in coordinating the delivery of programs to Indigenous Australians. In addition to the IPA program, SEWPaC has portfolio responsibility for other Indigenous-specific programs. These include the joint management of National Parks, the Indigenous Heritage Program (IHP), and the Working on Country (WoC) Program.

2.8 The IHP provides grants to Indigenous groups for projects to identify, conduct planning for, and conserve Indigenous heritage sites. The WoC Program complements and supports many IPA projects as the program provides grants to fund the training and employment of Indigenous people on environmental projects. In 2011, almost half of all declared IPA projects employed or provided training to Indigenous rangers funded from WoC grants. With the introduction of CfoC, WoC funding was increased to \$90 million over five years. This funding has since been increased to \$245.5 million to June 2013.²⁵ The WoC program is managed by the Indigenous Policy Branch in SEWPaC with grant applications assessed and authorised by AGLC.

2.9 Collectively these programs provide a suite of grants for Indigenous-specific, cultural and environmental activities, with overall responsibility coordinated through the AGLC. However, as mentioned in paragraph 2.5 the

²⁵ <<http://www.environment.gov.au/indigenous/workingoncountry/index.html>> [accessed 11 May 2011].

Risk Assessment commissioned by Parks Australia identified that there are no clear protocols for meetings and communication flow between the AGLC and Parks Australia, the group responsible for the delivery of one of the component programs.

2.10 The careful coordination of these programs through an effective portfolio collaboration strategy would increase opportunities that support the land management, cultural and employment aspirations of Indigenous communities. The ANAO encourages SEWPaC to continue to build linkages between these programs and the IPA program.

Role of SEWPaC's Indigenous Advisory Committee

2.11 Program governance can often be improved through the use of an expert or advisory panel to provide advice and/or recommendations to the program decision-maker in respect to which applications should be funded, or in relation to any broader issues surrounding the program. The IPA program currently receives advice from a sub-committee of the SEWPaC Indigenous Advisory Committee (IAC). The IAC was formed in 1999 to advise the then Minister for the Environment, Water, Heritage and the Arts on Indigenous issues as they related to the role of the department, including advice on the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act)²⁶ and IPA program.

2.12 The IPA sub-committee consists of four IAC members (who represent the IAC) and another ten members, including representatives from Indigenous communities, state/territory conservation agencies, NGO conservation agencies, the Indigenous Land Corporation, and consultants with expertise in natural and cultural management. The committee's Terms of Reference (ToR) are published on the SEWPaC website and their roles and responsibilities are clearly defined in committee documents. This information is included at Appendix 3. In addition to promoting the IPA program and building links with stakeholder groups, such as state, territory and other non-government

²⁶ The *Environment Protection and Biodiversity Conservation Act 1999* is the Australian Government's central piece of environmental legislation. It provides a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places – defined in the EPBC Act as matters of national environmental significance. <<http://www.environment.gov.au/epbc/index.html>> [accessed 22 March 2011].

conservation agencies, the IPA sub-committee reviews IPA grant applications and makes recommendations for grant allocation.

2.13 The changes in the governance arrangements since the commencement of the audit demonstrate SEWPaC's capacity to monitor and make necessary changes to ensure those accountable for program delivery are also responsible for the decisions that enable the achievement of program outcomes.

IPA program risk management

2.14 The CGGs and the ANAO Better Practice Guide—*Implementing Better Practice Grants Administration*, June 2010, emphasise the importance of having sound risk management processes in place for grants programs. They further emphasise that programs should include a framework for identifying and treating or minimising risks that may adversely impact on the achievement of grant outcomes.

2.15 To assess and manage risks to the program, Parks Australia has developed the *Director of National Parks Risk Watch List* (Watch List), a risk management document that identifies seven potential risk categories for the achievement of Parks Australia programs. These are: Health and Safety; Natural Heritage Management; Cultural Heritage Management; Biodiversity Knowledge Management; Community and Government Relations; Visitor Management and Park Use; and Business Management. For each risk category, sub-categories are identified with explanatory notes, descriptions or examples of the identified risks.

2.16 From the overarching Watch List, individual program areas identify risks relevant to their program and develop a program specific Risk Analysis within a standard risk matrix. This Risk Analysis is attached to the program's annual plan and is updated annually as part of routine business planning. For example, the *IPA Project Plan* and associated Risk Analysis for 2010–11 include sub-categories from each of the seven risk categories of the Watch List. Within these categories the Risk Analysis format requires completion of risks within each category and sub-category, the likelihood of the risk occurring, the consequence, a risk rating and some control mechanism/s.

2.17 ANAO examined the key risks identified in the IPA program *Risk Analysis* for 2010–11. Some of the key risks to the achievement of program objectives are listed at Table 2.2. Risks are rated in a standard Risk Matrix against their likelihood of occurring (Almost certain, Likely, Possible, Unlikely, Very unlikely); the consequence of them occurring (Catastrophic, Major,

Moderate, Minor, Insignificant); a risk rating (Extreme, Very high, High, Medium, Low) and any additional risk management measures required.

Table 2.2

IPA program Risk Analysis for 2010–11, selected elements

Risk	Current risk management measure	Risk Matrix	Additional risk management measures required
IPA proponents lack long-term support from Commonwealth resulting in loss of land to the NRS	<p>Develop links between IPAs and other agencies for support.</p> <p>Promote the value for money conservation outcomes of IPAs.</p> <p>Promote the broader benefits of Indigenous Protected Areas.</p>	<p>Likelihood—<i>Possible</i></p> <p>Consequence—<i>Moderate</i></p> <p>Risk Rating—<i>Medium</i></p>	Undertake a review of the IPA program to identify the benefits of the program and provide information to set a strategic direction for the next ten years.
IPA organisations unable to cope with additional workload derived from receiving additional funding and partnership arrangements.	<p>Implement funding using DEWHA [SEWPaC] single header contract which simplifies administrative arrangements.</p> <p>Establish steering committees for each project and provide close monitoring for at risk organisations.</p>	<p>Likelihood—<i>Possible</i></p> <p>Consequence—<i>Moderate</i></p> <p>Risk Rating—<i>Medium</i></p>	
Difficulty finding effective staff with Indigenous program experience.	<p>Advertise widely identifying the potential career opportunities.</p> <p>Revision of IPA Section structure and workload for expanded program.</p> <p>Implement traineeship program under DEWHA [SEWPaC] Indigenous Employment and Career development strategy.</p> <p>Potential to transfer staff from other Indigenous programs.</p>	<p>Likelihood—<i>Almost certain</i></p> <p>Consequence—<i>Moderate</i></p> <p>Risk Rating—<i>High</i></p>	Additional funds required to enable recruitment to proceed.

Source: Director of National Parks Risk Register 2010–11

2.18 The IPA program Risk Analysis for 2010–11 is effective in identifying relevant project level risks and appropriate measures to manage these risks. For example, the additional risk management measure identified to manage

the first key risk identified above of, 'IPA proponents lack long-term support' to 'undertake a review of the IPA program to identify the benefits of the program and provide information to set a strategic direction for the next ten years' has been completed. The *Indigenous Protected Areas Review* (the Review) forms part of SEWPaC's overall contribution to the mid-term review of CfoC.

2.19 The review identifies several matters relevant to the ongoing management of Indigenous protected areas, including funding security for IPA projects declared in perpetuity as protected areas but managed through the allocation of multi-year grants; additional funding to support the increased number of consultation projects approaching declaration; and funds for the further expansion of the IPA program through engagement with Indigenous landowners. The review also notes that further expansion of the IPA program is anticipated, and expressions of interest have been recorded from several communities that cannot currently access the program as funds are fully committed to 2013. While the review provides a summary of suggestions for 'future directions', no recommendations are made, or plans proposed, to support the ongoing funding of IPA projects. In this respect, it is difficult to assess whether the additional risk treatment has been effective in reducing risk, and SEWPaC's risk approach would benefit from greater analysis of residual risk remaining after risk treatments have been applied.

2.20 The ongoing expansion of the program has resulted in a commensurate increase in project administration for communities and program administration for SEWPaC staff. One of the risks identified in the IPA program Risk Analysis 2010–2011 is the 'difficulty in finding effective staff with Indigenous program experience'. The difficulty in recruiting staff to the Australian Public Service (APS) with experience in the management and delivery of programs for Indigenous Australians has been acknowledged by the APS over time, and most recently in the publication from the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), *Engaging Today, Building Tomorrow—A framework for Engaging with Aboriginal and Torres Strait Islander Australians*.²⁷

2.21 The Risk Analysis identifies the requirement for additional funds to enable the recruitment of staff with Indigenous program experience. As at

²⁷ Department of Families, Housing, Community Services and Indigenous Affairs. 2011.

June 2011 no additional allocation of funds had been made to increase SEWPaC staff numbers, and SEWPaC needs to consider alternative approaches to meeting this risk. In addition to the recruitment strategy to identify and employ new staff, ANAO considers the inclusion of training and mentoring programs for existing SEWPaC employees would be valuable. Such a strategy would take advantage of existing departmental expertise, such as that of Parks Australia, to build future capability to deliver assistance to Indigenous communities, particularly those in remote and very remote locations.

2.22 Overall, SEWPaC has identified relevant risks to the ongoing delivery of the IPA program. While moves to address these risks have commenced with the completion of the IPA program review, and commencement of the transitioning of grants management from the AGLC to Parks Australia, the formulation of a cohesive strategic plan to provide future direction for the program would be timely to build on the work of the IPA program review and to address the strategic risk to the program.

IPA program alignment with national environmental objectives

2.23 The Australian Government's aim in supporting the NRS is to secure the long-term protection of Australia's bioregions and the plants and animals they support through the development of an NRS that is comprehensive, adequate and representative. Given the importance of the IPA program to the achievement of these broader national goals, the ANAO considered the extent to which SEWPaC has aligned the IPA program to contribute to the expansion and sustainability of the NRS, and subsequently to the broader CfoC initiative.

Criteria for inclusion of land in the National Reserve System

2.24 The NRS is underpinned by a nationally applied scientific framework to ensure that Australia systematically and progressively extends protection to all bioregions nationally. To maintain the integrity of the NRS, it is reasonable to expect that decisions about the inclusion of particular areas of land as Indigenous protected areas are made against a consistent framework, and are based on the broader required attributes of the NRS and the IUCN categories that shape the NRS.

2.25 Accordingly, all land contributed to the NRS through the declaration of land as an Indigenous protected area must:

- be dedicated for the primary purpose of protection and maintenance of biological diversity;
- be managed by legal or other effective means;
- be able to be classified into one or more of the six IUCN Protected Area Management Categories; and
- contribute to the comprehensiveness, representativeness and adequacy of the NRS.

2.26 Prioritisation of land for inclusion in the NRS is assessed relative to the land values of the particular bioregion/s in which it is located. The Interim Biogeographic Regionalisation of Australia (IBRA) is used by the Australian and state and territory governments to identify and assess the status of each bioregion nationally. The IBRA divides the Australian land mass into 85 bioregions, each being a large, geographically distinct area of similar climate, geology, landform, vegetation and animal communities. The assessment of IBRA regions as comprehensive, adequate and representative provides consistency in the identification and prioritisation of land for inclusion in the NRS, and SEWPaC has incorporated an IBRA assessment as one of the decision-making criteria in the IPA program.

International standards for the management of protected areas

2.27 Within the NRS, consistency with international standards is achieved by the classification of protected areas into one or more of the six IUCN Protected Area Management Categories. The application of these categories creates a common understanding of protected areas, both within and between countries and also describes the way in which each category should be managed.

2.28 Within the IUCN categories, a protected area may range from highly protected, where access is restricted, through to parks, where the emphasis is on conservation but visitors are welcome, to much less restrictive approaches where conservation is integrated into a traditional human lifestyle or takes place alongside limited sustainable resource use. In some areas food collecting, hunting or extraction of natural resources is an accepted, and even a necessary, part of the management approach. The full list of definitions for each category is at Appendix 4.

2.29 Table 2.3 indicates the distribution of all protected areas by IUCN category in the total NRS. The largest portion (40 per cent) of the protected area estate in Australia is categorised as National Park (IUCN Category II).

