

## **Wildlife and Habitat Bushfire Recovery Program**

Department of Climate Change, Energy, the Environment and Water

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Canberra ACT  
23 August 2023

Dear President  
Dear Mr Speaker

In accordance with the authority contained in the *Auditor-General Act 1997*, I have undertaken an independent performance audit in the Department of Climate Change, Energy, the Environment and Water. The report is titled *Wildlife and Habitat Bushfire Recovery Program*. Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present the report of this audit to the Parliament.

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

Yours sincerely



Grant Hehir  
Auditor-General

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

## AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office (ANAO). The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits, financial statement audits and assurance reviews of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Australian Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

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# Audit snapshot

## Auditor-General Report No.2 2023–24

### *Wildlife and Habitat Bushfire Recovery Program*



#### Why did we do this audit?

- ▶ The 2019–20 bushfire season impacted many threatened species and ecological communities. As part of the response, the Australian Government committed \$200 million to assist native wildlife and habitats recover from the impacts of the bushfires.
- ▶ This audit provides assurance to Parliament over the Department of Climate Change, Energy, the Environment, and Water's (DCCEEW) design and implementation of the Wildlife and Habitat Bushfire Recovery Program.



#### What did we find?

- ▶ DCCEEW's administration of the Wildlife and Habitat Bushfire Recovery Program was largely effective.
- ▶ The planning undertaken for the development of the program was appropriate.
- ▶ Arrangements to support the implementation of the program were largely effective.
- ▶ Monitoring and reporting arrangements for the program were partly effective.



#### Key facts

- ▶ Between 22.4 million and 33.8 million hectares were burnt during the 2019–20 bushfire season.
- ▶ \$50 million was provided for immediate delivery while the fires were still burning. A further \$150 million funding was announced four months later.



#### What did we recommend?

- ▶ The Auditor-General made five recommendations relating to: developing a stakeholder plan; implementing guidance on risk; developing processes to ensure documentation of procurement approvals; improving collection of data and reporting of progress towards achievement of outcomes; and capturing lessons learned for future programs.
- ▶ The Department of Climate Change, Energy, the Environment and Water agreed to all five recommendations.

363

total number of projects delivered by DCCEEW as part of the program.

6 days

between the decision to fund the program and the first meeting of the Expert Panel.

\$145.5m

total value of projects informed by the Expert Panel's advice.

# Summary and recommendations

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## Background

1. The 2019–20 bushfire season burnt approximately 24.3 to 33.8 million hectares across Australia, severely impacting native wildlife and their environments.<sup>1</sup> As a part of the Australian Government’s overall response, \$200 million was provided for Wildlife and Habitat Bushfire Recovery. The Department of Climate Change, Energy, the Environment and Water (the department) delivered the funding in two phases: \$50 million for Phase 1 Emergency Response projects, and \$150 million for Phase 2 Recovery and Resilience projects.
2. The department delivered funding through a combination of competitive and non-competitive grants, payments to state and territory governments, and procurements.

## Rationale for undertaking the audit

3. The Australian Government committed \$200 million to promote the recovery of native wildlife and their habitats as part of the response to the 2019–20 bushfires.
4. Previous audit reports have found limitations in the department’s record keeping, management of risk, and program evaluation.<sup>2</sup>
5. This audit provides assurance to Parliament on the design and implementation of the Wildlife and Habitat Bushfire Recovery Program (the program). The audit also assesses whether the department is monitoring whether the program’s objectives to facilitate the recovery of wildlife and habitat in the fire-affected areas are being met.

## Audit objective and criteria

6. The objective of the audit was to assess the effectiveness of the department’s delivery of the Wildlife and Habitat Bushfire Recovery Program.
7. To form a conclusion against the objective, the following high-level audit criteria were used.
  - Were funding priorities supported by appropriate planning arrangements?
  - Were effective arrangements implemented to deliver the program?
  - Does the department effectively monitor and report on the achievement of outcomes?

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1 *Royal Commission into National Natural Disaster Arrangements* (Final Report, October 2020) vol 1, p. 115. The Report noted the difficulty of obtaining consistent burnt area data on a national scale. The sum of burnt area data provided by each affected state and territory was 24.3 million hectares, while the Indicative Aggregated Fire Extent Data Set provided a figure of 33.8 million hectares. A hectare is a unit of area equal to a square with 100-metre sides, or 10,000 square metres.

2 See, for example:

- Auditor-General Report No.31 2006–07 *The Conservation and Protection of National Threatened Species and Ecological Communities*;
- Auditor-General Report No.10 2014–15 *Administration of the Biodiversity Fund Program*;
- Auditor-General Report No.32 2017–18 *Funding Models for Threatened Species Management*; and
- Auditor-General Report No.19 2021–22 *Management of Threatened Species and Ecological Communities under the Environment Protection and Biodiversity Conservation Act 1999*.

## Conclusion

8. DCCCEW's administration of the Wildlife and Habitat Bushfire Recovery Program was largely effective. The department undertook appropriate planning arrangements. Program documentation, such as risk assessments and project plans, did not cover all sub-programs. Although a monitoring and evaluation framework was established, lessons learned and the mid-term review have not been used to inform program delivery or improve measurement of program outcomes.

9. Planning arrangements to support funding priorities were appropriate. A panel of experts provided scientific input and identified priority natural assets and recovery actions during the design and implementation of the program. The department used the Expert Panel's advice to inform \$145.4 million worth of projects. The department, in consultation with the Expert Panel, developed and used mapping and analysis tools to inform planning decisions. The department put in place arrangements to facilitate stakeholder engagement and used stakeholder recommendations to inform program planning.

10. Arrangements to support the implementation of the program were largely effective. The program was delivered through the existing organisational structure. Documentation to support program management and assurance was developed but did not consistently cover all sub-programs and was not reviewed as intended. Two internal audits were conducted to support program governance and risk management across the whole program. The department did not effectively implement all internal audit recommendations. Departmental administration of grants and payments to states and territories complied with relevant legislative requirements. Departmental administration of procurements did not comply with all reporting and documentation requirements.

11. Monitoring and reporting arrangements are partly effective. A monitoring and reporting framework is in place, however there are limitations in the department's implementation of the framework. The department developed program logic and an evaluation plan to support program evaluation against short and long-term outcomes. In 2022 a mid-term review made recommendations to improve the evaluation process in this and future programs. The Mid-term Review Report was not disseminated to the departmental executive and the department has not developed a plan for addressing lessons learned during the implementation and evaluation of the program. A status report was used to monitor delivery from July 2021 to March 2022 and from December 2022, however, un-met targets within completed projects were not reported.

## Supporting findings

### Planning

12. An Expert Panel was established to provide advice on priority natural assets, priority actions, scientific datasets and project proposals. The department used advice from the Expert Panel to inform \$145.4 million worth of program activity. The department sought the Expert Panel's advice on project proposals and adopted the advice in providing funding recommendations to the Minister. The department also developed and used decision support tools to guide funding decisions. (See paragraphs 2.3 to 2.28)

13. During program development the department engaged stakeholders through ministerial roundtables, a cross-jurisdictional Fire Response Coordination Group, regional workshops and



multi-regional working groups. Departmental staff also engaged with stakeholders through their existing networks. The department documented stakeholder engagement for four of ten sub-programs in either risk assessments or project plans. The department did not have a program-wide stakeholder list or engagement strategy to inform program development. The department could not demonstrate how they considered advice from groups established early in program delivery. The department largely adopted recommendations and funded projects proposed by stakeholder groups established after the immediate emergency response. (See paragraphs 2.29 to 2.54)

## **Implementation**

14. The department delivered the program through existing organisational structures and established an internal board to advise on program implementation. Project plans and procedures were developed but did not cover all aspects of program delivery. The department conducted two internal audits of program governance and risk management that covered the whole program and developed an assurance framework for sub-programs funded by the \$50 million of emergency funding. All internal audit recommendations were not effectively implemented and the assurance framework was not reviewed every six months as intended. Project dates reported to GrantConnect and AusTender are not consistent with internal departmental records. (See paragraphs 3.3 to 3.47)

15. The department developed risk assessments for seven out of nine sub-programs. It did not review them in accordance with departmental requirements. Two of the sub-programs from the initial funding of \$50 million were not supported by risk assessments. Risk assessments prepared by the Business Grants Hub, and relied on by the department, were inconsistent with departmental policy. The department circulated risk guidance in May 2022 requiring regular review of risks based on their severity. Since May 2022 the department has reviewed one sub-program's risk assessment. (See paragraphs 3.48 to 3.72)

16. The department complied with relevant requirements for grants and payments to states and territories. The department did not report 19 of 48 of procurements to AusTender within the required timeframe. The department did not keep documentation of approvals for 51 of 64 projects funded through procurement. (See paragraphs 3.73 to 3.88)

## **Monitoring and reporting outcomes**

17. Staff within the Biodiversity Conservation Division monitor individual projects, reporting to the relevant board by sub-program. From July 2021 to March 2022 and from December 2022, a standard status report that included all sub-programs was provided to the relevant board, enabling Divisional level oversight of the program. At other times, reporting to the board was not regular or comprehensive. The department did not report on un-met targets within completed projects. (See paragraphs 4.2 to 4.19)

18. The department developed program logic and an evaluation plan to contribute to the assessment of program outcomes. In June 2022 the department completed a mid-term review in accordance with the Evaluation Plan. This review reported on targets achieved for two of the six sub-programs and made 10 recommendations to improve data and data interpretation in this and future programs. The department has not developed a plan to address the lessons learned from the implementation of the program and its mid-term review. (See paragraphs 4.20 to 4.48)

## Recommendations

### Recommendation no. 1 Paragraph 2.33

The Department of Climate Change, Energy, the Environment and Water develop a stakeholder engagement plan, including maintaining an up-to-date list of stakeholders, to ensure appropriate engagement in future wildlife and habitat disaster recovery programs.

**Department of Climate Change, Energy, the Environment and Water response:** *Agreed.*

### Recommendation no. 2 Paragraph 3.65

The Department of Climate Change, Energy, the Environment and Water implement the guidance on risk management prepared in response to the internal audit recommendation, for all sub-programs within the program.

**Department of Climate Change, Energy, the Environment and Water response:** *Agreed.*

### Recommendation no. 3 Paragraph 3.86

The Department of Climate Change, Energy, the Environment and Water review its procurement processes to ensure that the department keeps adequate documentation of procurement approvals to ensure compliance with the PGPA Act, PGPA Rules, and departmental guidance.

**Department of Climate Change, Energy, the Environment and Water response:** *Agreed.*

### Recommendation no. 4 Paragraph 4.34

For future emergency response programs, the Department of Climate Change, Energy, the Environment and Water develop requirements for service provider reporting that enables output and outcome data to be compared or aggregated to provide assessment of progress at the program level.

**Department of Climate Change, Energy, the Environment and Water response:** *Agreed.*

### Recommendation no. 5 Paragraph 4.49

The Department of Climate Change, Energy, the Environment and Water develop a plan to address lessons learned from the Wildlife and Habitat Bushfire Recovery Program.

**Department of Climate Change, Energy, the Environment and Water response:** *Agreed.*

## Summary of entity response

The department agrees with the Australian National Audit Office's five recommendations.

I acknowledge the value of the ANAO providing independent insights which will lead to continuing improvements to current processes and provide important direction in managing future disaster recovery programs.

Implementation of the recommendations has already commenced, improving existing processes and procedures as well as earmarking considerations for design and implementation of future programs. Implementation will be overseen by the department's Audit Committee.

## Key messages from this audit for all Australian Government entities

19. Below is a summary of key messages, including instances of good practice, which have been identified in this audit and may be relevant for the operations of other Australian Government entities.

### **Policy/program design**

- In fast moving and evolving situations establishing a panel of experts can be an efficient and effective way to incorporate scientific input into planning.