Table 2.3

Distribution of Australia's protected areas by IUCN category (2008)²⁸

IUCN Category	Number of protected areas	Proportion of total protected area (%)
Category IA	2491	22.35
Category IB	66	4.22
Category II	1000	40.48
Category III	2333	1.67
Category IV	2190	4.28
Category V	218	1.03
Category VI	1042	25.96
Total	9340	100.00

Source: < <http://www.environment.gov.au/parks/nrs/science/locations.html> > [accessed on 10 August 2011]

²⁸ Table 2.3 contains 2008 CAPAD data. SEWPaC anticipates CAPAD 2010 data will be published in November 2011.

2.30 Over 70 per cent of all NRS protected areas fall into IUCN categories I to IV, with the remainder in categories V and VI which allow for multiple use of the land. All IUCN categories provide for the involvement of Indigenous people in their management, however categories V and VI represent the majority of declared IPA projects. Table 2.4 shows the distribution by primary IUCN category of the 44 declared IPA projects as at June 2011.

Table 2.4

IUCN protected area management categories of declared IPA projects (2011)

IUCN Category	Number
Category IA	0
Category IB	0
Category II	2
Category III	0
Category IV	2
Category V	12
Category VI	18
Multiple Categories – ranging from II through to VI	10

Source: Department of Sustainability, Environment, Water, Population and Communities ERIN document.²⁹

²⁹ ERIN is the Environmental Resources Information Network unit of SEWPaC specialising in online data and information management, and spatial data integration and analysis. ERIN aims to improve environmental outcomes by developing and managing a comprehensive, accurate and accessible information base for environmental decisions.

2.31 The categories generally applied to Indigenous protected areas are IV, V and VI. These are defined in Table 2.5.

Table 2.5

Definitions of IUCN Protected Area Management Categories of declared IPA projects

IUCN Protected Area Management Category	Definition
IV Habitat/Species Management Area	Category IV protected areas aim to protect particular species or habitats and management reflects this priority. Many Category IV protected areas will need regular, active interventions to address the requirements of particular species or to maintain habitats, but this is not a requirement of the category.
V Protected Landscape/Seascape	Category V is a protected area where the interaction of people and nature over time has produced an area of distinct character with significant ecological, biological, cultural and scenic value: and where safeguarding the integrity of this interaction is vital to protecting and sustaining the area and its associated nature conservation and other values.
VI Protected area with sustainable use of natural resources	Category VI protected areas conserve ecosystems and habitats together with associated cultural values and traditional natural resource management systems. They are generally large, with most of the area in a natural condition, where a proportion is under sustainable natural resource management and where low-level non-industrial use of natural resources compatible with nature conservation is seen as one of the main aims of the area.

Source: <http://www.iucn.org/about/work/programmes/pa/pa_products/wcpa_categories> [accessed 08 June 2011].

2.32 Category IV is managed primarily for its flora and fauna values. The category also allows for sustainable use of the land with targeted management intervention practices, such as vegetation clearance or prescribed burning. Categories V and VI also allow for sustainable use of the land but do not allow management intervention practices to alter the landscape.

Assessment of potential Indigenous land contributions to the NRS

2.33 Consistent with the international Convention of Biological Diversity (1993), the national environmental priorities of CfoC, and within the priorities and standards of the NRS, the IPA program operates to establish Indigenous land ownership and management as an effective contributor to national and international conservation targets. As noted in Chapter 1, the alignment of the IPA program with the broader national priorities of CfoC, and the assessment and categorisation of Indigenous owned land consistent with these standards,

positions the program effectively to deliver the targets that contribute to the Australian Government's national environmental objectives.

2.34 To achieve these outcomes, SEWPaC has aligned the assessment criteria of the IPA program with the broader goals of the NRS. Consistent with this approach all potential Indigenous land contributions under the IPA program are, in the first instance, assessed against the requirements for inclusion in the NRS as described above. Specifically this assessment identifies:

- area—whether the proposal demonstrates a potential to substantially contribute to the NRS;
- IBRA region and sub-region—the level of protection of IBRA region/s determines the priority of the proposal with the goal to protect those areas with low levels of reservation;
- contribution to Caring for our Country Targets—the number of primary and secondary targets the project contributes to, as well as how well the project contributes to the achievement of the targets; and
- assessment of the comprehensiveness, adequacy and representativeness of an area determined by an evaluation of the number of unrepresented, under-represented and nationally threatened ecosystems, nationally threatened species and places of national environmental significance.

2.35 Values are also applied relative to the condition of the property, relationship of the property to other protected areas that may increase biodiversity values; and cultural and heritage values. The application of the relevant IUCN Protected Area Management Category/ies is determined during the consultation phase of the program and committed to in the Plan of Management for the protected area. Assessment of IPA program grants is discussed in detail in Chapter 5.

2.36 The IPA program was implemented as a strategy to support Indigenous land management and to increase the size of the NRS through the contribution of Indigenous owned land as protected areas. SEWPaC's alignment of the program with the broader national initiative of CfoC, and assessment of grants consistent with national priorities and international guidelines for the establishment and management of protected areas has resulted in Indigenous landowners becoming the largest, single contributor to the NRS.

Monitoring and reporting of IPA project and program outcomes

2.37 An important element of program management is the capacity to effectively monitor progress towards outcomes. The IPA program aims to contribute to two primary and four secondary outcomes of five of the six national priorities of the CfoC initiative. The primary outcomes are the expansion of the NRS through the contribution of land as protected areas; and the use, support and reinvigoration of traditional ecological knowledge to underpin biodiversity by recording this knowledge in Plans of Management. The four secondary outcomes are reducing the impact of invasive animal and weed species, and the expansion of traditional fire management regimes through the completion of land management activities.

2.38 To ensure consistency in reporting, all six national CfoC priorities and each priority program, including the IPA program, utilise the same *Monitoring, Evaluation, Reporting and Improvement (MERI) strategy*. The MERI strategy, as described on the SEWPaC website, 'facilitates evaluation of impacts and achievements and learning and improvement – for the [Caring for our Country] initiative and its component parts'.³⁰

2.39 All IPA grant recipients use the MERI strategy to report on the conduct of activities to achieve the targets and outcomes of the national priorities to which they contribute and to acquit their grants. The application of this strategy is supported by a toolkit that provides resources to aid project management, such as a MERI plan template, guidelines for the development of a MERI plan, examples of project MERI plans, and Frequently Asked Questions. All these resources are available online for grant recipients.

2.40 SEWPaC advises that all IPA project plans and reports are reviewed annually by the AGLC to ensure that effective reporting of outcomes against grants allocated is evident. IPA project reports examined by the ANAO clearly described project outputs, an account of work progressed, and notes substantiating any variation to outcomes prescribed, consistent with MERI requirements.

³⁰ <<http://www.nrm.gov.au/me/meri-toolkit.html>> [accessed 27 May 2011].

2.41 Under the IPA MERI Plan 2009–10 to 2012–13, SEWPaC reports on the use of traditional ecological knowledge in approved Plans of Management through the collation of data from IPA biannual reports, and IPA land contribution captured and reported in the Collaborative Australian Protected Area Database³¹ (CAPAD). Generally CAPAD is updated and published every two years. At August 2011, CAPAD 2008 was the most current available data. SEWPaC anticipates that CAPAD 2010 will be released in November 2011 and will provide data on all protected areas to July 2010.

Environmental impact of work conducted on IPA projects

2.42 The contribution IPA projects make to the secondary CfoC outcomes via the completion of environmental work on IPA projects, as prescribed by individual Plans of Management, is not reported against priority targets. While the work to control weeds or feral animals or to conduct controlled burning is reported as outputs for individual IPA contract acquittal purposes, SEWPaC does not collate this information for reporting purposes under the relevant national CfoC priorities. Accordingly, while SEWPaC can quantify outputs such as land contributed to the NRS, albeit with a considerable time lag, and numbers of Plans of Management incorporating traditional ecological knowledge, there is currently limited empirical data to effectively evaluate the contribution made by IPA projects to environmental outcomes through the implementation of Plans of Management.

2.43 In 2009, to address this limitation, SEWPaC introduced Cybertracker—a computer linked data gathering system, with the goal of helping IPA project communities more accurately report against their Plans of Management. Through the collection and collation of this data nationally, SEWPaC anticipates an increasing capacity to report on the effectiveness of land management activities of IPA projects within the NRS. Cybertracker is a global positioning system unit linked to a touch screen notepad computer. The system provides Indigenous communities with the capacity to record a variety of conservation activities, including recording tracks and sightings of threatened species, the prevalence and control of weeds of national significance and controlled burning measures.

³¹ CAPAD is an internet based system that provides a national data source for reporting the national status of protected areas.

2.44 The Cybertracker project was structured to be delivered across Australia covering all IPA and Working on Country (WoC) projects.³² Agreements are in place with SEWPaC's Environmental Research and Information Branch (ERIN) for the south-eastern region, the Central Land Council (CLC) for the Central Desert region, and the Northern Australian Indigenous Land and Sea Management Alliance (NAILSMA) for the northern terrestrial region. SEWPaC advised that the projects are progressively implementing training and providing support to a selection of pilot projects, working through Intellectual Property issues, identifying simple agreed data sets, and then establishing common data collection sequences and procedures to allow for aggregating and reporting at regional and national levels. Funding of \$1.7 million has been provided from the CfoC funds for Cybertracker implementation.

Socio-economic impact of IPA activities on the community

2.45 While the impact of the IPA program has explicitly focused on contributions to environmental outcomes, SEWPaC recognises that other social and economic benefits can accrue to Indigenous communities through its operation. Since the commencement of the IPA program in 1997, SEWPaC has gathered information on the socio-economic outcomes of engagement with the IPA program. Initially, information was collated from individual IPA annual reports in response to broad, self report questions. This data was used in the 2006 evaluation of the IPA program³³ to attribute positive social and cultural outcomes to engagement in IPA project activities, including increased economic participation, improved early school engagement, a reduction in substance abuse and improvements in family relationships and family and community structures.

2.46 Social and economic community benefits are difficult to effectively assess and report, although understanding these outcomes will become more important to SEWPaC as it seeks to align IPA project outcomes to the broader Australian Government goals to close the gap in Indigenous disadvantage. In 2010, SEWPaC revised the IPA MERI plan to identify and seek feedback on

³² Working on Country (WoC) is an aligned CfoC program. <<http://www.environment.gov.au/indigenous/workingoncountry/index.html>>[accessed 11 May 2011].

³³ Gilligan, B. (2006). *The Indigenous Protected Areas Program—2006 Evaluation*, Department of Environment and Heritage, Canberra.

IPA program activities that contribute to the Closing the Gap initiative. To achieve this, Part B of the biannual IPA grant reporting document, *Cultural, Social and Economic Benefits*, seeks information on the number of community members employed, the training completed and future training scheduled, as well as community engagement with the broader community and businesses.

2.47 While it is important to collect this information, on its own it is unlikely to provide a full reflection of the IPA program contribution to the identified Closing the Gap targets, with the possible exception of employment information. SEWPaC has advised that work to further refine the collection and analysis of the socio-economic benefits of engagement with the IPA program is ongoing.

Conclusion

2.48 SEWPaC has aligned its activities under the IPA program with the broader objectives of the Australian Government in relation to the NRS. To achieve the goal of a comprehensive, adequate and representative NRS, all IPA program grant applications are prioritised against the strategic framework of the Interim Biogeographic Regionalisation of Australia (IBRA). The IBRA identifies 85 distinct bioregions nationally, with each bioregion being a large, geographically distinct area of similar climate, geology, landform, vegetation and animal communities. To ensure that Australia progressively extends protection to examples of all Australian bioregions, all IPA projects, in the first instance must demonstrate their contribution to the values of the NRS through an assessment of the IBRA bioregion/s in which it is located.

2.49 International consistency and compliance in the management of protected areas is facilitated through a Plan of Management that identifies one or more of the six IUCN Protected Area Management Categories under which the area is declared. The application of the IUCN Protected Area Management Categories creates a common understanding of protected areas, and the way in which areas in each category are managed, within Australia and internationally. SEWPaC's management of the IPA program has, to date, facilitated the expansion of the NRS through the IPA program, consistent with national criteria and international management standards, and has positioned the department to meet the outcomes set by government for the program for the period to 2013.

2.50 SEWPaC's monitoring and reporting against targets for the IPA program has focussed on the two primary outcomes of CfoC. However,

through the progressive implementation of Cybertracker, a computer linked data gathering system, SEWPaC anticipates an increased capacity to report on the environmental impact of land management activities of IPA projects. In addition, SEWPaC has commenced work to gather evidence attributing socio-economic benefits to Indigenous communities engaged in land management activities on their country. The development of data collection strategies to formally capture this information will assist SEWPaC to make stronger linkages between the IPA program and contributions to the broader Australian Government initiative to close the gap on Indigenous disadvantage.

2.51 The rapid expansion of the IPA program made possible by the increased funding under CfoC has resulted in significant growth in the number of declared Indigenous protected areas, as well as consultation projects that are likely to progress to declaration. Indigenous protected areas are declared in perpetuity and the maintenance costs to preserve Australia's biodiversity under the NRS are an important financial consideration. IPA program grants facilitate the maintenance of Indigenous protected areas consistent with national and international criteria. Without access to ongoing funding there is a strong risk that the management of these areas may not meet the criteria to maintain inclusion in the NRS. This emphasises the importance of the department working with IPA project communities, and providing advice to government on the development of strategies that support the maintenance of Indigenous protected areas.

3. Program Performance and Emerging Trends

This chapter examines the contribution Indigenous protected areas have made to the expansion and effective management of the NRS under the Caring for our Country initiative. It also examines the reliance of declared projects on IPA program grants for land management activities, and the reducing capacity of the IPA Program to fund the established rate of growth in both program phases.

Overview

3.1 To effectively measure the performance of a program, clear statements of the desired outcomes that describe the factors of success are important. In order, however, to make an informed judgement about performance, it is also important that program managers establish accurate baselines early in the program and develop performance indicators that are simple, measurable and reflect progress towards goals. A further aspect of good performance measurement approaches is the ability to draw on performance information to identify trends and make projections about future performance issues.

IPA program performance framework

3.2 The IPA program sits within the broader CfoC initiative and, at the highest level, the program aims to contribute to the achievement of SEWPaC Outcome 1. This is the conservation and protection of Australia's terrestrial and marine biodiversity and ecosystems through supporting research, developing information, supporting natural resource management, and establishing and managing Commonwealth protected areas.³⁴

3.3 Outcome 1 is supported through two programs, one of which is the CfoC initiative. Through CfoC, the Australian Government aims to promote an environment that is healthy, better protected, well managed, resilient and provides essential ecosystem services in a changing climate. Within the six national priority areas, there is a focus on achieving the following strategic outcomes:

³⁴ Department of Sustainability, Environment, Water, Population and Communities, *Portfolio Budget Statement 2011–12*, p.30.

- to expand and better manage Australia's National Reserve System (NRS);
- to protect effectively Australia's biodiversity and natural icons;
- to better manage and protect coastal environments and critical aquatic habitats;
- to encourage and foster sustainable land management practices in Australia's landscapes and support the long-term viability and health of our natural resources;
- to provide a customised approach to sustainable natural resource use and environmental protection in northern and remote Australia; and
- to strategically support and promote the activities of regional bodies, landholders and environmental, community, industry and Indigenous groups in working towards a healthier environment and the sustainable use of natural resources.

IPA contribution to the NRS under the CfoC initiative

3.4 Performance targets for the IPA program show a clear alignment and linkage to these strategic outcomes, in particular the growth of the NRS. The primary targets that have been set under CfoC for the IPA program are to facilitate the expansion of the NRS by 25 million hectares of which Indigenous protected areas will contribute between eight and 16 million hectares. On an annual basis, targets are for the NRS to grow by at least five million hectares a year, inclusive of IPA growth. Within the annual growth target of five million hectares for the NRS, the IPA program aims to contribute 40 per cent of the growth or some two million hectares. Additionally, of the eight to 16 million hectares target for the IPA program, 1.8 million hectares is to be in northern and remote Australia.³⁵ A further target is to ensure the continued use, support and reinvigoration of traditional ecological knowledge to underpin biodiversity conservation.

3.5 The first of these targets, and its related components, is clearly measurable and easily described. Furthermore, annual progress in adding land to the NRS provides a clear reflection of progress towards achieving overall

³⁵ Northern and remote Australia is identified at Figure 1, Chapter 1.

goals. The second is more subjective. However SEWPaC has pragmatically interpreted the existence of Plans of Management for protected areas as providing sufficient reflection of this outcome. In both cases, clear baselines have been established which set out the size of the NRS and the number of Plans of Management at the time of the commencement of CfoC funding in 2008.

3.6 Since 2008, the annual target of the addition of two million hectares to the NRS has been exceeded in two of the three program years:

- 330 296 hectares in 2008–09 (declaration of six IPA projects);
- 2.7 million hectares in 2009–10 (declaration of eight IPA projects); and
- 2.4 million hectares in 2010–11 (declaration of five IPA projects).

3.7 Accordingly, against the overall targeted increase of between eight and 16 million hectares in the period 2008–13 some 5.4 million hectares has been added through these declarations to June 2011. This is less than the combined annual target of six million hectares over the first three years of CfoC. However, as at June 2011 there were 47 projects in the consultation phase of the program, of which 38 have the capacity to contribute land to the NRS.³⁶ These 38 projects cover a combined area of approximately 60.6 million hectares. The historical performance of the program indicates that most IPA consultation projects move to the declaration phase, and the average time taken to achieve this is between three and four years. No declaration, or its timing, is certain, and the size of individual consultation projects and the area nominated for declaration varies widely. However, if the current pattern of movement is maintained, SEWPaC is likely to exceed the primary CfoC outcome of expanding Indigenous protected areas by between eight and 16 million hectares by 2013.

3.8 Within these targets, the target to include 1.8 million hectares in northern and remote Australia was met over two years through the contribution of:

- 320 412 hectares of the 330 296 hectares contributed in 2008–09; and

³⁶ The 47 consultation projects include the 38 projects that can add land to the NRS. Another eight consultation projects are co-management projects which do not involve Indigenous owned land and so cannot contribute land to the NRS, and one IPA consultation project that has yet to verify hectare value for inclusion in the NRS.

- 2.6 million hectares of the 2.7 million hectares contributed in 2009–10.

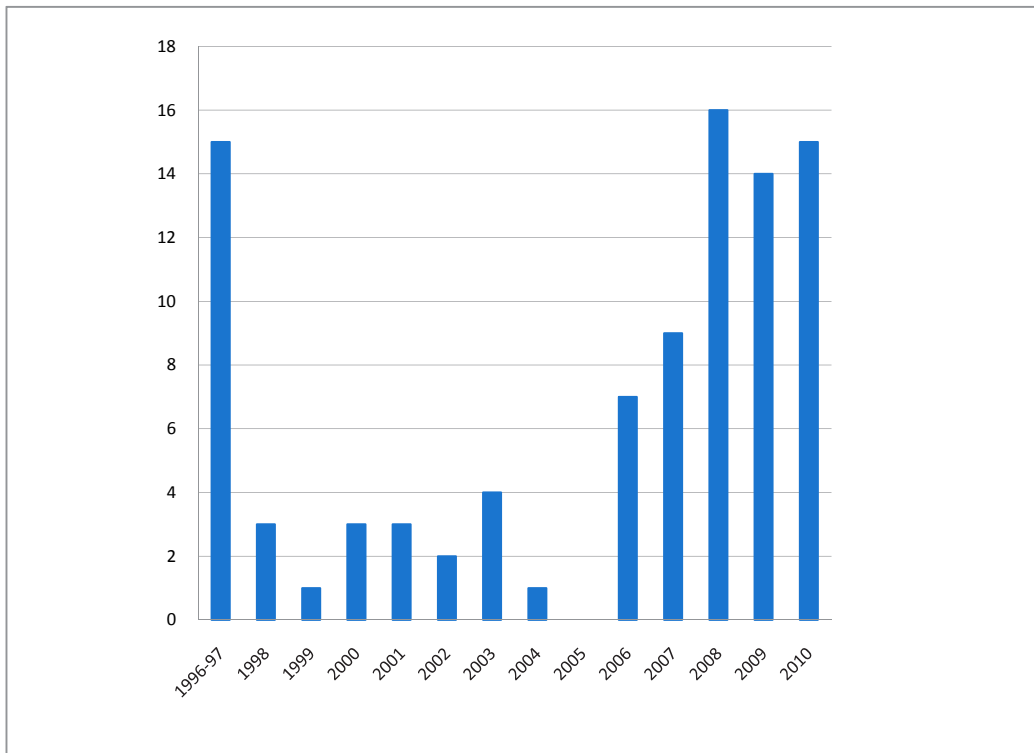
3.9 The IPA program target to include traditional ecological knowledge in the Plans of Management for 32 newly initiated IPA projects over four years is currently behind schedule, with six Plans of Management completed in 2008–09, eight completed in 2009–10, and a further five completed in 2010–11. This is a total of 19 Plans of Management in newly initiated IPA projects over three years incorporating traditional ecological knowledge against the four-year CfoC target of 32. To achieve the four-year target, the approval of an additional 13 Plans of Management in newly initiated projects is necessary prior to June 2012. SEWPaC advised that in July 2011 an additional three IPA projects had indicated their intention to declare their land as a protected area. This will bring the number of approved plans to 22.

Program performance trends

3.10 Although the program is currently slightly behind its overall annual targets, the growth in the number of groups participating at the consultation phase indicates a strong potential trajectory of growth overall. Figure 3 indicates the number of consultation phase projects commenced, by year, since the commencement of the program. Interest in the program began to increase during 2006 and 2007, but major expansion was only possible from 2008, due to the large increase in funding that occurred under CfoC.

Figure 3

Growth in the number of IPA participant groups by year since 1996–97

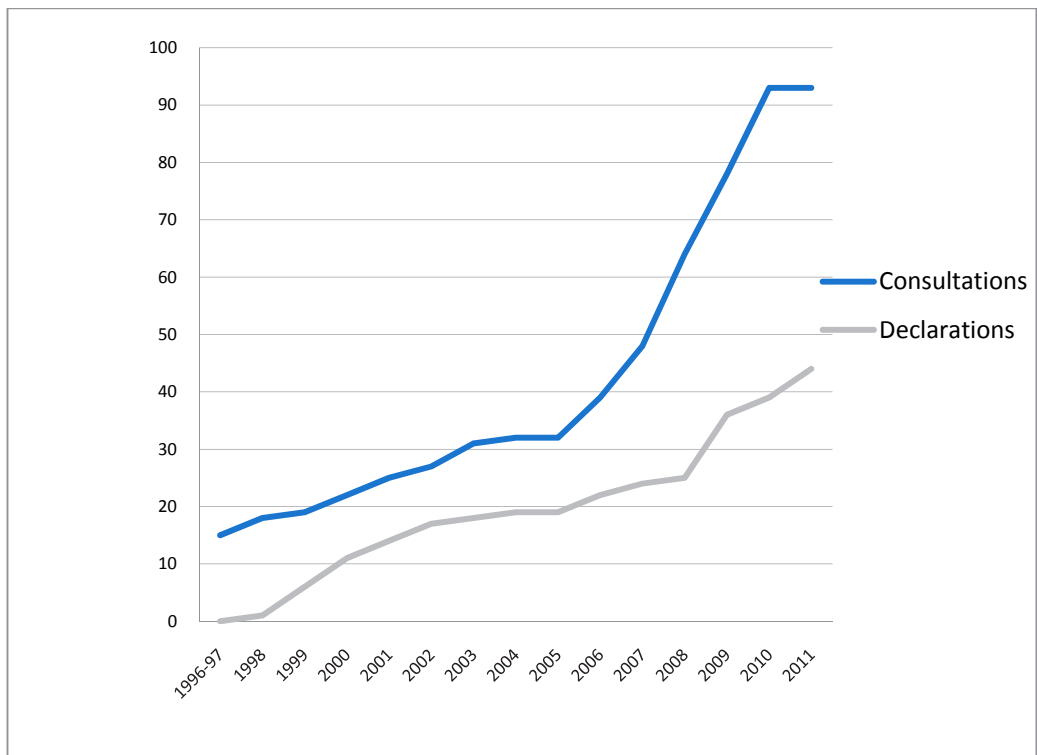


Source: ANAO analysis of SEWPac documents

3.11 Figure 4 indicates the cumulative growth in the number of consultation projects (in blue) and declared projects (in grey) each year between 1997 and 2011, from the initial intake of 15 consultation projects (two in 1996 and 13 in 1997).