### **Policy/program implementation**

- Delivering an emergency program can provide opportunities to innovate. The fast-paced nature of emergency delivery may also provide an opportunity to identify improvements in business-as-usual activities. Entities should seek to learn from one-off and emergency programs and embed those learnings into business-as-usual.
- In addition to documenting lessons learned and performing evaluation activities, entities should plan for how to incorporate learnings into future program delivery to drive continual improvement.



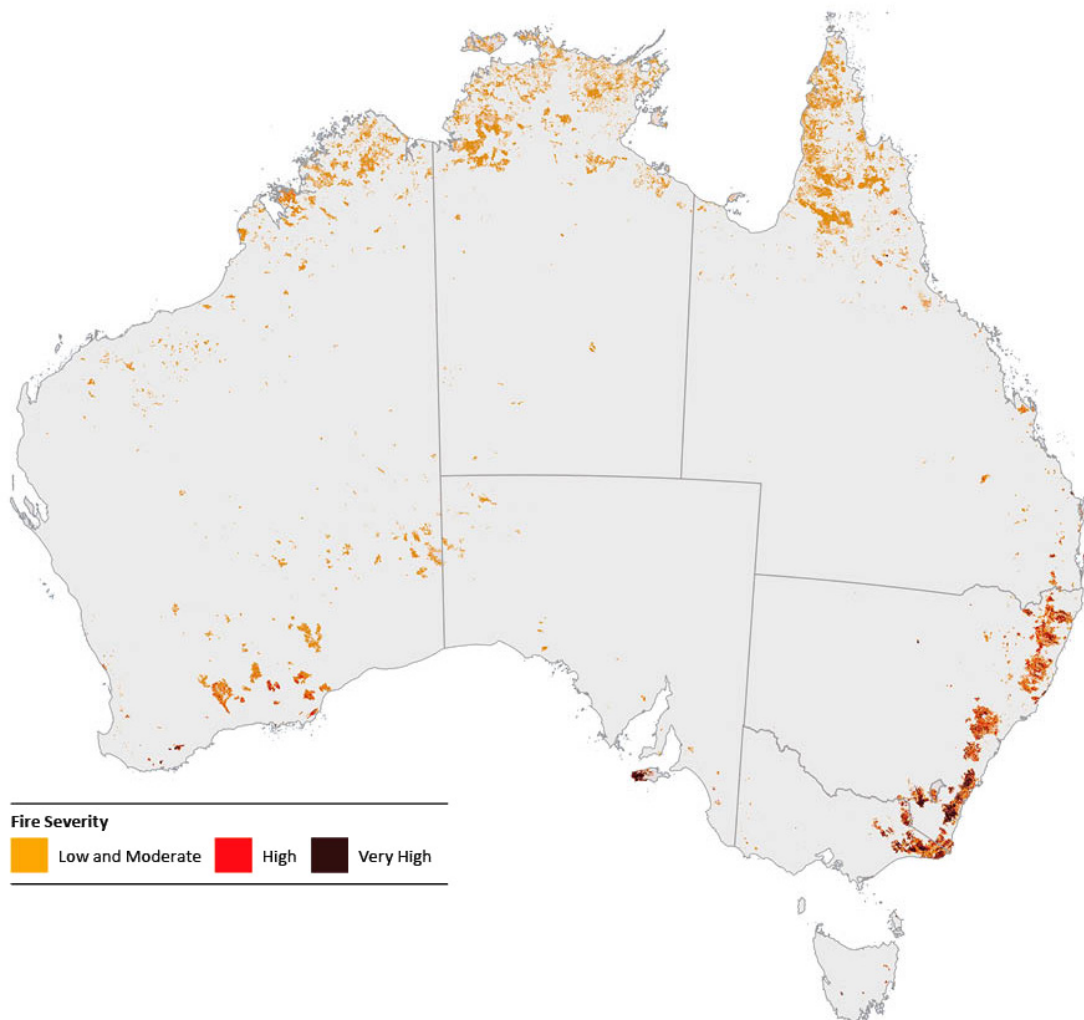
## **Audit findings**

# 1. Background

## Introduction

1.1 In the 2019–20 bushfire season, approximately 24.3 to 33.8 million hectares were burnt across Australian states and territories.<sup>3</sup> This equates to approximately 3.1 per cent to 4.3 per cent of the total Australian land area.<sup>4</sup> Figure 1.1 provides a map of bushfire affected areas across Australia in the 2019–20 bushfire season.

**Figure 1.1: 2019–20 Bushfire severity map**



Note a: Funding from the Wildlife and Habitat Bushfire Recovery Program was directed towards areas where the impact of the bushfires was most severe — the Australian Capital Territory, New South Wales, Queensland, South Australia and Victoria.

Source: Department of Climate Change, Energy, the Environment, and Water, *Quarterly summary February 2023*, DCCEEW, Canberra, 2023, page 1.

3 A hectare is a unit of area equal to a square with 100-metre sides, or 10,000 square metres.

4 *Royal Commission into National Natural Disaster Arrangements* (Final Report, October 2020) vol 1, p. 115. The Report noted the difficulty of obtaining consistent burnt area data on a national scale. The sum of burnt area data provided by each affected state and territory was 24.3 million hectares. while the Indicative Aggregated Fire Extent Data Set provided a figure of 33.8 million hectares.

1.2 On 6 January 2020 the Australian Government announced a \$2 billion national bushfire recovery fund including the establishment of the National Bushfire Recovery Agency to coordinate a national response to recovery activities. The fund covered 28 separate measures across social and community, economic, infrastructure, and environment domains.

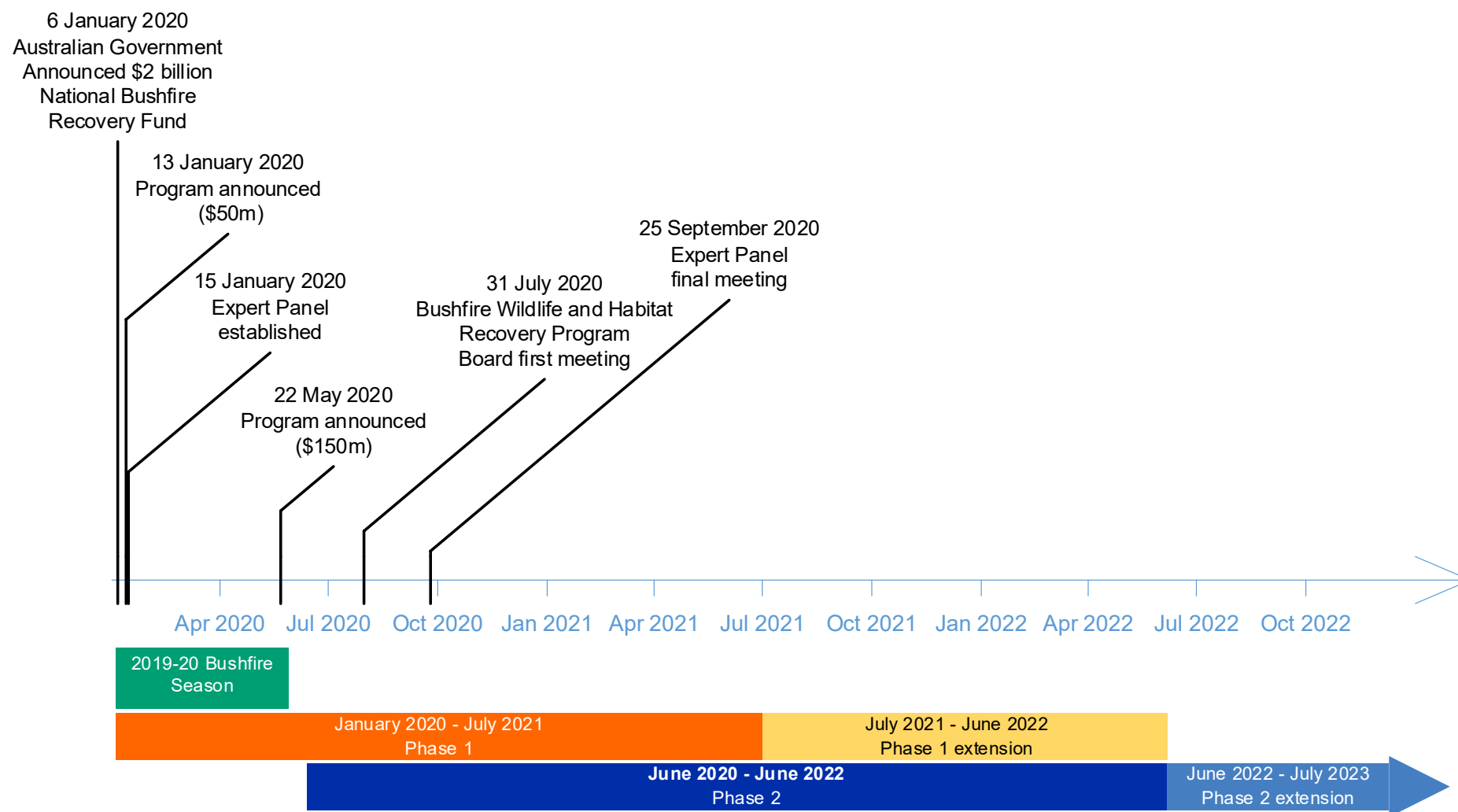
### **Wildlife and Habitat Bushfire Recovery Program**

1.3 On 13 January 2020 the Australian Government announced \$50 million for emergency wildlife and habitat restoration — part of the \$2 billion national bushfire recovery fund. This initial \$50 million became known as Phase 1 of the Wildlife and Habitat Bushfire Recovery Program (the program) and was to conclude by 30 June 2021. It was extended until 30 June 2022 due to disruptive weather events and the COVID-19 pandemic.

1.4 On 15 January 2020 the Australian Government established the Threatened Species Bushfire Recovery Expert Panel to provide scientific input and contribute to the assessment of fire impacts on animals, plants, ecological communities and other natural assets, and to identify priority species and recovery actions.

1.5 On 12 May 2020 the Australian Government announced a further \$150 million aimed at supporting recovery and resilience of native animals and plants following the bushfires. This \$150 million became known as Phase 2 of the program and was to be rolled out until 30 June 2022. Program completion was extended to 30 June 2023 due to disruptive weather events and the COVID-19 pandemic. At 25 July 2023, 116 of 264 projects in Phase 2 were ongoing. Figure 1.2 provides a timeline of key events for the program.

**Figure 1.2: Timeline of the Wildlife and Habitat Bushfire Recovery Program**



Source: ANAO analysis of departmental documentation.



1.6 The department administered the program through 10 sub-programs. Appendix 3 lists all sub-programs.

1.7 The program funded 363 projects from January 2020 until July 2023 through the following mechanisms:

- 239 grants;
- 64 procurements; and
- agreements with the states and territories (covering 60 projects).<sup>5</sup>

## Departmental governance and administration

1.8 When the Australian Government announced the program in January 2020 the Department of the Environment and Energy was responsible for its administration.

1.9 On 1 February 2020 the Australian Government established the Department of Agriculture, Water and the Environment (DAWE) by merging the former Department of Agriculture with the environment functions of the former Department of the Environment and Energy.<sup>6</sup>

1.10 On 1 July 2022 the Australian Government executed a Machinery of Government change that moved environment and water-related functions to the newly created Department of Climate Change, Energy, the Environment and Water which is currently responsible for administration of the program.<sup>7</sup>

1.11 This report refers to the Department of Environment and Energy, the Department of Agriculture, Water and the Environment, and the Department of Climate Change, Energy, the Environment and Water as ‘the department’.

1.12 The department was funded an additional \$3.4 million to administer Phase 1 of the program, including design and delivery of funding programs, analysis of data and external consultants.<sup>8</sup> Phase 2 included \$27.7 million for the department to support scientific assessments of at-risk species and support Phase 2 delivery.<sup>9</sup>

## Previous reviews

1.13 The Senate Finance and Public Administration References Committee published a report on the Australian Government’s response to the 2019–20 bushfire season in December 2021. The report focused on entities providing emergency relief to local communities and responses to bushfires and noted the importance of preparation activities for bushfire events.<sup>10</sup>

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5 Projects were delivered by New South Wales, South Australia, Queensland, Victoria, Tasmania, the Australian Capital Territory, and Western Australia

6 *Administrative Arrangements Order C2020Q00002 2020* (Cth), Part 1.

7 *Administrative Arrangements Order C2022Q00006 2020* (Cth), Part 3.

8 The \$3.4 million was provided to the department in addition to the \$50 million emergency funding allocated in January 2020.

9 The \$27.7 million provided to the department was included within the \$150 million of Phase 2 for recovery and resilience.

10 Finance and Public Administration References Committee, Parliament of Australia, *Lessons to be learned in relation to the Australian bushfire season 2019–20* (Final Report, December 2021), p. xiv.

1.14 The Auditor-General has previously tabled reports analysing the effectiveness of the department's administration of public funds and of the government's response to bushfire emergencies.

- Auditor-General Report No. 9 2021–22 *Regional Land Partnerships* concluded that the implementation of the program was partly effective. The report made recommendations relating to relationship management, risk management, and outcome measurement.<sup>11</sup>
- Auditor-General Report No. 46 2021–22 *Administration of the National Bushfire Recovery Agency* concluded that the administration of the National Bushfire Recovery Agency was largely effective.<sup>12</sup> The report made recommendations relating to data quality checks, roles and responsibilities, risk management and monitoring and reporting.<sup>13</sup>

## Rationale for undertaking the audit

1.15 The 2019–20 bushfire season impacted many threatened species and ecological communities. As part of the response, the Australian Government committed \$200 million to assist native wildlife and their habitats recover from the impacts of the bushfires. Previous audit reports have found limitations in the department's record keeping, management of risk, and program evaluation.<sup>14</sup>

1.16 This audit provides assurance to Parliament on the design and implementation of the Wildlife and Habitat Bushfire Recovery Program. The audit also assesses whether the department is monitoring whether the program's objectives to facilitate the recovery of wildlife and habitat in the fire-affected areas are being met.

## Audit approach

### Audit objective, criteria and scope

1.17 The audit objective was to assess the effectiveness of the department's delivery of the Wildlife and Habitat Bushfire Recovery Program.

1.18 To form a conclusion against the objective, the following high-level audit criteria were used.

- Were funding priorities supported by appropriate planning arrangements?
- Were effective arrangements implemented to deliver the program?
- Does the department effectively monitor and report on the achievement of outcomes?

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11 Auditor-General Report No.9 2021–22 *Regional Land Partnerships*, p. 10.

12 The National Bushfire Recovery Agency was within the Department of the Prime Minister and Cabinet at the time of the report.

13 Auditor-General Report No.46 2021–22 *Administration of the National Bushfire Recovery Agency*, pp. 9–10.

14 See, for example:

- Auditor-General Report No.31 2006–07 *The Conservation and Protection of National Threatened Species and Ecological Communities*;
- Auditor-General Report No.10 2014–15 *Administration of the Biodiversity Fund Program*;
- Auditor-General Report No.32 2017–18 *Funding Models for Threatened Species Management*; and
- Auditor-General Report No.19 2021–22 *Management of Threatened Species and Ecological Communities under the Environment Protection and Biodiversity Conservation Act 1999*.

1.19 The audit examined the department's delivery of the program, including the process of identifying target regions and delivery mechanisms based on scientific input, risk and stakeholder advice; the assessment of grants and procurements in accordance with the relevant Commonwealth guidelines; and the monitoring and reporting of program outcomes.

1.20 The audit did not examine the delivery of any other Commonwealth, state and territory government bushfire recovery assistance programs; arrangements under Federation Funding Agreements<sup>15</sup> and Council of Australian Governments Funding; functions and programs administered by the National Recovery and Resilience Agency; or the procurement delivery and monitoring examined in the Regional Land Partnerships audit<sup>16</sup>, or the implementation of recommendations from that audit.

## Audit methodology

1.21 The audit methodology included:

- examining departmental program documents;
- examining the department's public reporting under Commonwealth Procurement rules (to AusTender), and Commonwealth Grants Rules and Guidelines (to GrantConnect);
- assessing departmental processes; and
- meeting with relevant departmental staff.

1.22 The ANAO received two submissions from the public via the citizen contribution facility on the ANAO website.

1.23 The audit was conducted in accordance with ANAO Auditing Standards at a cost to the ANAO of approximately \$668,702.

1.24 The team members for this audit were Johanna Bradley, Jennifer Myles, Jordan Hallam, Simon Gregor, Zhuo Li and Corinne Horton.

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15 Federation Funding Agreements are governed by the Intergovernmental Agreement on Federal Financial Relations. In this framework, the federal government provides funds to state and territory governments to carry out projects with economic, social and fiscal outcomes.  
See more at: Federal Financial Relations, *The Federation Funding Agreements Framework* [Internet], available from <https://federalfinancialrelations.gov.au/federation-funding-agreements-framework> [accessed 1 August 2023]

16 Auditor General Report No. 9 2021–22 *Regional Land Partnerships*.

## 2. Planning

### Areas examined

This chapter examines whether the Department of Climate Change, Energy, the Environment, and Water's (the department) funding priorities were supported by appropriate planning arrangements.

### Conclusion

Planning arrangements to support funding priorities were appropriate. A panel of experts provided scientific input and identified priority natural assets and recovery actions during the design and implementation of the Wildlife and Bushfire Recovery Program (the program). The department used the Expert Panel's advice to inform \$145.4 million worth of projects. The department, in consultation with the Expert Panel, developed and used mapping and analysis tools to inform planning decisions. The department put in place arrangements to facilitate stakeholder engagement and used stakeholder recommendations to inform program planning.

### Areas for improvement

The ANAO made one recommendation aimed at developing a stakeholder engagement plan, including maintaining an up-to-date list of stakeholders, to ensure appropriate engagement in future wildlife and habitat disaster recovery programs. The ANAO also identified one area for improvement, around using tools developed for the program in business-as-usual.

2.1 The Australian Government has identified six principles for successful disaster recovery. These principles include understanding the context, recognising the complexity of the environment that is the focus of the recovery efforts, coordinating activities and recognising and building capacity.<sup>17</sup>

2.2 Appropriate planning arrangements include identifying and sourcing appropriate evidence through scientific input, stakeholder consultation and incorporating that input into decision-making.

### Were decisions about funding priorities supported by appropriate evidence?

An Expert Panel was established to provide advice on priority natural assets, priority actions, scientific datasets and project proposals. The department used advice from the Expert Panel to inform \$145.4 million worth of program activity. The department sought the Expert Panel's advice on project proposals and adopted the advice in providing funding recommendations to the Minister. The department also developed and used decision support tools to guide funding decisions.

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17 National Emergency Management Agency, *National Principles for Disaster Recovery* [Internet] Australian Disaster Resilience Knowledge Hub, available from <https://knowledge.aidr.org.au/media/5255/national-principles-disaster-recovery-a4-flyer.pdf> [accessed 1 August 2023].

The other principles for disaster recovery are to use community-led approaches and communicate effectively.

2.3 The Australian Government approved \$50 million for emergency wildlife and habitat restoration on 9 January 2020 and publicly announced this funding on 13 January 2020. This decision was made during the evolving response to the bushfire season.

2.4 The \$50 million was to comprise three components:

- \$13 million to support wildlife rescue and care;
- \$7 million for immediate action by natural resource management (NRM) organisations<sup>18</sup>; and
- \$30 million for actions informed by a newly established expert panel.

2.5 By 17 January (4 days after the announcement) \$6.5 million had been allocated to NRM organisations and wildlife care. The department did not document the analysis behind how the decisions were made to allocate this funding.

2.6 On 15 January 2020 the Expert Panel met for the first time and the Minister for the Environment made the first approval to expend funds under the program. Initial funding was delivered through existing procurements with 17 NRM organisations.<sup>19</sup> By 15 March 2020 (within two months of the announcement), the department had requested ministerial approval for \$31 million of funding. The department was provided with \$3.4 million across 2019–20 and 2020–21 to administer the first phase of the program.<sup>20</sup>

2.7 On 6 May 2020 the Australian Government approved a New Policy Proposal for a further \$150 million for wildlife and habitat recovery and resilience following the bushfires (known as Phase 2 of the program). This funding included \$27.7 million for the department to support scientific assessments and administer the program. On 13 October 2020 the Minister approved the first funding under Phase 2 — grant guidelines for the Indigenous fire and land management and community grants sub-programs (see Appendix 3 for a full list of sub-programs).

2.8 From 15 January 2020 to 30 March 2022 (the final ministerial decision regarding funding allocations), the department requested ministerial approval for: program funding and funding mechanisms, invitations to organisations to apply for funding, and final approval to fund projects. The department recorded ministerial approvals through 53 ministerial briefings.

2.9 The department used a range of information sources to inform program funding priorities. Table 2.1 provides a summary of evidence sources and how they were used in the program.

**Table 2.1: Use of evidence sources in program design and delivery**

	Evidence source	Purpose	How it informed the program
Evidence source from within the department, or through consultancies	Expert Panel (see paragraph 2.10)	Assist in prioritising natural assets and recovery actions.	Informed the natural assets targeted, and actions and projects funded.
	Fire extent and severity mapping (see paragraph 2.19)	Spatially quantify the impacts of the fires.	Used to identify priority natural assets.

18 Natural resource management organisations operate in 56 management units across Australia and act as delivery agents under the regional stream of the National Landcare Program.

19 The Australian Government procures NRM services from NRM organisations across Australia through the Regional Land Partnerships program.

20 The \$3.4 million was in addition to the \$50 million emergency funding for the program.

	Evidence source	Purpose	How it informed the program
	Gap analysis (see paragraph 2.21)	Track assets that had not been the target of funding.	Tracked the proportion of priority natural assets targeted by funding.
	Bushfire Response Environmental Analysis Decision Support Tool (see paragraph 2.25)	Assist in understanding landscape scale bushfire impacts.	Used to prioritise NRM regions, the regions targeted under the Regional Fund, grant proposals, and multiregional species.
Stakeholder consultation	Ministerial roundtables (see paragraph 2.36)	Identify issues and priorities that should be considered in the bushfire response.	Many of the outcomes were reflected in the delivery of the program.
	Fire Response Coordination Group (see paragraph 2.42)	Coordinate actions across jurisdictions.	Provided a forum for discussion.
	Regional workshops (see paragraph 2.44)	Inform investments in the seven priority regions.	Projects were funded based on the outcomes of these workshops.
	Multiregional working groups (see paragraph 2.51)	Recommend recovery actions and locations for multiregional species and species bundles.	Projects were funded based on the outcomes from these working groups.
	Previous koala workshops (November 2019 and February 2020) and koala strategies developed by NSW and Queensland governments <sup>a</sup>	Not developed for this program.	Informed \$14m of actions towards koala conservation.

Note a: The koala package funded under the program followed on from an earlier Australian Government project *Protecting Koalas of South East Queensland and Northern New South Wales*. This earlier work is out of the scope of this audit.

Source: ANAO analysis of departmental documentation.

### Expert Panel

2.10 The Minister requested the establishment of an Expert Panel (the Panel) in January 2020. The Panel's purpose was:

To assist in prioritising recovery actions for native species, ecological communities, natural assets and their cultural values for Indigenous Australians, which have been affected by recent extreme fire events.<sup>21</sup>

2.11 The Panel initially convened on 15 January 2020 with eight members. A ninth member joined the Panel at the third meeting following recognition of the need for fire ecology expertise.