Figure 4

Growth in the number of IPA participants by year since 1996–97



Source: ANAO analysis of SEWPaC documents

3.12 In the ten years from the commencement of the IPA program to 2007, the program experienced a steady increase in the number of consultation projects and a comparative number of Indigenous landowners declaring their land as a protected area. With the increased funding under the CfoC initiative, the intake of new consultation projects almost doubled from nine new consultation projects in 2007, to 16 in 2008 followed by sustained growth of 14 in 2009, and 15 in 2010.

3.13 The time taken for IPA projects to move from the consultation to the declaration phase of the program has varied over time. Of the 48 consultation projects that received IPA program grants between 1997 and 2007, 36 projects have successfully moved to declaration: 15 (31 per cent) within two years or

less; 15 (31 per cent) within three and five years; and six (13 per cent) taking longer than five years. Ten projects (21 per cent) have yet to declare, and the remaining two (four per cent) have withdrawn from the program following the consultation phase.

3.14 A further 45 consultation projects have received grants since 2008. Thirty of these projects received grants in 2008 and 2009, and have had two years to move to declaration. Of these 30 consultation projects, six have moved to declaration within two years or less. There are 24 consultation projects that are yet to move to the declaration phase. If the three to four year average pattern of movement from consultation to declaration is maintained, the ANAO projects that in, or around 2013–14, the number of declared IPA projects could increase by approximately 13. Although each project contributes a different land area, the projects that are currently in the consultation phase cover, between them, approximately 60.6 million hectares. Accordingly, the department is well placed to be able to meet its overall outcome of an expansion of between eight and 16 million hectares.

3.15 The large number of potential declaration projects indicated by the growth in consultation projects, can be considered positively in that it is likely to position the department well to achieve the outcomes of CfoC. However, it also presents challenges for the department as it indicates an increased demand for funding at the land management or declaration phase of the program. Historically, all IPA projects, whether at the consultation phase, which draws land into the NRS, or those at the declaration phase that provide land management activities, have received grants on an ongoing basis. Table 3.1 provides a breakdown of the duration of funding for declared IPA projects since the commencement of the program in 1997.

Table 3.1

IPA program grants to declared IPA projects

Duration of IPA program funding	Total number of IPA projects
Longer than 10 years	18
Between 5 and 10 years	10
5 years or less	16

Source: ANAO analysis of SEWPaC documents

3.16 A large proportion of consultation projects moving to declaration can be expected to place significant pressure on total program funding.

Consultation projects moving to the declaration phase of the program will incrementally reduce the capacity of the program to fund new consultation projects and will also limit funds available to the increasing number of declared projects, as the overall allocation for the IPA program is capped until 2013. Table 3.2 shows that of IPA program grants allocated in 2010–11, declared projects accounted for more than half of the value of these grants.

Table 3.2

IPA program grant payments for 2010–11

Phase	Annual
Consultation	\$4 426 000
Declaration	\$6 824 250
Co-managed ³⁷	\$511 000
Total	\$11 250 250
Consultation percentage	39.34
Declaration percentage	60.66

Source: ANAO analysis of current reported grant information contained on SEWPaC website

3.17 Analysis by the ANAO of IPA funding allocated for the 2009–10 and 2010–11 financial years indicates that approximately 60 per cent of annual IPA program grants are allocated to declared IPA projects for ongoing land management activities, while 40 per cent are allocated to IPA projects in the consultation phase.

3.18 The main priority for the NRS is to address bioregionally significant gaps in the NRS, and the Australian Government is working towards a national target of 10 per cent of all bioregions to be part of the NRS. The Caring for our Country Business Plan 2009–10 identifies that 60 per cent of IBRA bioregions nationally are protected at levels at or above 10 per cent. There remain however, significant areas that are unrepresented or under-represented. The capacity of the IPA program to continue to draw unrepresented and under-represented areas of land into the NRS through grants to IPA consultation projects is becoming incrementally limited. The challenge for SEWPaC will be balancing support to established IPA projects to

³⁷ Co-managed projects are included within the category of Consultation funding. Co-management arrangements operate where Indigenous communities do not have land title but have a long interest and involvement in the management of an existing protected area.

conduct environmental work on declared land, and facilitating new consultation projects towards declaration to increase the size of the NRS.

3.19 As at 2010–11, IPA program grants to 2013 were fully committed, with an allocation in the forward estimates for projects in the consultation phase that may proceed to declaration prior to 2013. SEWPaC report that approximately 10 new projects are expressing interest in the program each year, and that these projects are being systematically included into a database for future consideration pending available funding post 2013. IPA program funding levels post 2013, at the conclusion of the five year period of the CfoC (2008–13) initiative, are uncertain. If CfoC funding to the IPA program were to be maintained at the current allocation post 2013, and the number of declared IPA projects increases, as is likely, more and more of any allocated funding will be absorbed by these projects for land management activities rather than the facilitation of new projects.

3.20 This raises the need for SEWPaC to focus on how the landowners who have been supported by IPA program grants to bring their land into the NRS are supported in the ongoing management of the land after the current CfoC funding period. For the Australian Government the management of land supported by grants to declared IPA projects helps to meet national and international environmental targets. Maintenance costs to preserve Australia's biodiversity under the NRS are an important financial consideration. The 60 per cent of total IPA grants allocated to declared IPA projects in 2010–11 represents a maintenance cost of approximately 30 cents per hectare for the 23 million hectares of Indigenous protected areas.

3.21 In some instances the remoteness of many declared IPAs provides the only cost-effective option for the delivery of land management or conservation tasks. This matter was raised in the World Wildlife Fund's submission to the 2006 IPA program evaluation:

If we were to consider this issue in purely economic terms, the cost of dedicating long-term funding to an Indigenous peoples' cultural and natural resource management employment program on country would be substantially cheaper than having to buy in external expertise and fly them in to (often) remote areas to undertake the necessary fire, feral and weed

management activities needed to reduce the ongoing threats to biodiversity across the Indigenous estate.³⁸

3.22 For the participating Indigenous communities, payment for land management tasks on declared IPAs provides the opportunity to live and work on country, particularly in remote and very remote areas where opportunities for paid employment are minimal. Concurrently, the program enables the community to continue to maintain their culture through traditional community activities, some of which contribute to the effective management of their land as a protected area. Engagement with the IPA program can act as a catalyst for Indigenous landowners to attract funds from other Australian Government initiatives, state and territory conservation and heritage programs, and private, community and philanthropic groups. While some IPAs have the capacity to sponsor or subsidise their environmental activities through commercial activities, such as mining or eco-tourism, or engagement with philanthropic groups, there will remain some IPA projects for which financial backing might not be readily obtained.

3.23 Indigenous protected areas are declared in perpetuity but are currently managed on the basis of IPA program grants. The future and ongoing challenge for the IPA program is to be able to identify and fund consultation projects that progress to declaration, as well as identify strategies to support work on declared IPAs to ensure the maintenance of national and international land management standards within the NRS.

Conclusion

3.24 Against the overall targeted increase of between eight and 16 million hectares in the period 2008–2013, some 5.4 million hectares had been added to the NRS through the declaration of Indigenous land as protected areas by July 2011. This is less than the annualised target of two million hectares per year, or six million hectares over the first three years of the CfoC. However, if the 38 projects in the consultation phase of the program move to declaration within the established program timeframe, several declarations of land as protected areas are likely in 2011–12 and 2012–13, in which case it is likely that the targeted increase in the size of the NRS will be met. Within the program

³⁸ Gilligan, B. (2006). *The National Reserve System Programme 2006 Evaluation*, Department of the Environment and Heritage, Canberra, p.27.

expansion target, the target to include 1.8 million hectares in northern and remote Australia was met in 2009–10. To achieve the four-year target of the use of traditional ecological knowledge in the Plans of Management of 32 newly initiated IPA projects over four years, the approval of an additional 13 Plans of Management is necessary prior to June 2012.

3.25 Although the program is currently behind its overall targets, the growth in the number of consultation projects indicates a strong potential trajectory of growth overall. With the increased funding under the CfoC initiative, the intake of new consultation projects almost doubled from nine new projects in 2007, to 16 in 2008, followed by sustained growth of 14 in 2009 and 15 in 2010. The large number of potential declaration projects indicated by the growth in the number of consultation projects, positions the department well to achieve the outcomes of CfoC to 2013.

3.26 However, the growth in numbers at the consultation phase of the program also indicates a likely substantial demand for the funding of the land management activities at the declaration phase. Historically, all IPA projects have received grants, with some projects receiving grants for more than ten years. Progressively, the demand for funds at the land management or declaration phase of the program will reduce the number of grants available for consultation projects which have the capacity to draw land into the NRS. Of the 2010–11 IPA program grants, approximately 40 per cent were allocated to consultation projects and approximately 60 per cent to declaration projects.

3.27 The future and ongoing challenge for the IPA program is to be able to identify and fund consultation projects that progress to declaration as protected areas, as well as to identify strategies to support work on declared Indigenous protected areas to ensure the maintenance of national and international land management standards within the NRS.

Recommendation No. 1

3.28 To facilitate the continued contribution of Indigenous owned land to the National Reserve System post 2013, the ANAO recommends that SEWPaC develop options for future funding, including options that would reduce, over time, the dependence of Indigenous protected areas on Australian Government funding.

SEWPaC response

3.29 Agreed

4. Community Engagement and Support

This chapter examines the approach taken by SEWPaC to engage with Indigenous communities to facilitate access to the program and provide timely and flexible support.

Overview

4.1 Effective engagement with Indigenous communities is increasingly emphasised by governments as being central to the implementation of programs to achieve objectives. Effective engagement is not a single process or a single set of activities. The form engagement takes is shaped by the nature of the program, policy or activity being developed and implemented, the stage it is up to, and the level and type of involvement sought by government with Indigenous people.³⁹ Engagement via a shared interest, where both parties gain from the achievement of outcomes, is one strategy that policy-makers have identified as encouraging greater partnerships between governments and communities. The Australian Government's aim to achieve environmental outcomes, and the aspirations of Indigenous landowners to meet their customary responsibility to take care of their country has resulted in the development of a land management strategy that benefits both groups.

Effective engagement with Indigenous Australians

4.2 The *Commonwealth Grant Guidelines – Policies and Principles for Grants Administration* (CGGs), July 2009 promotes the key principles of robust planning, design, collaboration and partnership in grants administration. These principles are particularly relevant when administering grants for regional and remote Indigenous organisations as these organisations may experience additional challenges when engaging with APS agencies, and applying for and meeting grant assessment requirements. Key elements of these principles include:

³⁹ *Engaging Today, Building Tomorrow, A framework for engaging with Aboriginal and Torres Strait Islander Australians*, Department of Families, Housing, Community Services and Indigenous Affairs, 2011, p.22.

- encouraging a constructive and cooperative relationship between the administering agency, the grant recipient and other relevant stakeholders;
- promoting effective consultation, with a shared set of understandings and expectations; and
- being aware of the needs and interests of grant recipients—and not assuming that the same approach will suit all circumstances.⁴⁰

4.3 Effective engagement with Indigenous communities has been recognised as an important element of program delivery by successive governments. In July 2004 the Council of Australian Governments (COAG) agreed on the *National Framework of Principles for Government Service Delivery to Indigenous Australians*. Fundamental to this framework was the commitment of all governments to achieving better outcomes for Indigenous Australians by improving the delivery of services and building greater opportunities for families and individuals to become self sufficient. The key principles related to:

- sharing responsibility;
- harnessing the mainstream;
- streamlining service delivery;
- establishing transparency and accountability;
- developing a learning framework; and
- focusing on priority areas.

Central to the achievement of each of these principles was effective engagement with Indigenous people.

4.4 In November 2008, COAG endorsed the *National Indigenous Reform Agreement*, (the Agreement) committing all governments to work together to close the gap on Indigenous disadvantage. As part of the Agreement, COAG also agreed on a new set of service delivery principles for programs and services for Indigenous Australians. These principles drew upon the earlier principles agreed to by COAG in 2004 and included a specific Indigenous engagement principle:

⁴⁰ Department of Finance and Deregulation, *Commonwealth Grant Guidelines—Policies and Principles for Grants Administration*, Financial Management Guidance No. 23, July 2009, p.24.

- engagement with Indigenous men, women, children and communities should be central to the design and delivery of programs and services.

4.5 More recently, the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), the lead agency for Indigenous Affairs, published *Engaging Today, Building Tomorrow – A framework for Engaging with Aboriginal and Torres Strait Islander Australians*.⁴¹ This framework is designed to improve the way in which Australian Public Service (APS) agencies engage Indigenous Australians on policies, programs and services.

4.6 Taken together, these initiatives highlight the importance of effective engagement in program delivery and the recognition by governments of this importance. Pursuing effective engagement is not a simple task and it is important for government agencies to deliberately consider how engagement can be facilitated through the management approach of a program and its ongoing administration at a practical level.

4.7 Central to the original IPA program design was the concept of voluntary engagement by Indigenous Australians in the cooperative management of their land as a protected area. The voluntary nature of engagement with the program is enhanced by what SEWPaC refer to as a case management approach to the grants management program. This approach is characterised by a client or community-centred approach with the community as decision maker; a support strategy that recognises that the client group's needs vary and will change over time; and continuity of assistance that monitors progress and demonstrates a responsive approach to client feedback.

Engagement via a shared interest

4.8 There is good evidence from across a range of policy areas that agencies can have an increased impact on key policy outcomes by using their limited resources to 'engage and involve...other parties, rather than concentrating on traditional modes of delivering services'.⁴² The benefits of such an approach have been identified as providing not only cost-effective delivery, in contrast

⁴¹ Department of Families, Housing, Community Services and Indigenous Affairs, 2011.

⁴² Prime Minister's Strategy Unit. *Personal Responsibility and Changing Behaviour: the state of knowledge and its implications for public policy*. February 2004. p.7.

to standard service delivery approaches, but also providing what has been referred to as an ecological approach to service delivery.

4.9 An ecological approach to service delivery implies that engagement with an individual involved with a specific activity may, or will have, an impact on the behaviour of significant others around those involved into the future. Therefore, gradual changes in the social norm are made. In addition to the potential to influence social norms, the motivational aspect of effective engagement is also central to models of co-production.⁴³ Taking advantage of the shared interests of government and the community to provide community outcomes represents one model of co-production; and models of co-production 'tend to be more successful where there is an equal relationship...and where both parties stand to gain from the outcome'.⁴⁴ An ecological approach to service delivery, and a policy model of co-production where both parties gain from the outcome, are reflected in the engagement model of the IPA program design.

4.10 Indigenous people have a strong cultural relationship with the land through a concept often referred to as *country*. The IPA program seeks to engage with Indigenous people through this traditional and cultural relationship and provides a strategy that supports their customary responsibility to take care of *country* while concurrently delivering environmental outcomes for the Australian Government.

4.11 While there is a shared interest in the outcomes of the IPA program, each group brings to the program a different perspective. For example, program participants advised ANAO that they do not necessarily see their role as environmentalists. Equally, SEWPaC has generally viewed the IPA program as a cultural and conservation program rather than one aimed at addressing Indigenous disadvantage.

4.12 Models of co-production have multiple design characteristics, but central to all models is the concept of engagement and involvement of those groups who are best placed to act on or address a particular issue or deliver a particular service. The shared interests of Indigenous landowners and the

⁴³ Prime Minister's Strategy Unit. *Personal Responsibility and Changing Behaviour: the state of knowledge and its implications for public policy*. February 2004. p.7

⁴⁴ Ibid. p.25.

Australian Government begins to be formalised during the consultation phase of the program when Indigenous landowners develop a Plan of Management for their land and determine whether to declare their land as a protected area.

Support for decision-making

4.13 The IPA program consultation phase demonstrates a number of good practice characteristics identified by FaHCSIA as being important to developing engagement and trust with Indigenous people.⁴⁵ These include seeking to:

- invest in and build the capacity of communities to take a leadership role and undertake their own assessment and planning about what they want for their community; and
- invest in an Indigenous organisation's ability to engage with government by providing practical assistance and mentoring.

4.14 The consultation phase of the IPA program refers to consultation within the Indigenous landowner community rather than consultation between the community and government. Grants at this phase of the program enable communities to bring together Traditional Owners, community elders and members of clan groups to conduct meetings, often in the local language/s, for participatory planning, under community control, and using traditional decision-making processes.

4.15 Grants may be used to access specialist advice and services. For example, with support from SEWPaC, IPA participants may obtain advice from legal, anthropological, environmental and/or scientific specialists to identify customary kinship systems, contemporary land tenure arrangements under various native title and land rights, or to explain obligations of the IUCN Protected Area Management Categories. This strategy enables the community to draw together community specific information to commence preparation of a Plan of Management for their country. Funds may also be included for community members to travel to other IPA project communities to gain firsthand experience of IPA projects.

⁴⁵ *Engaging Today, Building Tomorrow, A framework for engaging with Aboriginal and Torres Strait Islander Australians*, Department of Families, Housing, Community Services and Indigenous Affairs, 2011, p.22.

4.16 Additionally, SEWPaC may allocate funds during the consultation phase to implement conservation work identified in a draft Plan of Management, however this is at the department's discretion.⁴⁶ Funding practical conservation work at the consultation phase serves to promote active community engagement and demonstrate possible activities and benefits, rather than conducting planning in the abstract.

4.17 For many Indigenous individuals, limited fluency in English often excludes them from formal government processes and decision-making, and distance between community clan groups and limited access to transport can mitigate against active community decision-making. One submission to the *Many Ways Forward—Report on the inquiry into capacity building and service delivery in Indigenous communities*, June 2004⁴⁷, noted that approaches to building capacity in Indigenous communities were inadequate unless people were able to:

- accept responsibility;
- have authority;
- have access to and control of resources; and
- have the knowledge and skills to perform tasks and meet obligations.

4.18 SEWPaC seeks to formally recognise the legitimacy of Indigenous community decision-making by providing grants for community meetings and access to specialist services that support this. Additionally, by not applying a fixed schedule to the consultation phase, SEWPaC acknowledges that community decision-making takes time and that key decision points will vary between communities. Grants and practical assistance at this phase of the program have resulted in the majority of consultation projects moving to declaration and further, the strategy is likely to have enhanced the reputation of the program and contributed to positive referrals to other communities and promoted program growth.

⁴⁶ <<http://www.environment.gov.au/indigenous/ipa/establishment.html>> [accessed on 24 February 2011].

⁴⁷ House of Representatives, *Many Ways Forward, Report of the inquiry into capacity building and service delivery in Indigenous communities*, Canberra, June 2004, p.16.

Program promotion and engagement

4.19 The CGGs recommend that agencies should choose methods that will promote open, transparent and equitable access to grants, and that careful consideration should be given to the appropriate and effective promotion strategies to ensure awareness in target groups.⁴⁸ Rather than a public grants promotion strategy, the IPA program has relied on formal and informal recommendations from Indigenous people or environmental groups. From the commencement of the IPA program in 1997, with an initial intake of 15 projects drawn mainly from Indigenous representative groups involved in assessing the concept of the program, referrals and endorsement have come from Indigenous and conservation networks. The networks included the Indigenous Protected Areas Advisory Group (IPAAG) and later the IPA sub-committee of the Indigenous Advisory Committee (IAC); Indigenous Land Management Facilitators (ILMFs); conservation groups and established IPA communities.⁴⁹

4.20 The objective of increasing the area of land declared and managed as protected areas under the National Reserve System (NRS) provided an opportunity for a flexible demand-driven program, in which applications could be assessed against NRS and IUCN criteria throughout the year, if appropriate. Within this structure, grant applications were usually assessed around May each year, with a review by the IPA sub-committee of the IAC in June. Recommendations for funding were forwarded by the Director of National Parks to the Minister for the Environment, Water, Heritage and the Arts as delegate, for consideration in June or early July each year.

4.21 The premise of self-referral, based on the recommendation of Indigenous peers, and the timely and responsive grants management approach, developed Indigenous engagement with the program. Engagement with the program was followed by a steadily increasing number of consultation projects and, in turn, a comparative number of projects declaring their land as protected areas. The steady increase in both program phases

⁴⁸ Department of Finance and Deregulation, Commonwealth Grant Guidelines—Policies and Principles for Grants Administration, Finance Management Guidance No 23, July 2009, p.34.

⁴⁹ The Indigenous Land Management Facilitators work with Indigenous communities to explain Australian Government resource management policies and programs and to provide a direct conduit from communities to the IPA Program and policy makers. The network was first funded as part of the National Heritage Trust and was continued under CfoC.

enabled IPA program staff to provide timely telephone, online and onsite responses to inquiries and tailored assistance to individual projects.

The move to public program promotion in 2008

4.22 With the development of the CfoC initiative in 2008, all existing Australian Government natural resource management programs were incorporated into a single program structure and programs including the IPA program became a component of CfoC. The first year of the CfoC initiative was a transition year for the IPA program. A key administrative change was to centralise the existing business processes into the AGLC, the division of SEWPaC jointly staffed by SEWPaC and DAFF. Accordingly, all component programs were advertised under the CfoC banner and a generic CfoC grants management process was adopted. This included the adoption of a fixed schedule for grant application and assessment for the 2009–10 CfoC funding round.

4.23 At this time, Parks Australia, supported by the IPA sub-committee of the IAC, sought special consideration from the AGLC to tailor the NRS and IPA program grant application and assessment processes to make them easier for Indigenous communities to access. Approval was given to tailor the process for the NRS Program. The IPA program was required to adhere to the generic CfoC process and fixed schedule for the 2009–10 funding round.

4.24 The public promotion of grants, and the awareness among interested groups of the significantly increased program funding base, resulted in a positive response and almost doubled the number of IPA grant applications for 2009–10 CfoC funding round. SEWPaC's processing and assessment of these applications had to change to meet the newly implemented, centralised and generic CfoC grant application and assessment approach. The department advised that the new process presented difficulties for both the established IPA grant communities and new applicants, and resulted in a relatively high number of incomplete applications. Further, SEWPaC advised the ANAO that the probity rules applied under the CfoC grant process restricted the ability of IPA program staff to support applicants to provide the correct or additional information, which they had previously been able to do prior to the incorporation of the IPA program into CfoC.

4.25 To address the emerging constraints of the process, and to ensure that applicants were not disadvantaged by changes to grant management under the new initiative, Parks Australia developed an interim process. This process

facilitated the collection of the necessary information from applicants without compromising probity requirements. Under the arrangement, SEWPaC staff worked with applicant communities to gather the needed information and then absented themselves from the formal assessment process for those projects.

4.26 Minutes from the IPA sub-committee of the IAC from June 2009 record a positive response to correspondence sent from the IAC to the Minister for SEWPaC requesting approval to tailor the IPA program grant management process for the 2010–11 CfoC funding round. The IAC correspondence recommended a move to an IPA program specific grant management process in this round as the committee determined that the generic CfoC process was not suitable or effective for engagement with Indigenous communities. Accordingly, Parks Australia developed an IPA-specific grant application form and assessment process that was broadly consistent with the existing CfoC form and assessment protocol. The CfoC requirement for adherence to an annual funding round was not relaxed, but IPA program grant applications were now directed to an IPA specific online and/or postal address.

4.27 With the introduction of an IPA-specific grant application form, and the anticipated ongoing growth in the number of grant applications, SEWPaC introduced a new strategy to support grant applicants. Although the IPA program promotion was retained under the CfoC banner, additional tailored information was made available to potential applicants. This included but was not limited to:

- Indigenous protected areas fact sheets;
- *Caring for our Country Target Information Sheet: Increasing Indigenous Protected Areas*; and
- *Caring for our Country 2010–11 Investment Proposal: Indigenous Protected Areas* (grant application).

4.28 To assist potential participants to access the grants program SEWPaC also developed specific guidance for the completion of the grant application form. The *Instructions for preparing a Caring for our Country 2010–11 Investment Proposal: Indigenous Protected Areas* is a 15-page document that provides a step-by-step explanation of each criterion with practical examples that demonstrate how to complete each of the assessment criteria. Practical assistance is also available from SEWPaC staff, state and territory government

agencies, and partnering groups to ensure participants provide the necessary detail.

4.29 The preparation of IPA program information and IPA-specific grant materials to support IPA program participants demonstrates SEWPaC's flexibility and responsiveness to meet the CfoC grants management process, and at the same time acknowledges the importance of working with communities to facilitate access to IPA program grants.

Support to develop a Plan of Management

4.30 SEWPaC staff also support communities after the grant application process. Prior to a project moving from the consultation phase to being declared as a protected area, an approved Plan of Management needs to be in place. To be consistent with the requirements of the NRS and the *Environment Protection and Biodiversity Conservation Act (1999)* these plans need to:

- identify the governance arrangements, including the identification of decision-makers and their custodial links to land; decision-making structures, including the role of partners and others with rights, interests and/or tenure; cultural and other principles that guide decision-making; relationships, partnerships and consultation with other Indigenous groups, non-Indigenous groups, neighbours and the wider community; and conflict resolution processes; and
- demonstrate consistency and compliance with the IUCN category that best describes the aspirations of the Indigenous owners, custodians and managers and the intent of the management plan (some IPAs may have more than one IUCN category to delineate approaches to different parts of the country).