21 The Panel's terms of reference are available at: Department of Climate Change, Energy, the Environment and Water, *Wildlife and threatened species bushfire recovery Expert Panel* [Internet, available from <https://www.dccceew.gov.au/environment/biodiversity/bushfire-recovery/bushfire-impacts/expert-panel> [accessed 1 August 2023]].

The Minister appointed Panel members on the advice of the department.<sup>22</sup> The Panel was Chaired by the Threatened Species Commissioner.<sup>23</sup>

2.12 Panel members were chosen for their expertise in conservation biology, captive breeding, Indigenous knowledge, environmental decision-making and fire ecology from a range of institutions and jurisdictions. The names and expertise of each Panel member is provided in Appendix 4.<sup>24</sup>

2.13 The Minister appointed the nine Panel members for six months, from 15 January 2020 to 30 June 2020. The Minister approved appointment extensions until 31 August 2020, and again until 30 September 2020. These extensions allowed the Panel to finalise its advice on funding proposals and priorities for management intervention and advise on the implementation of Phase 2. The Panel met 20 times between 15 January and 25 September 2020.

2.14 Table 2.2 details the responsibilities of the Panel according to its terms of reference and the advice the Panel provided to the department.

**Table 2.2: Expert Panel advice**

Terms of Reference requirement	Panel advice to the department <sup>a</sup>	Date of advice (2020)
Provide advice on the development and analysis of spatial and ecological information to assess the impact of recent fires on Australia's plants, ecological communities and other natural assets and their cultural values for Indigenous Australians.	Endorsed work prepared by the National Environmental Science Program Threatened Species Research Hub.	8 meetings from February to June
	Advised on use of spatial priority index to inform funding allocations to the 7 priority regions.	August
	Advised on the development and use of the BREADs tool and gap analysis. <sup>b</sup>	6 meetings from February to August
	Advised on the first version of the National Fire Extent Dataset. <sup>c</sup>	February
	Recommended the priority invertebrate list be revised.	March

22 Panel members were officially appointed by the Minister on 17 March 2020. The appointments were from 15 January 2020.

23 The Threatened Species Commissioner is appointed by the Australian Government to bring a national focus to help address the number of plants and animals in Australia that are faced with extinction. The Threatened Species Commissioner is an employee of the department.

24 Panel members were remunerated under the terms of their engagement in accordance with the determination by the Remuneration Tribunal.



Terms of Reference requirement	Panel advice to the department <sup>a</sup>	Date of advice (2020)
Assist the Minister for the Environment and the Government to prioritise species and locations requiring intervention, taking into account the severity of impact on species and ecosystems, likelihood of intervention success, benefit to multiple species or natural assets from intervention, and other principles to be set by the Panel.	Provisional list of priority animals requiring urgent intervention.	February
	Revised list of priority animals.	March
	Initial list of priority plants.	April
	Revised list of priority plants.	August
	List of priority invertebrates.	April
	Provided advice on threatened ecological communities.	7 meetings between February and September
	Priority multiregional species.	August and September
Provide advice on the recovery actions needed to support the immediate survival and long-term recovery and resilience of affected animals, plants and ecological communities and natural assets and values, including (but not limited to) provision of critical resources (food, shelter), habitat protection and restoration, threat management and ex situ conservation (captive management, seed collection).	Immediate priority actions.	January
	Approach for identifying priority actions to inform selection of projects.	February
	Medium and long-term actions.	March
	Priority species and methodologies for captive management.	March and June
	Management interventions for priority animals.	September
	NRM organisation and State and Territory project proposals and priorities.	7 meetings from February to September
	Community grants proposed projects.	May and August

Note a: The Panel's advice on priority species and management interventions was published on the department's website and is available at <https://www.dcceew.gov.au/environment/biodiversity/bushfire-recovery/bushfire-impacts/expert-panel> [accessed 1 August 2023].

Note b: BREADS refers to the Bushfire Response Environmental Analysis Decision Support Tool. BREADS and the gap analysis are explained further in paragraphs 2.21 to 2.27.

Note c: The Fire Extent Dataset is explained further in paragraphs 2.19 and 2.20.

Source: ANAO analysis of departmental documentation.

2.15 Representatives from bushfire-affected state and territory government departments attended 17 of the 20 Panel meetings as advisors. They provided updates on the bushfire responses in their jurisdictions and commented on their project proposals as the Panel reviewed them. Other observers and advisors attended Panel meetings as necessary.<sup>25</sup>

2.16 An internal audit conducted by the department of Phase 1 of the program from April to June 2020 and finalised in September 2020, recommended that advisors who provide information to the Panel should receive a probity briefing and complete a conflict of interest declaration. The department closed the recommendation on 26 November 2020 as the Panel had been disbanded. The internal audit recommendation closure report noted that Panel members and advisors had

<sup>25</sup> These included scientists from universities, CSIRO and the department's National Environmental Science Program.



been provided with a probity briefing on 10 February 2020. Representatives from each state and territory also attended this meeting. Probity briefings were also provided to the Panel on 11 May and 18 May 2020 focused on the Panel's consideration of competitive grant applications. The department's internal audit closure report noted it may have been beneficial for state and territory advisors to receive a follow-up briefing with specific information tailored to their role.

2.17 The Minister established the Panel with the expectation it would advise on the distribution of \$30 million of Phase 1 funding. By the end of its tenure the Panel had provided advice on program activity worth \$145.4 million across both phases of the program. During Phase 1 the Panel advised on individual project proposals and candidate species for captive breeding. The Panel provided input into Phase 2 through advising on the allocation of funds to priority regions, assisting with the identification of multiregional species, and contributing to the seven regional workshops (see paragraph 2.44).<sup>26</sup>

2.18 The department adopted the Panel's advice for all project proposals under the payments to states and territories, competitive grants and payments to NRM organisations sub-programs. Following a request from the Victoria Government, the department advised the Victorian Government it could move funds between its three Phase 1 projects. The amount of final project funding for two of these state projects differed by more than 20 per cent from the project proposals reviewed by the Panel and initially approved by the Minister. The Panel were advised of the proposed funding changes and requested detail of the revised project proposals. The department did not provide the Panel with revised project proposals following the funding changes.

### *Fire extent mapping*

2.19 On 13 February 2020 the department released a dataset of the extent of the 2019–20 bushfires.<sup>27</sup> This dataset was based on aggregated data and was developed to support the Panel.

2.20 Following Panel input, the department worked with the New South Wales Government to develop the Australian Google Earth Engine Burnt Area Map to incorporate information on the severity of the fires.<sup>28</sup> The department released this map publicly on its website in July 2020. The department and Panel used this mapping to develop the list of ecological communities likely to be most impacted by fire and in the Bushfire Response Environmental Analysis Decision Support Tool (see paragraph 2.25).

### *Gap analysis*

2.21 The department developed a gap analysis tool to avoid duplication in projects funded under the program. The tool aligned species and ecological communities that had been targeted by

26 The Expert Panel was not involved in: initial payments to NRM organisations in phase 1 (\$2.6 million); the Greening Australia and Conservation Volunteers Aust subprograms; the first grants under the wildlife rescue and rehabilitation sub-program (\$4 million); and the Phase 2 community grants and Indigenous fire and land management sub-programs.

27 This dataset is available on the department's website at: Department of Climate Change, Energy, the Environment and Water, *Bushfire impacts* [Internet], available from <https://www.dcceew.gov.au/environment/biodiversity/bushfire-recovery/bushfire-impacts#national-indicative-aggregated-fire-extent-dataset> [accessed 24 April 2023].

28 The Australian Google Earth Engine Burnt Area map is available on the department's website: Department of Climate Change, Energy, the Environment and Water, *Bushfire impacts* [Internet], available from <https://www.dcceew.gov.au/environment/biodiversity/bushfire-recovery/bushfire-impacts#national-fire-severity-dataset> [accessed 24 April 2023].

previous program funding against priority species identified by the Panel. It identified which species and communities had not been targeted by previously funded projects.

2.22 The gap analysis tool was updated to include additional information as the program was being implemented. By the end of the Panel's tenure, the gap analysis tool included information from all projects that had been funded up to July 2020. This includes projects under the payments to states and territories, NRM organisations, Greening Australia, wildlife rescue and rehabilitation, and the first of two tranches of the community grants sub-programs.

2.23 The Panel used the gap analysis to assist in the assessment of open competitive grants during Phase 1, in accordance with the grant guidelines. The department provided outcomes of the gap analysis to the Panel on three occasions as shown in Table 2.3.

**Table 2.3: Proportion of priority assets not funded as presented to the Panel**

Date	Priority vertebrate species <sup>b</sup>	Priority plant species <sup>d</sup>	Threatened ecological communities
February 2020 <sup>a</sup>	47%	Not assessed	Not assessed
May 2020	35%	Not assessed	26%
July 2020	14% <sup>c</sup>	91%	16%

Note a: In February the gap analysis included information from state and territory projects. By May 2020 the gap analysis included information from more of the projects funded.

Note b: In February the Expert Panel had released a list of 113 priority animal species. The Panel revised the list in March to include 119 priority animal species, including 5 invertebrates. The May and July figures are based on this list.

Note c: By July the gap analysis incorporated the Panel's 191 priority invertebrates. This analysis in July also identified that 90% of priority invertebrates had not received funding.

Note d: The Panel identified 470 priority plants.

Source: ANAO analysis of Expert Panel meeting minutes.

2.24 The department continued to update the gap analysis throughout the development of the program and used it as a monitoring and reporting tool in later stages of program delivery. By May 2023 the gap analysis included information from projects conducted under the Regional Fund and community grants sub-programs in Phase 2. By May 2023 the gap analysis indicated nine per cent of priority animal species had not been the subject of funding, 41 per cent of priority plant species had not been the subject of funding, and 11 per cent of priority threatened ecological communities had not been the subject of funding.<sup>29</sup>

### ***Bushfire Response Environmental Analysis Decision Support Tool***

2.25 The department developed the Bushfire Response Environmental Analysis Decision Support Tool (BREADS tool) to assist in understanding the impacts of the bushfires across the landscape. The first version of the BREADS tool was developed in February 2020 to illustrate the impact of the fires on Matters of National Environmental Significance across the NRM regions.<sup>30</sup> The BREADS tool was

29 The May 2023 gap analysis was based on 92 priority vertebrates, 486 priority plants and 19 priority threatened ecological communities. The department advised in July 2023 that the gap analysis data continues to be used to inform new programs.

30 Matters of National Environmental Significance are listed under the *Environmental Protection and Biodiversity Conservation Act 1999*.

later updated to show the extent of the Panel's priority actions, species and ecological communities. By September 2020 the BREADS tool incorporated the following datasets:

- National Indicative Aggregated Fire Extent;
- protected species in bushfire affected areas;
- Panel priority plants and animals requiring urgent management intervention;
- impacted World Heritage Areas, Ramsar listings and threatened ecological communities<sup>31</sup>;
- known and predicted location of species;
- fire severity through the Google Earth Engine Burnt Area Map;
- fire history index; and
- Panel advice on priority actions.

2.26 On 3 July 2020 the Panel received a briefing on the BREADS tool and discussed how it could be used in the assessment of the open grant applications for Phase 1, and in the design and delivery of Phase 2.

2.27 The department used the tool to inform:

- a second tranche of funding to NRM organisations in Phase 1, by rating NRM regions from most affected to least affected;
- the assessment of open competitive grants in Phase 1;
- the indicative funding provided to each of the seven priority regions in Phase 2; and
- multiregional species planning (see paragraph 2.51).<sup>32</sup>

#### Opportunity for improvement

2.28 The department would benefit from continuing to use tools developed during emergency situations in business as usual and other funding programs.

### Were arrangements in place to facilitate stakeholder involvement and was stakeholder advice appropriately considered?