4.31 SEWPaC has not predetermined how a community should conduct their consultation; set a schedule for completion of the consultation phase; or prescribed the format for a Plan of Management. The recent publication *National Guidelines for Indigenous Protected Areas Management Plans in Australia, Fourth Draft*, March 2011 (the Guidelines), however, provides practical guidance for Indigenous communities to develop their Plan of Management. Prior to the publication of this document, guidance was provided by SEWPaC staff and specialists contracted by IPA communities utilising the *Caring for our Country, National Reserve System, Plan of Management Guidelines*. This document provides guidance on IUCN categories, public consultation processes and

principles for effective land management, but it is not specific to the IPA program.

4.32 In contrast, the Guidelines describe in practical terms the information that an Indigenous community requires to make an informed decision regarding the declaration of their land as a protected area. This information will be unique to each community. For example, participant groups will need to identify who can speak for their country with regard to traditional and cultural protocols; who are the people of the *country* and what is their lore, custom and culture; and what are the needs and aspirations of the custodians of the land in question.

4.33 The Guidelines also provide practical definitions of technical standards and criteria, and provide examples from 'best practice' IPA Plans of Management. The Guidelines also clarify the use of the Plan of Management to describe the intent of the Traditional Owners and custodians to manage their land as a protected area, as unlike National Parks there is no legislation that specifies the role of IPAs. Before an area can be declared, the Plan of Management must be supported by the community and endorsed by Traditional Owners.

4.34 The steps necessary to develop and gain community approval for a Plan of Management, as outlined above, take time, commitment and financial resources. The IPA program provides the opportunity for Indigenous communities to design their own process, and the financial resources to engage expertise as the community determines necessary. The allocation of grants and the practical assistance provided by SEWPaC staff serves to support the community to determine their own strategy at a pace commensurate with community capacity.

Multi-year IPA program grants

4.35 Financial security that promotes forward planning to achieve longer term outcomes is an important consideration in the administration of program grants. Multi-year grants for declared IPA projects were a feature of the program prior to the commencement of CfoC and are provided on the basis of three to five-year forward estimates, with actual spending reviewed annually against project achievements. As funding has not been agreed for the program beyond 2013, biennial funding for new consultation projects commenced in 2009–10. If further funds are required for a community to complete the

consultation phase, applications are assessed annually, and grants are allocated for twelve months only.

4.36 The IPA program participants interviewed for the audit described the benefits of multi-year funding in a number of ways, but central to their comments was the capacity to develop a forward plan for the IPA project; confidence to engage project partners; and in some instances to provide ongoing contract employment to individuals to administer the project.

4.37 One participant described the benefits of multi-year funding to his declared IPA project in this way:

In many remote and very remote areas of Australia skilled people leave to find work in regional and metropolitan centres. The ability to attract competent candidates to a project is often further compounded by a lack of employment security resulting from the allocation of annual grants. The multi-year grant allocation enabled this IPA project to provide contract employment to a skilled project manager. In turn, this manager was able to provide supervision and accredited training for an initially unskilled workforce, with this workforce successfully meeting training requirements and progressing to manage and train others.

4.38 Annual funding is often considered as a payment strategy that can minimise the risk of fraud and non-performance of agreed outcomes.⁵⁰ However, using annual funding arrangements for ongoing or multi-year programs can increase the administrative burden of agencies and grant recipients. Where multi-year funding strategies are appropriate to the nature of the grant activity, agencies can adopt a range of measures that promote flexibility and also retain appropriate safeguards.

4.39 SEWPaC has facilitated greater predictability of funding to IPA projects, and sought to manage risk, by making interim payments to participants at three or six-monthly intervals on receipt of a progress or annual report. SEWPaC has also paid grants to a sponsoring body, such as a local land council, as an interim arrangement if the community do not wish to, or do not believe they have the skills to, administer the funds appropriately. To further ensure that IPA projects are able to meet the grant acquittal process, all applications are supplemented to meet external auditing costs.

⁵⁰ ANAO Better Practice Guide—*Implementing Better Grants Administration*, June 2010.

4.40 SEWPaC staff report that multi-year funding reduces red tape by enabling team members to revise an IPA project's scope of works and budget, if required, and have these revisions agreed by the AGLC delegate. If annual grants for consultation or declaration projects had been retained, approvals from the Minister for Sustainability, Environment, Water, Population and Communities would have been required and would have taken additional time to process. Additionally, as previously discussed, SEWPaC has commenced the transition of IPA program governance to Parks Australia. This will further streamline the administration of IPA program grants.

Building a network of IPA projects

4.41 In addition to providing ongoing support for individual IPA projects, SEWPaC funds and hosts the annual IPA Managers' Meeting, provides sponsorship for other Indigenous-specific or environmental conferences where IPA projects are represented, and delivers in-service for IPA project groups.

4.42 Funding for a representative from each IPA community to attend the annual IPA Managers' Meeting is added to each IPA grant, at each program phase. The IPA Managers' Meeting facilitates an exchange between established IPA participants, land management specialists and SEWPaC. Representatives from Indigenous groups who have expressed an interest in joining the IPA program might also be invited to attend, to meet and build networks with established IPA participants, government agencies and environmental and philanthropic groups.

4.43 The IPA Managers' Meeting has, over time, operated as an introduction to the program for interested Indigenous landowners and has facilitated the development of the IPA Managers network. Presentations and discussion at the meetings have also provided useful feedback to the department about the operation of the program or any additional support required. In this manner, SEWPaC has attempted to foster responsiveness from those participants most capable of taking action on environmental matters at a local level, and to provide a strategy for this network of practitioners to provide feedback to influence departmental procedures and practices.

Conclusion

4.44 The term *country* is often used by Indigenous Australians to describe family origins and associations with particular areas of Australia. The IPA Program engages with Indigenous Australians through this strong traditional and cultural relationship with the land, and provides a strategy that supports

their customary responsibility to take care of *country* while delivering land management services for the Australian Government. Taking advantage of this shared interest represents one policy model of co-production. Models of co-production have multiple design characteristics, but central to all models is the engagement and involvement of those community groups who are best placed to act on or address a particular issue or deliver a particular service. Importantly, models of co-production ‘tend to be more successful where there is an equal relationship...and where both parties stand to gain from the outcome’.⁵¹ This approach to engagement is reflected in the original design and access approach of the IPA program.

4.45 Since the establishment of the IPA program, Indigenous landowners have become the single, largest contributor of land to the NRS. The contribution of this land is, in part, a result of SEWPaC’s capacity to effectively engage with Indigenous landowners to support their customary responsibility to care for their *country* consistent with national and international guidelines. SEWPaC’s initial engagement strategy of referral and endorsement by Indigenous and/or environmental advocates engendered interest and facilitated access to the program by interested landowners. The public promotion of the program and increased funding under CfoC capitalised on the growing interest in the program and resulted in an almost doubling of IPA projects, most of which have the capacity to add land to the NRS.

4.46 SEWPaC’s engagement with Indigenous landowners is supported by a flexible approach to program management, and supports IPA project communities to build capacity by identifying and facilitating access to professional networks, resources and training. In addition to ongoing assistance to individual project communities and sponsorship of a number of environmental conferences at which IPA project communities attend and make presentations, SEWPaC funds and hosts the annual IPA Managers’ Meeting. These strategies have developed a cohort of IPA project peers, and established awareness of IPA project communities and their role within the broader environmental network.

4.47 Effective engagement with the Indigenous community is, in part, reliant on government agencies having access to and acting on guidance from

⁵¹ Prime Minister’s Strategy Unit. *Personal Responsibility and Changing Behaviour: the state of knowledge and its implications for public policy*. February 2004. p.25.

specialist advisors. SEWPaC has ensured that the IPA sub-committee of the Indigenous Advisory Committee (IAC) has an active advisory role in guiding the development of the program, and providing specialist input to the assessment of program grants. This has enabled the committee to work effectively with the department and intervene as necessary to ensure program engagement, access and management strategies remain appropriate for Indigenous communities.

5. IPA Program Grants Management

This chapter considers SEWPaC's management of IPA program grants and the measures taken to ensure the effective assessment, management and monitoring of grants to achieve program targets.

Overview

5.1 The main objective of grants administration is to establish the means to effectively and ethically administer Australian Government funding to approved recipients in accordance with government policy outcomes.⁵² The Australian Government has introduced a number of grants-specific processes, and decision-making and reporting requirements that apply to agencies and Ministers. These are published in the *Commonwealth Grant Guidelines – Policies and Principles for Grants Administration (2009)* (CGGs).

5.2 The Guidelines also promote seven key principles for grants administration. These are robust planning and design; an outcomes orientation; proportionality; collaboration and partnership; governance and accountability; probity and transparency; and achieving value with public money. Some of these principles and their application to the administration of IPA program grants have been discussed in Chapter 2 Program Management, and Chapter 4 Community Engagement and Support. In this chapter, the assessment and allocation, management and monitoring, and distribution of IPA program grants are discussed.

The assessment and allocation of IPA program grants

5.3 As discussed in Chapter 1, the Caring for our Country (CfoC) initiative brought together all of the Australian Government's natural resource management programs and established administrative arrangements within the jointly staffed AGLC Division within SEWPaC. To provide one source of consolidated grants information and to ensure that key controls were working effectively, AGLC introduced an integrated grants promotion process with an

⁵² Department of Finance and Deregulation, *Commonwealth Grant Guidelines—Policies and Principles for Grants Administration*, July 2009, Point 2:1

annual fixed schedule; a competitive funding round; a generic, online grant application form; and a standardised assessment process.

5.4 As part of the new grants management strategy, grant applications were sought under the six CfoC priorities. All CfoC grant applications were centrally received online and forwarded to the relevant program areas for assessment, using the single CfoC assessment tool. Concurrently, a new data management system—CLARITY—was introduced to track all CfoC expenditure, with all component programs required to use the data management system. The difficulties experienced when applying the generic processes to IPA grant applications led to the development of an IPA-specific application and assessment process within the broader CfoC grants administration, and the tailoring of IPA-specific grant documents, as described in paragraph 4.26 and 4.27. The development of these documents aimed to improve program access; provide guidance on information necessary for the effective completion of applications forms; and clarity about the grant assessment process.

IPA-specific grants assessment within CfoC

5.5 Effective assessment of grants relies on a consistent and sufficiently comprehensive approach to seeking information from grant applicants. The CCGs require that grant application forms obtain sufficient information for informed decision-making and to verify the accuracy and completeness of information that has been provided. In particular, the design of the application form should assist applicants to provide information in respect of all the selection criteria identified in the program guidelines. It is important, therefore, that there is a clear read between the program guidelines, the application form, and the assessment process.

5.6 The Instructions for preparing a *Caring for our Country 2010-11 Investment Proposal: Indigenous Protected Areas*, provide a practical explanation and example for each of the criteria on the *2010-11 Investment Proposal: Indigenous Protected Areas* (IPA grant application form). This form specifies completion of the following criteria necessary for the assessment of whether grants will meet NRS and the broader CfoC targets:

- participant details, including organisation name, ABN, entity type, contact details and referees;
- location details, including latitude and longitude, and land tenure;

- natural resource management, biodiversity and cultural information including IBRA⁵³ region, cultural values and any threats to the biodiversity of the area;
- proposal description of no more than 800 words, including project timeframes and milestones for achieving one or more CfoC targets to be met and the associated costs;
- project planning and management information, including community capacity to deliver the outcomes described, project governance and risk management processes;
- partnership and support details including partnering arrangements to support the proposal such as financial and/or in-kind support; and
- declaration of signatories to the agreement.

5.7 Consistent with these requirements and the *IPA Investment Proposal Assessment Tool*, all IPA grant applications are assessed relative to their capacity to contribute to targets for the NRS and, more broadly, the CfoC outcomes. This assessment is undertaken by a panel of SEWPaC staff, who apply a rating to five elements.

5.8 The first of these elements is **Achievement against Targets**. This assessment evaluates the contribution of the proposal to the NRS to meet the specified CfoC targets as described in the *Caring for our Country Outcomes 2008–2013* document. This assessment identifies:

- area—whether the proposal demonstrates a potential to substantially contribute to the NRS—the larger the area the increased viability of the proposal;
- IBRA region and sub-region—the level of protection of IBRA region/s determines the priority of the proposal with the goal to protect those areas with low levels of reservation;

⁵³ The Interim Bioregionalisation of Australia (IBRA) divides Australia into 85 bioregions with each bioregion representing a large, geographically distinct area of land with common characteristics such as climate, ecological features and plant and animal communities. The IBRA is the NRS's planning framework and provides the fundamental tool for identifying land for conservation.

- contribution to Caring for our Country Targets—the number of primary and secondary targets the project contributes to, as well as how well the project contributes to the achievement of the targets; and
- CAR⁵⁴ value determined by an assessment of the number of unrepresented, under-represented and nationally threatened ecosystems, nationally threatened species and places of national environmental significance, on the land. Applications that are expected to deliver more than ten per cent of a particular CAR target are given additional weighting.⁵⁵

5.9 Values are also applied relative to the condition of the property, connectivity of the property to other protected areas that may increase biodiversity values; cultural and heritage values, and community engagement. Assessment against this criterion is made by determining a rating based on the natural, cultural and heritage values of the land, and a score allocated from a possible total score of 100 points. This element of the assessment—the contribution to the NRS, is the priority consideration for the awarding of grants under the IPA program. This assessment contributes the greatest number of points to the overall score and consequent ranking of the project. The four following criteria are assessed against a possible total score of 25 points for each criterion.

5.10 The second element of the assessment is an evaluation of the technical feasibility of the proposal to achieve the stated objectives, relative to the CfoC priorities, in the documented approach. This element is referred to as **Best Available Science**. This evaluation gives consideration to community and stakeholder support for the proposal and the capacity of participants to deliver against the targets, as IPA grants are not intended to meet the full costs of project implementation.

5.11 The third element of the assessment—**Public Benefit** evaluates whether the project can deliver sustainable benefits to the broader community as well as a private benefit to the participant community. The **Value for Money**

⁵⁴ In the context of the NRS, CAR refers to the measure of comprehensiveness, adequacy and representativeness of a particular area.

⁵⁵ The Environmental Reporting Tool (ERT) is used to provide a snapshot of the values of an area in terms of its contribution to issues of significance to the Australian Government, such as migratory terrestrial species and internationally significant wetlands).

element of the assessment requires a judgement about whether the proposed budget is appropriate and realistic for the activities identified and whether the proposal leverages funds from other sources such as government, community, private sector or philanthropic groups. Finally, assessors evaluate the **Delivery Risk** by determining whether the participant has effectively detailed the project risks and mitigating strategies as well as legal and planning requirements.

5.12 Eligibility is an important consideration and during the assessment process a check is made to ensure that participants do not include activities that have been identified as ineligible for funding under the CfoC initiative. Clear guidelines regarding activities that are out of scope for IPA grants are documented for SEWPaC staff in their internal papers. Ineligible or out of scope activities for IPA proposals are:

- natural resource management by Indigenous landowners or communities that is not primarily focused on the conservation of biodiversity and associated cultural values;
- proposals that are located outside an IBRA area allocated, Very High, High or Medium priority ranking, or that would not make a significant contribution to connectedness or resilience of existing protected areas, or the conservation of unique ecosystems or species not adequately protected by existing protected areas; and
- proposals which are solely focused on Indigenous cultural heritage values.

However, if any ineligible activities are identified within a proposal this does not automatically render the entire proposal ineligible.

5.13 On completion of the assessment process an *Assessment Summary of New Project* is prepared for each application. This document provides a rating for each of the five elements, an aggregated rating and any comments. ANAO examined a sample of the assessment summary documents from 2010–11 and observed that they demonstrated a succinct description of the following assessment categories and provided a brief, but clear summary, of the merits of the project for funding as prescribed by the directions of the *IPA Investment Proposal Assessment Tool*:

- the area of the land, current IBRA representation, whether the land is large enough to achieve landscape scale conservation on its own or whether connectivity may create a continuous string of protected

areas, the contribution the project would make in size and number of under-represented IBRA regions for the NRS, and the natural, cultural and heritage values of the land and relevance to the participant community;

- project risks, including community and key stakeholder support for the project, the capacity to manage a government contract, and advice regarding any outstanding Australian Government grant acquittals;
- links with state or territory governments and possible project partners;
- the soundness of the proposed budget; and
- if an established project, an assessment of effectiveness of project management and progress against targets to date.

5.14 SEWPaC have advised that the value of a grant sought by an applicant may be the focus of further negotiation between the applicant community, SEWPaC and the IAC once all ratings have been applied and a ranking determined; and that as funding for the program is capped, the department endeavours to balance the contribution of the land to the NRS against the value of available IPA program funds.

5.15 Prior to the Australian Government recognising the declaration of a protected area, and providing grants for land management activities, confirmation in writing from an overarching Land Council or Native Title Body with appropriate statutory responsibility, is required. This is to provide assurances that the right people have been consulted, in accordance with appropriate protocols, and that they have been given the opportunity to make free, prior and informed consent to the IPA declaration.

Review of assessments by the IPA subcommittee of the IAC

5.16 The assessment by departmental staff of applications is a common approach for an agency to adopt. It is also valuable for expert or advisory panels comprising representatives from a relevant community or industry sector, other levels of government and/or the broader community to be used to provide advice and/or recommendations to the program decision-maker in respect to which applications should be funded. As noted in Chapter 2, SEWPaC has used input from the department's Indigenous Advisory Committee (IAC) in the assessment of grants since 1999.

5.17 The *Assessment Summary of New Project* sections for all IPA grant applications are reviewed by the IPA sub-committee of the IAC. Membership

of the IPA sub-committee of the IAC is based on expertise in Indigenous land management, conservation and cultural heritage management, and their role as an advisory panel is clearly defined in their Terms of Reference (2009) at Appendix 3. SEWPaC staff and sub-committee members discuss the merits of each application, review the ratings applied for each criterion of the assessment, assign an overall ranking, and record their comments and decisions.

5.18 ANAO examined the input to the grants assessment process by the IPA sub-committee of the IAC in 2009 and 2010. The minutes from each of these meetings demonstrates careful consideration of the merits of individual applications with requests from committee members for additional information to assist decision-making. Requests included: clarification of a participant's governance arrangements; provision of land maps; evaluation of the level of support from Land Trusts or other Native Title bodies; and referral of some participant applications to other departmental grant programs. All requests for information in addition to that included on the grant application form were clearly documented, consistent with the probity and transparency requirements of the CCGs.

5.19 Minutes of the meetings also confirmed that individuals had met the probity requirements by declaring a conflict of interest and adhering to the process established by the committee for this purpose. The minutes also indicate committee members ongoing input to the design of the IPA program and their influence on the design and delivery of the IPA grant strategy.

SEWPaC's management of IPA program grants

5.20 SEWPaC allocates IPA program grants at the consultation and declaration phases of the program in the following manner:

- a two-year grant for an initial community consultation phase;
- a twelve-months grant for an ongoing consultation phase; and
- a grant for three, four or five-years for declared IPA projects.⁵⁶

⁵⁶ The duration of the grant is in part determined by the number of years remaining of the Caring for our Country initiative (2008–13).

5.21 All grants are provided directly to incorporated community groups for outcomes specified in their application and approved in their grant. Third party service providers are generally not involved unless a community does not wish to administer the funds, or does not, at the time of grant allocation, have the capacity to effectively administer and report on grant funds.

5.22 IPA program grants are issued through a Head Agreement supported by a Letter of Offer. The Head Agreement provides the opportunity to combine, under one agreement, grant programs administered by SEWPaC, including all elements of Caring for our Country, Working on Country (WoC), and the Indigenous Heritage Program (IHP). The Letter of Offer identifies the SEWPaC grant and grant specific details. As many IPA projects currently access additional grants from SEWPaC, such as WoC grants, the strategy provides a simple, standardised and streamlined approach to grants management.

5.23 The IPA-specific Letter of Offer is issued with an Activity Schedule that clearly identifies the participant, defines the project objectives, the schedule for grant payments on specified milestones (including progress and annual reports), and the amount to be paid. Attached to the Activity Schedule is the Scope of Works. This document provides a full description of each activity to be completed, the expected outputs and the budget allocated.

Timeliness of grant payments

5.24 Timeliness is an important consideration in the transfer of funds from government agencies to participant communities. Time taken between the closing date for IPA program grant applications and final approval from the delegate has varied under the CfoC initiative. The CfoC 2009–10 grant applications closed on 6 March 2009 and decisions on new proposals were finalised in late June with payments transferred to recipients, either as new projects or ongoing multi-year grants, between July and November. The 2010–11 applications closed on 14 April 2010 but were not finalised prior to the announcement of the federal election on 17 July 2010. The intervening caretaker period resulted in Ministerial authorisation of grants being delayed until 3 November 2010 with payments released on 25 November 2010.

5.25 For declared IPA projects receiving multi-year grants, the delay in authorisation of grants was not problematic as the AGLC had delegation to approve the release of funds to approved multi-year grant recipients. However, ANAO notes that the delay impacted on eight potential consultation

projects and nine newly declared IPA projects. As IPA program grants to 2013 were fully committed in the 2010–11 funding round, no further grant applications have been assessed. However, SEWPaC staff have maintained a register of interested parties for notification regarding grants post 2013 if further funding is made available.

5.26 Both the successful and unsuccessful applicants for 2009–10 and 2010–11 were notified by mail within ten days of Ministerial approval. While further discussion may be required between IPA program staff and successful grant applicants to clarify the project details, a letter of offer with draft project details is forwarded through the AGLC delegate to the participant within a month. Time taken for the transfer of funds to a participant group relies on the return of the signed contract. Once a contract is returned payments are generally processed within ten working days.

Monitoring of work on IPA projects

5.27 Integral to the success of the grant funding process is an ongoing monitoring regime to ensure funding recipients are meeting agreed milestones and other key requirements of their funding agreement. Monitoring is important throughout the project cycle, from the implementation stage through ongoing management. Grant monitoring encompasses a range of techniques that can be applied by agencies in order to obtain assurance that projects are proceeding as planned and the grant funding is being appropriately applied.⁵⁷

5.28 SEWPaC's approach to monitoring individual IPA grant projects relies mainly on the acquittal and reporting arrangements contained in the grant agreements with participants. Grant acquittals provide a measure of assurance that public funds allocated to recipients have been spent on the intended purpose, and in accordance with the terms and conditions of the grant agreement. Administrative measures to acquit grants are an important management control but should be balanced against the level of risk and cost of compliance.

5.29 As described in paragraph 5.23, the Activity Schedule clearly specifies the milestones to be completed to receive progress payments. IPA reports are

⁵⁷ ANAO Better Practice Guide—*Implementing Better Grants Administration*, June 2010, p 94.

due in February and August, when a progress and annual report respectively, detailing the achievements against the agreed Scope of Works, is submitted. Payments are made on acceptance of a progress report and the audited financial statements for the previous financial year (February); or a new approved Scope of Works and budget (August). However, where requested by the participant, or to minimise risk on a new project, SEWPaC has sometimes allocated grants at three-monthly intervals and adjusted the program performance reporting accordingly.

5.30 Many Indigenous communities receive grants from multiple sources resulting in multiple contracts, funding periods and reporting requirements. To reduce the administrative complexity and help IPA project communities, SEWPaC staff pre-populate the biannual report format for each IPA project with activities prescribed in the grant recipient's Scope of Works and the associated budget. Program participants then complete the formatted report describing activities completed, community outcomes achieved, and funds expended in the following way:

- Part A: Environmental Management. Part A details the Scope of Works to be completed and the expected outputs that will be achieved. IPA participants complete Part A ranking the outputs as *achieved*, *partly achieved* or *not achieved*. Explanations of variance are recorded against these outcomes;
- Part B: Cultural, Social and Economic Outputs. Part B has been developed to quantify activities that contribute to the Closing the Gap initiative such as training scheduled and completed, project employment and engagement with the local community; and
- Part C: Financial Management (Statement of Compliance). Part C is a simple budget document recording the schedule of funds and expenditure. Any variances are noted and the form is authorised.