During program development the department engaged stakeholders through ministerial roundtables, a cross-jurisdictional Fire Response Coordination Group, regional workshops and multi-regional working groups. Departmental staff also engaged with stakeholders through their existing networks. The department documented stakeholder engagement for four of ten sub-programs in either risk assessments or project plans. The department did not have a program-wide stakeholder list or engagement strategy to inform program development. The department could not demonstrate how it considered advice from groups established early in program delivery. The department largely adopted recommendations and funded projects proposed by stakeholder groups established after the immediate emergency response.

31 Ramsar listings refer to wetlands protected under the Convention on Wetlands of International Importance (the Ramsar Convention).

32 In July 2023 the department advised that they continue to use the BREADS tool to inform new programs.

2.29 The Australian Public Service Framework for Engagement and Participation provides guidance on engagement, consultation and collaboration.<sup>33</sup> When engaging with stakeholders the Australian Government departments are expected to undergo a range of steps including:

- choosing the right approach;
- providing opportunities to be heard; and
- explaining how contributions were taken into account.

2.30 The department did not develop a stakeholder identification or communication strategy to guide program planning. The department identified stakeholders in either risk assessments or project plans on a sub-program basis for four of 10 sub-programs. In Phase 1 the department relied on existing stakeholder networks. In Phase 2 the department did not document stakeholders for the community grants or Indigenous fire and land management sub-programs.

2.31 Stakeholder engagement arrangements documented in project plans (for the koala package and Regional Fund sub-program) identified<sup>34</sup>:

- how each stakeholder could impact the project;
- how each stakeholder could be impacted by the project;
- the information that needed to be communicated or received;
- the method and frequency of communication; and
- the team responsible.

2.32 The department did not identify stakeholders for every sub-program and did not develop a stakeholder list or engagement plan to guide the whole program. Without comprehensive stakeholder engagement plans or lists there is a risk the department does not engage with all relevant stakeholders appropriately.

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33 Commonwealth of Australia (2020) *The Australian Public Service Framework for Engagement and Participation* [Internet], available from <https://www.industry.gov.au/sites/default/files/August%202021/document/aps-framework-for-engagement-and-participation.pdf> [accessed 1 August 2023].

34 The Regional Fund project plan indicated stakeholder engagement would be further considered during the development of the multiregional sub-program. No further project planning for the multiregional sub-program occurred.

## Recommendation no. 1

2.33 The Department of Climate Change, Energy, the Environment, and Water develop a stakeholder engagement plan, including maintaining an up-to-date list of stakeholders, to ensure appropriate engagement in future wildlife and habitat disaster recovery programs.

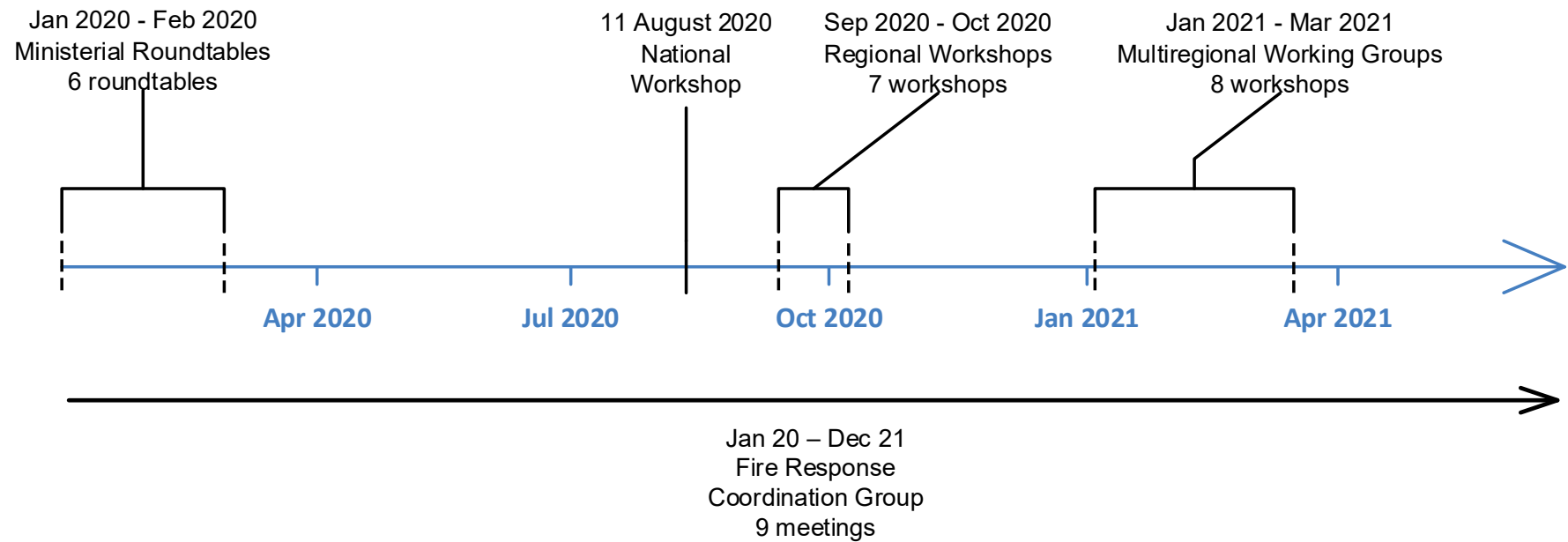
**Department of Climate Change, Energy, the Environment, and Water response:** *Agreed.*

2.34 *The department has developed a stakeholder engagement plan, documented a list of stakeholders and developed a strategy for engagement for future disasters. The establishment of the Wildlife and Threatened Species Bushfire Recovery Expert Panel (the Expert Panel) was central to stakeholder engagement. The Expert Panel worked in partnership with governments, scientists, researchers and other sectors to assess the bushfire impacts and identify the species in most urgent need of management intervention. This approach will be drawn upon to inform future disaster responses in the department.*

2.35 The Panel provided a mechanism for stakeholder engagement during Phase 1 (see paragraph 2.15). Outside the Panel meetings, the department conducted structured stakeholder engagement between January 2020 and December 2021 through four mechanisms (see Figure 2.1):

- ministerial roundtables to inform the initial \$50 million of funding;
- the Fire Response Coordination Group to provide cross-jurisdictional coordination;
- regional workshops to inform the \$110 million Regional Fund sub-program in Phase 2; and
- multiregional working groups to inform the multiregional species and recovery component of the Regional Fund (see Appendix 3 for a full list of sub-programs).

**Figure 2.1: Timeline of stakeholder events**



Source: ANAO analysis of departmental documentation.

## Ministerial roundtables

2.36 During January and February 2020, the Minister convened six roundtable meetings to inform the Australian Government's response to the impact of the bushfires on the environment. Each roundtable was based on a different area of focus: non-government organisations; land managers; scientists; business and philanthropy; heritage; and koalas. Between 25 and 46 people attended each roundtable.

2.37 The department published discussion summaries for each of the roundtables on the department's website.<sup>35</sup> The department kept detailed key messages from four of the six roundtables.<sup>36</sup>

2.38 Recommendations from multiple roundtables identified the need to protect unburnt areas, the importance of managing feral animals and weeds, the value of ongoing monitoring, and the importance of incorporating Indigenous knowledge.

2.39 The department did not keep records relating to implementation of the recommendations from the roundtables.

2.40 ANAO analysis determined that program funding was consistent with the broad recommendations identified at the roundtables.

2.41 On 11 August 2020 the Minister hosted a national roundtable with natural resource management non-government and government organisations to seek their views on leveraging existing and future efforts to maximise benefit in the delivery of the Regional Fund.<sup>37</sup> The department documented seven outcomes from the workshop, including the need to co-design with communities (see the regional workshops from paragraph 2.44), coordinate across jurisdictions (see the Fire Response Coordination Group from paragraph 2.42), and document learnings for future disaster recovery (see lessons learned from paragraph 4.47).

## Fire Response Coordination Group

2.42 The department convened a Fire Response Coordination Group with state and territory government representatives to 'facilitate improved communication and coordination' across jurisdictions. The department advised that the group briefed the cross-jurisdictional Senior Officials Group on the impacts of the fires and coordination of recovery efforts on an as needs basis.<sup>38</sup>

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35 A summary of each of the roundtables is available at: Department of Climate Change, Energy, the Environment and Water, *Roundtables on Bushfire Recovery* [Internet], available from <https://www.dcceew.gov.au/sites/default/files/env/pages/06949023-6e55-4cd8-9eea-7dfa0e6ac8c0/files/summary-roundtables-on-bushfire-recovery.pdf> [accessed 1 August 2023].

36 The department documented detailed key messages from roundtable meetings with: non-government organisations; land managers; heritage specialists; and those working in koala conservation.

37 A summary of the national roundtable is available at: Department of Climate Change, Energy, the Environment and Water, *National Roundtable on Bushfire Recovery for Wildlife and Habitats in Priority Regions* [Internet], available from <https://www.dcceew.gov.au/sites/default/files/env/pages/06949023-6e55-4cd8-9eea-7dfa0e6ac8c0/files/summary-roundtables-bushfire-recovery-aug2020.pdf> [accessed 1 August 2023].

38 The Senior Officials Group consisted of the senior officials from environment departments around Australia to support Council of Australian Government Environment Ministers meetings.

2.43 The group met nine times between January 2020 and December 2021. The department recorded minutes and action items for seven of the nine meetings. The department did not record ongoing consideration or implementation of the actions. Each jurisdiction provided an update on their bushfire recovery actions at seven of the nine meetings.

## Regional workshops

2.44 During the development of Phase 2, in August and September 2020, the department convened workshops in each of the seven priority regions to inform investments in those regions.<sup>39</sup> These regional investments would be the focus of the Regional Fund sub-program. The workshops were facilitated by a Panel member.

2.45 Participating groups included environmental non-government organisations, local and state government representatives, local land councils, and Panel members. Between 14 and 26 groups were represented at each workshop.

2.46 The department prepared a regional profile for each workshop that included background information about fire extent and impact on regional biodiversity. The profiles also covered Australian and state and territory government priority areas for investment, including lists of priority vertebrates, invertebrates, plants and ecological communities as determined by the Panel. The department provided each workshop with an indicative allocation of funds for their region from the Regional Fund sub-program, approved by the Minister.

2.47 Each workshop identified:

- priority actions (such as erosion control and pest management);
- locations for those actions;
- target species, communities or other assets (such as world heritage values) that would benefit from the actions; and
- the approximate proportion of funding that should go to each action.

2.48 The department published workshop outcomes, along with the regional profiles, on the department's website.<sup>40</sup>

2.49 Following each of the seven workshops the department worked with relevant state government and NRM organisations to develop projects to be implemented with the Regional Fund. The department recommended the Minister approve funding for these projects.

2.50 The workshops identified priority actions, and priority assets, and recommended the proportion of funding to be provided to each priority action.

- Of the 42 priority actions identified across all workshops, 35 were funded through projects that targeted those actions (83 per cent). Of the seven actions that did not have projects

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39 The seven priority regions are: Rainforests of South East Queensland; Rainforests of NSW North Coast and Tablelands; South Coast NSW; Australian Alps; Greater Blue Mountains and World Heritage Area; East Gippsland; and Kangaroo Island.

40 Workshop outcomes are available at: Department of Climate Change, Energy, the Environment and Water, *Workshops and roundtables* [Internet], available from <https://www.dcceew.gov.au/environment/biodiversity/bushfire-recovery/consultation/workshops-and-roundtables> [accessed 1 August 2023].



directly relating to them, the department advised the Minister five had been incorporated into other projects. Two actions were not funded.<sup>41</sup>

- The department funded 80 per cent of priority actions according to the funding amounts recommended by the workshops. Of the 42 priority actions identified across all workshops, there were seven instances of a 10 per cent or more difference in approximate funding proportions. For example, the Kangaroo Island workshop recommended approximately 30 per cent of the total budget be allocated towards management of feral cats. Forty per cent of the funding was spent on feral cat management.
- The department explained differences in funding between the recommended projects and workshop outcomes in the ministerial brief for one of the four regions where differences occurred.

### **Multiregional working groups**

2.51 The department (with advice from the Panel and states and territories) identified eight priority species and two bundles of species for the focus of multiregional funding.<sup>42</sup> As part of the design of the program the department consulted with relevant state governments and possible lead delivery partners (such as non-government organisations) 'to gauge their capacity and interest in leading or contributing' to projects targeting those species.

2.52 The department consulted with relevant state and territory governments, the Commonwealth Scientific Industrial Research Organisation (CSIRO), World Wildlife Fund, Landcare, Birdlife Australia and the Panel when considering funding allocations under the multiregional component. The department contracted species coordinators to establish cross-jurisdictional working groups to recommend recovery actions and key locations for the priority multiregional species.<sup>43</sup> The 10 working groups incorporated representation from 47 different organisations.

2.53 The department advised the Minister of the projects recommended for funding by multiregional working groups. The department provided the Minister with the full list of projects in its funding recommendations, and whether the project was supported by the relevant working group.

- Four of the projects recommended to the Minister (five per cent) were submitted after the working groups had met, and therefore the working groups were unable to provide comment on those projects.
- Nine projects that were not recommended by the department were supported by the relevant working group (11 per cent).
- Three projects were recommended by the department but were not supported by the relevant working group (four per cent).

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41 These actions were pest (cat) control in the Rainforests of South East Queensland region; and fire management in the Blue Mountains region.

42 Alpine reptiles and gliders formed two bundles of species. These bundles were formed as a number of species shared similar threats and habitats and would benefit from common recovery actions.

43 Species coordinators were employed for: Spotted Quoll; Grey-headed Flying Fox; Long-nosed Potoroo; Brush-tailed Rock-wallaby; Platypus; Eastern Bristlebird; Gang-gang Cockatoo; Mainland Glossy Black Cockatoo; Bundle of gliders species; and Bundle of alpine reptile species.

2.54 Of the 84 projects the department recommended for funding, 77 had the support of the relevant working group (92 per cent).

### 3. Implementation

#### Areas examined

This chapter examines whether the Department of Climate Change, Energy, the Environment and Water (the department) implemented effective arrangements to deliver Wildlife and Habitat Bushfire Recovery Program (the program).

#### Conclusion

Arrangements to support the implementation of the program were largely effective. The program was delivered through the existing organisational structure. Documentation to support program management and assurance was developed but did not consistently cover all sub-programs and was not reviewed as intended. Two internal audits were conducted to support program governance and risk management across the whole program. The department did not effectively implement all internal audit recommendations. Departmental administration of grants and payments to states and territories complied with relevant legislative requirements. Departmental administration of procurements did not comply with all reporting and documentation requirements.

#### Areas for improvement

The ANAO made two recommendations aimed at improving the department's approach to risk review and procurement processes. The ANAO also identified four areas for improvement around the Assurance Framework, developing and documenting procedures, record-keeping, and preparing risk assessments.

3.1 Under the *Public Governance, Performance and Accountability Act 2013* the accountable authority of a Commonwealth entity is required to promote the proper use and management of public resources.<sup>44</sup> The Act defines the proper use as effective, efficient, economical and ethical.

3.2 Effective program delivery and decision-making includes establishing appropriate governance and risk management arrangements<sup>45</sup>, and complying with Australian Government procurement and grant rules.<sup>46</sup>

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44 Sections 15 to 18 of the *Public Governance, Performance and Accountability Act 2013* impose general duties on the accountable authority of a Commonwealth entity to establish and maintain an appropriate system of internal control and an appropriate system of risk oversight and management for the entity; to encourage officials to collaborate with others to achieve common objectives; to take into account the risks and effects of imposing requirements for the management of public resources on others; and to promote the proper use of public resources.

45 Australian Public Service Commission, *Develop an effective governance structure* [Internet], available from <https://www.apsc.gov.au/node/304> [accessed 1 August 2023].

46 Department of Finance, *Procurement Framework* [Internet], available from <https://www.finance.gov.au/sites/default/files/2022-06/CPRs%20-%201%20July%202022.pdf> [accessed 1 August 2023]

See also: Department of Finance, *Commonwealth Grants Rules and Guidelines 2017* [Internet], available from <https://www.finance.gov.au/sites/default/files/2019-11/commonwealth-grants-rules-and-guidelines.pdf> [accessed 1 August 2023].

## Were program oversight arrangements appropriate?

The department delivered the program through existing organisational structures and established an internal board to advise on program implementation. Project plans and procedures were developed but did not cover all aspects of program delivery. The department conducted two internal audits of program governance and risk management that covered the whole program and developed an assurance framework for sub-programs funded by the \$50 million of emergency funding. All internal audit recommendations were not effectively implemented and the assurance framework was not reviewed every six months as intended. Project dates reported to GrantConnect and AusTender are not consistent with internal departmental records.

### Governance structures

3.3 The Biodiversity Conservation Division (BCD) within the department is responsible for the implementation of the national framework for biodiversity conservation, and works with state and territory governments, the community, industry and scientists.<sup>47</sup> This includes responsibility for delivering the program.

3.4 The Australian Government announced the initial \$50 million component of the \$200 million program, known as Phase 1, in January 2020. The Program Delivery Branch within the BCD administered the delivery of Phase 1 projects.

3.5 The department established a working group in January 2020 comprising staff from the BCD and other divisions of the department to begin planning delivery of the program. This working group did not keep meeting minutes. Emails were used to keep staff updated. In May 2023 the department advised that the working group operated until December 2021.

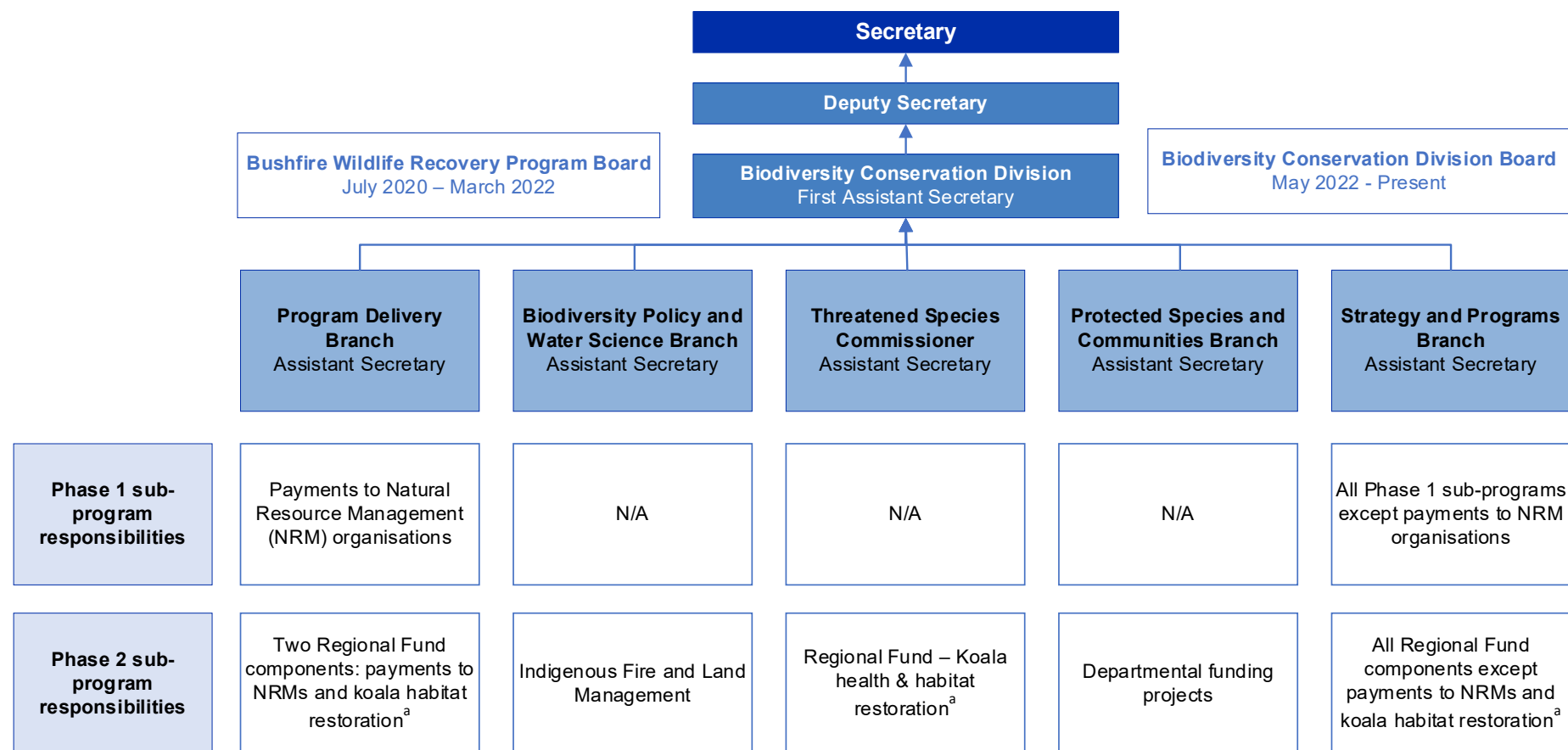
3.6 Following the announcement of \$150 million in funding to support the recovery and resilience of native animals and habitats in May 2020, known as Phase 2, the department broadened the administration of the program to the five branches within the BCD and established the Bushfire Wildlife Recovery Program Board (see paragraphs 3.12 to 3.15). Each of the five branches held responsibility for the administration of the sub-programs that made up the program.

3.7 Figure 3.1 shows the governance structure for the program and identifies the branches responsible for sub-program delivery up until May 2023.

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47 The Department of Climate Change, Energy, the Environment and Water, *Biodiversity conservation* [Internet], available from <https://www.dcccew.gov.au/environment/biodiversity/conservation> [accessed 24 April 2023]. In May 2023, the Biodiversity Conservation Division was renamed the Biodiversity Division.

**Figure 3.1: Governance of the Wildlife and Habitat Bushfire Recovery Program**



Note a: The Program Delivery Branch was initially responsible for the koala habitat restoration work. This was later transferred to the Threatened Species Commissioner. The koala health and habitat restoration component of the Regional Fund sub-program was initially delivered by the Threatened Species Commissioner and later transferred to the Strategies and Programs Branch.

Source: ANAO analysis of departmental documentation.

3.8 An internal audit, conducted from April to June 2020 and finalised in September 2020, reviewed the governance arrangements for Phase 1 of the program (see paragraph 2.16). The internal audit found that roles, responsibilities and lines of reporting between teams and advisory groups were not clearly articulated.

3.9 The audit recommended that the department document and promote its finalised governance arrangements to ensure roles, responsibilities and lines of reporting are clearly understood.

3.10 The department closed this recommendation in February 2021, providing the following supporting documentation: a program logic identifying the program's outcomes (see paragraph 4.20); a document identifying roles and responsibilities for monitoring progress; a risk assessment; and the terms of reference indicating the formation of a program board (see paragraph 3.12).

3.11 The supporting documentation provided in the closure report partly addressed the recommendation to document finalised governance arrangements. The closure report partly addressed suggestions to develop working plans and a governance map. The closure report did not address the suggestion to develop stakeholder and communications protocols. The supporting documentation also did not clarify the relationship between the program's governance structures and advisory bodies (such as the Expert Panel) and delivery teams.

#### *Bushfire Wildlife Recovery Program Board*

3.12 The department established the Bushfire Wildlife Recovery Program Board (the Bushfire Board) in July 2020 as a 'cross departmental Board that deals with the oversight of issues and risks related to delivery' of the program.