5.31 Many Indigenous communities face a challenge in gaining access to people with the skill sets needed to report in the prescribed manner on government grant programs. As previously discussed, SEWPaC takes what the department refers to as a case management approach to IPA program grants, with the majority of communication taking place by phone, at times by email, and whenever possible by face-to-face contact onsite. This approach has, in SEWPaC's view, led to the development of a constructive and cooperative relationship with participant groups and their partners and other state and territory agencies, and has enabled SEWPaC staff to provide practical guidance

and support to IPA project communities to meet their grant obligations by complying appropriately with their reporting requirements.

5.32 Feedback from IPA program participants to ANAO staff during fieldwork indicated that participants valued the practical support and assistance delivered via ongoing contact, but particularly from site visits from SEWPaC staff. In addition to the strategies applied to assist the IPA program communities to meet grant governance and compliance requirements, the relationships established between these communities and SEWPaC staff also facilitates the early identification of, and action to address, any potential or actual reporting and acquittal issues, usually by telephone, but if necessary onsite. Evidence of staff advice and support for IPA participants to meet reporting and acquittal processes was observed during fieldwork.

Geographical distribution of IPA program grants

5.33 The geographical distribution of grants can be seen as indicators of the general equity of access to a program, as well as its effectiveness in targeting funding in accordance with the stated policy objectives of the program.⁵⁸ The map in Figure 8 indicates the location of IPA program projects nationally. Declared IPA projects are marked in red, with consultation projects marked in green.

⁵⁸ ANAO Better Practice Guide—*Implementing Better Practice Grants Administration*, June 2010, Canberra, p. 100.

5.34 The IPA program is deliberately designed to address priority areas to improve the comprehensiveness, adequacy and representativeness of the NRS. In this respect, the program has been structured, in terms of its targets and the subsequent grant assessment process, to favour applications from Indigenous land owners whose land is in an IBRA region, or regions that have been assessed by SEWPaC as unrepresented or under-represented in the NRS. Therefore, while equity has been established as a driver for the IPA program, the deliberate targeting of geographical areas with certain characteristics is in accordance with the IPA program's stated objective to improve the comprehensiveness, adequacy and representativeness of the NRS, and is made clear in IPA program documentation, including that relating to grant application and assessment.

Conclusion

5.35 Grant programs involving Australian Government funding necessarily require procedures in place for recipients to acquit the funding received and report on the results achieved through the use of the grant funds. Government agencies can support recipients manage these requirements by ensuring that administrative processes are commensurate with the size and nature of the grant, reporting guidelines and formats are concise and clearly aligned with the activities for which the grant was allocated, and by providing assistance, as necessary, to ensure recipients are able to comply with grant requirements. This support is particularly important in the context of providing grants to community organisations in remote areas.

5.36 SEWPaC has aligned the IPA program grant application and assessment process with the broader intended objective of the CfoC initiative to increase the size of the NRS, and has also tailored the grant application process to facilitate access by Indigenous communities. Through the use of head agreements, multi year funding, and support for reporting and acquittal processes, SEWPaC has sought to minimise the administrative burden on grant recipients.

5.37 SEWPaC's approach to monitoring individual IPA grant projects relies mainly on the grant acquittal and reporting arrangements contained in the grant agreements with participants. The department's approval of multi-year grants with payments made biannually on receipt of a progress report and an annual report provides an effective risk management strategy, while limiting the administrative burden on Indigenous communities. Additionally, ongoing contact and site visits by SEWPaC staff to project communities facilitates the

early identification, and action to address, any potential or actual reporting and acquittal issues.

Appendices

Appendix 1: Agency response

The Department of Sustainability, Environment, Water, Population and Communities welcomes the ANAO audit into the Indigenous Protected Area program, and particularly notes the report's findings that the program has been very successful in bringing Indigenous land into the National Reserve System through its effective model of consultative engagement with Indigenous landowners.

The Department notes that the report highlights the need for IPAs to have access to ongoing funding to support their management as protected areas, and emphasises the importance of the Department working with IPA project communities and providing advice to government on the development of strategies that support the maintenance of Indigenous protected areas. In this context, SEWPaC supports the report's recommendation that the Department develop options for future funding including options that would reduce over time the dependence of IPAs on Australian Government funding. The Department is continuing to work with private sector partners and across governments to develop approaches and maximise opportunities to broaden the base of support for ongoing sustainable management of Indigenous protected areas.

The audit findings in relation to program grant management recognise that the Department's approval of multi-year grants with bi-annual reporting, together with a program of contact and site visits to project communities, provides an effective risk management strategy while limiting the administrative burden on grant recipients.

The report notes that while the program is currently behind in delivering on its annualised hectare targets, the growth in the number of projects supported through the increased funding under the Caring for our Country program positions the Department well to achieve outcomes for Caring for our Country to 2013.

SEWPaC notes the audit findings in relation to the potential linkages between the IPA program and contributions to the broader Australian Government initiative to close the gap on Indigenous disadvantage. The report highlights the need for the development of data collection strategies to formally capture evidence attributing socio-economic benefits to Indigenous communities engaged in land management activities on their country. The Department has commenced work to gather this evidence but recognises that ongoing work is

required to ensure that there is a strategic framework in place to make stronger linkages between the outcomes of IPA program and contributions to closing the gap on Indigenous disadvantage.

Appendix 2: Caring for our Country Secondary Targets 2008–13

Caring for our Country Five Year Outcomes	Caring for our Country Target/s
Biodiversity and Natural Icons Reducing the impacts of invasive species.	To protect the identified refuges for biodiversity in northern and remote Australia that are under threat from camels, by reducing the density of the camel populations in the surrounding areas to less than 0/1 animal per square metre over the next two years.
Biodiversity and Natural Icons Reducing the impact of invasive species.	To suppress rabbit populations over the next three years to densities that are low enough to allow regeneration and recovery of critically endangered species and communities in identified priority areas.
Biodiversity and Natural Icons Reducing the impact of invasive species.	To reduce the impact and spread of Weeds of National Significance over the next two years. Priority will be given to collaborative activities that address outliers, containment lines and strategic management of core infestations where appropriate.
Natural Resource Management in Northern and Remote Australia Expand traditional fire management regimes, across at least 200 000 square kilometres of northern Australia's savannas, to reduce the incidence of unmanaged fires, and position Indigenous land managers for entry into emerging voluntary or other emissions trading markets.	Establishing in consultation with Indigenous groups, landscape-scale fire management projects covering at least 200 000 square kilometres across the savannas in northern Australia to reduce the incidence of uncontrolled wildfires in northern and remote Australia, and their impact on grazing land, natural environments and, potentially, greenhouse gas emissions.

Source: 2010–11 IPA Assessment Tool, Department of Sustainability, Environment, Water, Population and Communities.

Appendix 3: Indigenous Advisory Committee Terms of Reference

In reference to its roles and by incorporating Indigenous people's knowledge of the management of land and heritage, conservation and sustainable use of biodiversity, the IAC will:

- 1 Work with peak Indigenous bodies, experts, communities, and other stakeholders to ensure the views of Indigenous peoples are incorporated in the implementation and development of the Act and work being undertaken by the department as it relates to environment and heritage outcomes.
- 2 Establish a working relationship with Divisions of the department to seek and provide advice and make recommendations to the Minister and the department on Indigenous issues that are relevant to achieving the objects of the EPBC Act and the role of the department.
- 3 Monitor the implementation of Bilateral Agreements within the states and territories and advise the Minister of their impact on Indigenous interests.
- 4 Provide the Minister with a communiqué following each meeting reporting on Indigenous issues under the EPBC Act and matters of interest to the department.
- 5 Respond to any issues of urgency that arise during the implementation of the EPBC Act or department that require a response from the committee.
6. Establish an Indigenous Protected Areas (IPA) Sub-Committee to:
 - Seek to reflect the views of all stakeholders—including state and territory conservation agencies, non-government organisations and Indigenous groups from across Australia—in the development of the IPA element of the Caring for our Country initiative.
 - Encourage the development of complementary processes in each state and territory.
 - Advise on the implementation of the IPA element of the Caring for our Country initiative, including broader Indigenous conservation issues.
 - Contribute to the monitoring and evaluation of the IPA initiative.
 - Seek to identify and promote national best-practice examples of Indigenous-owned and managed protected areas, and cooperative

management of protected areas by Indigenous groups and government agencies.

- Recommend options for the development of IPAs
- Review IPA guidelines.

Appendix 4: International Union for the Conservation of Nature Protected Area Management Categories

IUCN Category	Definition
IA Strict Nature Reserve	Category IA are strictly protected areas set aside to protect biodiversity and also possibly geological/geomorphical features, where human visitation, use and impacts are strictly controlled and limited to ensure protection of the conservation values.
IB Wilderness Area	Category IB protected areas are usually large unmodified or slightly modified areas, retaining their natural character and influence without permanent or significant human habitation, which are protected and managed so as to preserve their natural condition.
II National Park	Category II protected areas are large natural or near natural areas set aside to protect large-scale ecological processes, along with the complement of species and ecosystems characteristic of the area, which also provide a foundation for environmentally and culturally compatible, spiritual, scientific, educational, recreational and visitor opportunities.
III Natural Monument or Feature	Category III protected areas are areas set aside to protect a specific natural monument, which can be a landform, sea mount, submarine cavern, geological feature such as a cave or even a living feature such as an ancient grove. These are generally quite small protected areas and often have high visitor values.
IV Habitat/Species Management Area	Category IV protected areas aim to protect particular species or habitats and management reflects this priority. Many Category IV protected areas will need regular, active interventions to address the requirements of particular species or to maintain habitats, but this is not a requirement of the category.
V Protected Landscape/Seascape	Category V is a protected area where the interaction of people and nature over time has produced an area of distinct character with significant ecological, biological, cultural and scenic value: and where safeguarding the integrity of this interaction is vital to protecting and sustaining the area and its associated nature conservation and other values.
VI Protected area with sustainable use of natural resources	Category VI protected areas conserve ecosystems and habitats together with associated cultural values and traditional natural resource management systems. They are generally large, with most of the area in a natural condition, where a proportion is under sustainable natural resource management and where low-level non-industrial use of natural resources compatible with nature conservation is seen as one of the main aims of the area.

Source: Source: <http://www.iucn.org/about/work/programmes/pa/pa_products/wcpa_categories>[accessed 08.06.11]

Appendix 5: Declared projects as at July 2011

IPA Projects—Number of years in consultation			
Project	Year First Funded	Year Declared	Years in Consultation
Nantawarrina	1997	1998	1
Preminghana	1997	1999	2
Risdon Cove	1997	1999	2
Putalina	1997	1999	2
Deen Maar	1997	1999	2
Yalata	1997	1999	2
Warul Kawa	1996	2001	5
Watarru	1997	2000	3
Walalkara	1997	2000	3
Bager Island	1997	2000	3
Mt Chappell Island	1997	2000	3
Dhimmuru	1997	2001	4
Guanaba	1998	2000	2
Wattleridge	1999	2001	2
Paruku	1997	2002	5
Ngaanyatjarra	1997	2002	5
Mount Willoughby	2000	2002	2
Tyrendarra	2001	2003	2
Toogimbie	2002	2004	2
Anindilyakwa	2004	2006	2
Laynhapuy	2000	2006	6
Ninghan	2003	2006	3
Tanami North	2001	2007	6
Warlu Jilajaa Jumu	1998	2007	9
Kaanju Ngaachi	2003	2008	5
Babel Island	2006	2009	3
Great Dog Island	2006	2009	3
Iungatalanana	2006	2009	3
Angas Downs	2001	2009	8
Pulu Islet (Was funded alongside Warul Kawa)	1996	2009	13
Tarriwa	2008	2009	1
Wardekken	2007	2009	2
Djelk	2002	2009	7
Jamba Dhandan Duringala	2007	2009	2
Kurtonitj	2007	2009	2
Framlingham Forest	2006	2009	3
Boorabee & The Willows	2009	2010	1
Kalka / Pipalyatjara (First stage of Sandy Bore project)	2008	2010	2

IPA Projects—Number of years in consultation			
Lake Condah	2008	2010	2
Thamarrur Stage 1	2008	2010	2
Brewarrina Ngemba Billabong	2009	2010	1
Uunguu Stage 1	2006	2010	4
Apara Makiri Punti	2008	2011	3
Antara Sandy Bore	2008	2011	3
Total number of consultations 2 years and less			21
Total number of consultations 5 years and less			17
Total number of consultations greater than 5 years			6

Source: Department of Sustainability, Environment, Water, Population and Communities document.

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