3.13 The Bushfire Board was responsible for providing strategic advice and direction on the program and monitoring and reporting program progress (see paragraphs 4.9 to 4.11). The Chair (the First Assistant Secretary of the BCD) was to 'report to the Secretary regularly on any enterprise issues and directly on urgent issues'. The department advised that regular verbal updates were provided at executive meetings, however could not provide evidence that this reporting occurred.

3.14 The business owner of the Bushfire Board was the Deputy Secretary of the Environment and Heritage Group, while the program sponsor and senior responsible officer was the First Assistant Secretary of the BCD. Other members of the Bushfire Board consisted of six First Assistant Secretaries from across the department, and the Chief Environmental Biosecurity Officer.

3.15 The Board met 11 times between July 2020 and September 2021. The department circulated Board papers for six additional out of session meetings between August 2021 and March 2022. The Bushfire Board reviewed updates on implementation and endorsed program governance documents including project plans, program logic, risk plans, the Evaluation Plan, and the Phase 1 internal audit.

#### *Biodiversity Conservation Division Program Board*

3.16 In May 2022 the department ceased the Bushfire Board, on the basis that the Board had delivered on its original terms of reference and the need for advice and guidance specific to the

program had reduced. The Biodiversity Conservation Division Program Board (BCD Board)<sup>48</sup> assumed responsibility for the program.<sup>49</sup>

3.17 The BCD Board assists the First Assistant Secretary of the BCD to maintain oversight of relevant projects and programs including the program. The responsibilities of the BCD Board include considering management issues such as risk, and considering monthly program status reports (see paragraphs 4.12 to 4.14).

### Departmental funding

3.18 The \$150 million of funding to support the recovery and resilience of native animals and habitats announced in May 2020 included \$27.7 million (18.5 per cent) for the department.<sup>50</sup>

- \$16.4 million to deliver scientific assessments, conservation advice and recovery plans.
- \$7.3 million to support the delivery of the Regional Fund sub-program.
- \$2.7 million to support the delivery of the community grants sub-program.
- \$1.3 million to support the delivery of the Indigenous fire and land management sub-program.

3.19 In April 2021, the department advised the Minister for the Environment that it intended to allocate the departmental funding across the sub-programs as follows:

- \$13.8 million for program administration, including \$4.7 million allocated to Grants hub service fees;
- \$11.9 million on scientific assessments; and
- \$2 million on a national koala monitoring project with the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

3.20 Table 3.1 provides the expected Business Grants Hub costs in April 2021, and the actual costs.

**Table 3.1: Business Grants Hub Administration Costs**

Sub-program	Expected costs <sup>a</sup>	Actual costs <sup>b</sup>
Regional Fund	\$2,600,000	\$657,900
Community grants	\$367,000	\$979,448
Indigenous fire & land management	\$700,000	\$503,694
<b>Total</b>	<b>\$3,667,000</b>	<b>\$2,141,042</b>

Note a: Expected cost was estimated for the 2020–21 financial year. An additional \$1 million allocated to the 2021–22 financial year was not allocated to sub-programs in the Ministerial brief, and has not been included within this table. This would bring the total expected costs of the program to \$4.7 million.

Note b: Actual costs include payments as of March 2023 and forecast costs for 2022–23.

Source: ANAO analysis of departmental documentation.

48 The BCD Board consists of BCD First Assistant Secretary and Assistant Secretaries, one independent Senior Executive Service Officer from outside the division, and a financial management director.

49 The BCD Administered Program Board existed alongside the Bushfire Board, and provided a forum delivering strategic, governance, policy advice and direction for projects and programs managed by the BCD. When the BCD Board assumed the responsibilities of the Bushfire Board in May 2022, 41 meetings had previously taken place. The Board was renamed 'the Biodiversity Conservation Division Program Board' in June 2022.

50 The \$3.4 million was provided to the department in addition to the initial emergency funding of \$50 million and was not part of the \$200 million program.

3.21 The department spent \$2.14 million of the \$4.7 million allocated to Phase 2 grant hub administration costs. The department advised that any money not spent on Business Grants Hub administrative costs was kept by the department and that the 'Minister or Delegate would make the decision' for how to spend this unspent money.<sup>51</sup>

## **Project management**

### *Project plans*

3.22 Project plans define the project scope, resources, tasks, schedule, budget and risks, and form the basis for project management and assessment of success. Inadequate planning for projects can result in missed deadlines, diminish the value of project management and increase the risk of missed deliverables.<sup>52</sup>

3.23 The department developed one project plan for one of the six sub-programs in Phase 1.<sup>53</sup> The department developed seven project plans covering three of the four Phase 2 sub-programs.<sup>54</sup>

3.24 The department released a Project Management Framework in February 2021. The department developed five project plans after February 2021. None of these project plans included an issues register, lessons learnt plan, or identified a Senior Responsible Officer, as required by the Project Management Framework.<sup>55</sup>

3.25 Five of the eight project plans did not identify the total budget or staff resourcing available. All project plans clearly document the business owner, project sponsor, project manager or project team.

### *Procedures*

3.26 As the program is delivered through different funding mechanisms, procedures are needed to guide the management of projects through each funding mechanism. The department developed procedures to support the management of grants by the department and the projects funded through payments to states and territories. The department had existing procedures for the management of procurements through the Regional Land Partnership (RLP) program. The department did not approve seven of the 17 procedures used in the delivery of the program.

3.27 Six procedures were undated and had no version control. The style and format of the procedures varied and included emails that were used by staff to handover responsibilities. The department did not have procedures for all aspects of program delivery.<sup>56</sup>

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51 Departmental appropriations are allocations of funding that the department has control over to spend for the ordinary operating costs of the entity. The minister does not need to be consulted for decisions about expenditure.

52 Australian Public Service Commission, 'Effective project management' [Internet], APSC, Australia, 2021, available from <https://www.apsc.gov.au/node/386> [accessed 6 June 2023].

53 A project plan was prepared for the competitive grants sub-program.

54 No project plan was developed for the Indigenous fire and land management sub-program. The department developed two project plans for projects funded under the departmental funding sub-program and three project plans for koala-focused projects under the Regional Fund.

55 The Senior Responsible Officer is defined as 'the individual with overall responsibility for ensuring that a program or project meets its objectives and delivers the projected benefits'.

56 The department did not have procedures for the management of projects delivered through procurement with CSIRO or Phase 2 grants administered by the Business Grants Hub.



3.28 Standard operating procedures provide entities with the ability to define and agree on a consistent process for completing common tasks, ensure relevant legislation and departmental policy is applied and provide consistency of service delivery. The department does not have assurance that project managers have adequate procedural guidance to assist them in their project management.

#### Opportunity for improvement

3.29 There is an opportunity for the department to ensure for future programs that procedures are developed, approved and documented for all relevant funding mechanisms where appropriate.

#### Record keeping

3.30 The department maintains a spreadsheet titled the '\$200m database' to record progress information for each of the 363 projects in the program (see paragraph 4.4). The spreadsheet includes information relating to project outcome statements for completed projects, project cost, project status, and the start and end dates of projects.

3.31 The department is required to publish information on grants on GrantConnect, and procurement contracts and amendments above the reporting threshold of \$10 000 on AusTender.<sup>57</sup> Project start and end dates recorded in GrantConnect and AusTender were inconsistent with dates in the \$200m database.

- The dates in the \$200m database were inconsistent with GrantConnect information for 80 per cent of grant projects (194 projects). Inconsistencies were in the start or end date. Six of these projects varied in duration by between one and three years.
- Start and end dates were inconsistent between the \$200m database and AusTender in 92 per cent of procurements (44 procurements).

3.32 The department uses an online tool (Monitoring, Evaluation, Reporting and Improvement Tool, or MERIT) for providers to self-report project progress. This tool collects and stores planning, monitoring and reporting data (see paragraph 4.30). The recorded project end dates differ between MERIT and the \$200m database for 31 per cent of 352 projects (108 projects).<sup>58</sup>

3.33 The Commonwealth Procurement Rules and the Commonwealth Grant Rules and Guidelines require entities to report accurate information to AusTender and GrantConnect. Any inaccuracies in internal monitoring and reporting limit the department's ability to have confidence in their reporting of project status and timeliness of the program as a whole.

57 For grant reporting requirements, see: Department of Finance, *Commonwealth Grants Rules and Guidelines* (2017), paragraph 5.3, [Internet], available from <https://www.finance.gov.au/sites/default/files/2019-11/commonwealth-grants-rules-and-guidelines.pdf> [accessed 1 August 2023].

For procurement reporting requirements, see: Department of Finance, *Commonwealth Procurement Rules* (2019), paragraphs 7.18 and 7.19, [Internet], available from [https://www.finance.gov.au/sites/default/files/2019-11/CPRs-20-April-2019\\_1.pdf](https://www.finance.gov.au/sites/default/files/2019-11/CPRs-20-April-2019_1.pdf) [accessed 1 August 2023].

The department was not required to report information about the 60 projects funded through payments to states and territories to external bodies such as GrantConnect or AusTender. These projects were not tested.

58 Three per cent of all 363 projects (11 projects) were not included within MERIT.

3.34 In July 2023 the department advised they were commencing an audit process to regularly check project dates. Prior to this the department did not have assurance the information it publicly reported to GrantConnect and AusTender was accurate.

#### Opportunity for improvement

3.35 There is an opportunity for the department to ensure its recordkeeping and external reporting of project start and end dates is accurate.

### Program assurance

#### *Internal audits*

3.36 A September 2020 internal audit of the delivery of Phase 1 examined whether the department effectively considered potential risks to successful program delivery and established appropriate control measures and assurance processes to manage those risks (see paragraph 2.16).

3.37 The internal audit found that the roles, responsibilities and lines of reporting between teams, advisory groups, and governance structures were not clearly articulated (see paragraphs 3.8 to 3.11).

3.38 The internal audit also found that risk management could be improved and internal control systems should be strengthened. It recommended finalising an assurance framework to strengthen existing and identify new assurance activities to address risks. The internal audit identified seven components that should be included in the assurance framework, such as processes for periodic review of risk assessments and providing an overview of key assurance activities to address identified risks.

3.39 The department agreed with the recommendation and noted an assurance framework was under development and would be presented to the Bushfire Board by 30 September 2020. The department finalised the framework in May 2021 (see paragraphs 3.43 to 3.45) and presented to the Bushfire Board out of session in August 2021. The Board endorsed the framework in September 2021.

3.40 In December 2021, the department conducted an internal audit into the effectiveness of the governance arrangements in place for the program. This audit reviewed all of Phase 2 (with the exception of the departmental funding sub-program) and the natural resource management (NRM) sub-program of Phase 1. The internal audit made two recommendations.

- The department should ensure that governance arrangements for planning, roles and responsibilities and probity are adequately documented. The internal audit suggested the department consider the risk of inadequate documentation of key governance processes.
- The department should draft concise guidance on procedures for risk assessment and treatment. The department closed the recommendation on 3 June 2022 (see paragraphs 3.58 to 3.64).

3.41 The department closed the first recommendation on 21 May 2022 noting guidance on risk management had been prepared and distributed to relevant staff. The guidance developed by the department did not highlight the risk of failing to adequately document key governance processes. The closure report did not address the substance of the recommendation.

3.42 The department closed the second recommendation on 3 June 2022, providing the same supporting documentation. The risk guidance provided does address the recommendation. This guidance was not actioned within the division (see paragraphs 3.58 to 3.64).

### *Assurance Framework*

3.43 In May 2021 the department finalised an assurance framework for grants and state and territory payments in Phase 1.<sup>59</sup> The department developed the assurance framework to ensure the controls managing the risks for aspects of Phase 1 were in place and effective. The assurance framework met the seven requirements of the internal audit report, including providing an approach to risk management, documenting processes for periodic review of risk assessments and evaluating the effectiveness of controls.

3.44 The assurance framework required risk assessments to be reviewed every six months, and desktop compliance reviews to determine if funding recipients were meeting their obligations.

3.45 The assurance framework was to be reviewed every six months. It has not been reviewed since approval in May 2021. The department did not develop an assurance framework for Phase 2.

#### **Opportunity for improvement**

3.46 There is an opportunity for the department to regularly review the assurance framework to ensure it remains fit-for-purpose and to also ensure future disaster recovery programs have an assurance framework that covers the whole program.

3.47 The department undertook a desktop compliance review of Phase 1 in September 2022. The review considered the extent to which 17 grant or state funding recipients complied with their funding agreements. In March 2023 the department advised it sought input from funding recipients and will report to the BCD Board. By 28 July 2023 the desktop compliance review had not been presented to the Board.

## **Were program delivery risks managed appropriately?**

The department developed risk assessments for seven out of nine sub-programs. It did not review them in accordance with departmental requirements. Two of the sub-programs from the initial funding of \$50 million were not supported by risk assessments. Risk assessments prepared by the Business Grants Hub, and relied on by the department, were inconsistent with departmental policy. The department circulated risk guidance in May 2022 requiring regular review of risks based on their severity. Since May 2022 the department has reviewed one sub-program's risk assessment.

3.48 The risk management framework that applied from the commencement of the program until September 2020 promoted 'a culture of proactive risk management', but did not specify when risk assessments should occur, or how often they should be reviewed.

3.49 The department introduced a new risk management framework in September 2020 that outlined appropriate risk management processes and procedures (the DAWE Framework). The

<sup>59</sup> The Assurance Framework did not cover the payments to NRM organisations sub-program in Phase 1.

DAWE Framework required governance committees to regularly review the risks related to their areas of responsibility.

3.50 Risk assessments prepared under the assurance framework were required to be reviewed at least every six months. The department relied on the Business Grants Hub to develop risk assessments for two sub-programs it administered. Table 3.2 illustrates how often the department reviewed risk assessments for the program.

**Table 3.2: Risk assessment review**

Phase	Sub-program	Initial risk assessment date	Review dates	Sub-program completion date <sup>a</sup>	Completion of risk assessment reviews
1	Whole phase	Oct. 2020	Apr. 2021	May 2023	▲
	Payments to states and territories	No risk assessment was prepared for this sub-program.			N/A
	Payment to natural resource management organisations	No risk assessment was prepared for this sub-program.			N/A
	Competitive grants	Mar. 2020 <sup>b</sup>	–	Jun. 2022	■
	Greening Australia	Jan. 2020	Mar. 2020	Dec. 2021	▲
	Conservation Volunteers Australia	Jan. 2020	–	Jun. 2022	■
	Wildlife rescue and rehabilitation	Jan. 2020	Mar. 2020	May 2023	▲
2	Community grants	Sept. 2020 <sup>c</sup>	–	Jun. 2023	■
	Indigenous fire and land management	Sept. 2020 <sup>c</sup>	–	Apr. 2023	■
	Regional Fund	July 2020	Oct. 2020 Jun. 2021 Aug. 2021 May 2022	Jun. 2023	▲

Key: ◆ Risk assessments have been reviewed in line with departmental policy; ▲ Risk assessments have been reviewed, but not six-monthly; ■ Risk assessments have not been reviewed.

Note a: To determine when the sub-program was expected to be completed, the ANAO identified the latest end date of a project within the sub-program.

Note b: This risk assessment refers to a previous version dated February 2020, which could not be located by the department.

Note c: The risk assessments for the community grants and Indigenous fire and land management sub-programs were prepared by the Business Grants Hub.

Source: ANAO analysis of departmental documentation.

3.51 Table 3.2 demonstrates that the department did not conduct risk assessments for two sub-programs. The department adopted risk assessments completed by the Business Grants Hub for the Indigenous fire and land management and community grants sub-programs. Of the eight

risk assessments in Table 3.2, the department reviewed three once and one risk assessment four times.<sup>60</sup> The department has not reviewed any risk assessment since May 2022.

3.52 Both the Bushfire Board and BCD Board had oversight responsibilities for program risks. Both boards recorded commentary on risks and issues in meeting minutes. The commentary did not refer to the risks identified in the risk assessments. The boards did not update the risk assessments following risk discussion in the meetings.

## Risk appetite

3.53 The DAWE Framework described a low appetite for risks associated with the safety of staff and delivery partners. All risk assessments for sub-programs that involved delivery of services in bushfire affected areas prepared by the department reflect this appetite. In two sub-programs the department relied on risk assessments performed by the Business Grants Hub: Phase 2 community grants; and Phase 2 Indigenous fire and land management. Neither of these risk assessments consider risks associated with the safety of staff and delivery partners.

## Shared risks

3.54 A shared risk is defined in the DAWE Framework as ‘where more than one party is exposed to, or can significantly influence, the risk’. Shared risks are to be identified during the risk identification process. The department identified shared risks in six of the eight sub-program risk assessments.<sup>61</sup> Shared risks are not addressed in the Indigenous fire and land management or community grants sub-program risk assessments. As discussed in paragraph 3.51, the Indigenous fire and land management, and community grants sub-program risk assessments were prepared by the Business Grants Hub, not the department.

### Opportunity for improvement

3.55 There is an opportunity for the department to consider whether risk assessments from other entities are consistent with departmental policy. If they are not consistent with departmental policy, the department should prepare their own risk assessments.

## Internal audit of risk management

3.56 In September 2020, an internal audit of Phase 1 found that there was no formal process for updating risk assessments and risks had not been updated to reflect changing risks (see paragraph 2.16). The internal audit recommended the department ‘review and update the Package risk assessment to consider risks as the Package moves to business-as-usual activity.’<sup>62</sup>

3.57 The department updated the risk assessment for all of Phase 1 in response to this recommendation and noted that it would be reviewed again in March or April 2021. The department reviewed the Phase 1 risk assessment in April 2021.

60 The Phase 2 departmental funding sub-program includes two projects, both of which have separate risk assessments.

61 Shared risks are identified in the koala health and koala habitat components of the koala package, but not in the risk assessment for koala monitoring.

62 The \$200 million Bushfire Wildlife and Habitat Bushfire Recovery Program is called ‘the Package’ in internal departmental documentation.

3.58 In December 2021, an internal audit of the program found that risk management practices across the program were inconsistent. The audit recommended guidance on procedures for risk assessment and treatments be distributed to teams delivering the program.

3.59 In response to this recommendation the department developed risk assessment guidance (the guidance) in May 2022. The department circulated the guidance to the relevant program delivery teams. The guidance recommends a risk management plan be developed through the design phase and reviewed during program delivery, annually.

3.60 The guidance identifies five program management level risks that should be considered when updating risk assessments, including the failure to adequately document key governance processes, and the failure to align objectives against the objectives of the broader program.

3.61 The guidance also recommends that risks should be regularly monitored and updated when required. Risks rated low, medium or high should be reviewed annually, half-yearly and quarterly respectively.

3.62 One risk assessment, the Regional Fund sub-program risk assessment, has been updated since the department released the guidance in May 2022 (see Table 3.2).

3.63 Four of the five program management level risks were considered in the Regional Fund risk assessment. The risk assessment did not include the risk of the business area failing to align objectives against the objectives of the broader program.

3.64 The guidance on risk management notes that having a consistent, well documented and appropriate approach to managing risks across the program will assist in providing confidence that public funds are being appropriately managed, and objectives can be achieved. As the majority of risk assessments have not been reviewed since the circulation of this guidance, and not all sub-programs have risk assessments, the department is unable to provide that confidence. In July 2023 the department advised that 'while a project risk register was not kept, project risk was assessed at regular intervals for projects, often at six monthly intervals as part of progress and final reporting'.

## Recommendation no. 2

3.65 The Department of Climate Change, Energy, the Environment and Water implement the guidance on risk management prepared in response to the internal audit recommendation, for all sub-programs within the program.

**Department of Climate Change, Energy, the Environment and Water response:** *Agreed.*

3.66 *The department agrees that employing sound risk management practices across all levels of the program be prioritised, to provide greater confidence that program objectives can be achieved. The department's approach to risk management is embedded in DCCEE's new Enterprise Risk Management Framework (ERMF) that defines the accountabilities, responsibilities, approach and expectations for staff in applying effective risk management practices.*

## Issues management

3.67 The department developed an issues register for Phase 1 in February 2020, and for Phase 2 in January 2021. The registers contain a range of issues raised by team members on an ad hoc basis. In May 2023 the department advised that these issues registers were used in conjunction with other practices used by project managers to monitor and report on risks and issues.

3.68 The Phase 1 issues register dates from 16 March 2020 to 15 April 2021 and contained 24 entries at the time the issues register was closed. Issues being raised include the impact of the COVID-19 pandemic on program delivery, unclear governance arrangements, problems with project administration, and managing the grant application process.

3.69 The Phase 2 issues register, dated 20 January 2021 to 30 June 2022, contains 15 entries from 9 September 2020 to July 2021. Issues raised include being unable to find suitable delivery partners, difficulties with carrying out projects or finalising project agreements, and the unsuitability of some projects for the department's monitoring and reporting processes.

3.70 Although not all issues were closed across both registers, all issues had progress notes detailing the department's response to the issue.

3.71 The Bushfire Board also considered issues as they arose during the monthly project status reports from June 2021 to March 2022.

3.72 The department did not develop guidance material to support the use of the registers.

## Did the funding allocations adhere to relevant legislative requirements and guidelines?

The department complied with relevant requirements for grants and payments to states and territories. The department did not report 19 of 48 of procurements to AusTender within the required timeframe. The department did not keep documentation of approvals for 51 of 64 projects funded through procurement.

3.73 The *Public Governance, Performance and Accountability Act 2013* (the PGPA Act), the Commonwealth Grants Rules and Guidelines (the CGRGs) and the Commonwealth Procurement



Rules (CPRs) establish requirements that Commonwealth entities must follow.<sup>63</sup> These requirements ensure that the administration of public money promotes the proper use and management of public resources, the achievement of the purposes of the entity and the financial sustainability of the entity.<sup>64</sup>

3.74 The program consists of 363 projects, delivered through grants, procurements and payments to states and territories. The total number and value of projects funded through each mechanism is provided in Table 3.3.

**Table 3.3: Funding mechanisms**

Funding mechanism	Number of grants or procurements awarded	Projects	Total funding <sup>a</sup>
Open competitive grants	140	140	\$24.0m
Ad hoc, non-competitive or one-off grants	60	99	\$49.2m
Procurement	48	64	\$46.3m <sup>a</sup>
Payments to states and territories	N/A	60	\$54.5m
<b>Total</b>	<b>248</b>	<b>363</b>	<b>\$174.0m<sup>a</sup></b>

Note a: Total funding includes \$2 million of the \$27.7 million departmental funding sub-program that was allocated to procurements. It does not include the remaining \$25.7 million of the departmental funding sub-program.

Source: ANAO analysis of departmental documentation.

## Grants

3.75 The department delivered 200 grants to government and non-government organisations through open competitive grant rounds, and closed non-competitive and one-off grants.<sup>65</sup> These grants funded 239 separate projects and totalled \$73.2 million.<sup>66</sup>

63 Subsection 15(1) of the *Public Governance, Performance and Accountability Act 2013* (Cth) sets out how the accountable authority of a Commonwealth entity must govern the entity. Paragraph 1.2 of the *Commonwealth Grants Rules and Guidelines* (2017) and paragraph 2.2 of the *Commonwealth Procurement Rules* (2019) require Commonwealth entities to apply the frameworks to grant and procurement processes respectively.

64 At the time projects funded through procurement under the program were approved, the CPRs published in April 2019 and subsequently December 2020 were in force. There were no changes for the relevant CPRs that the ANAO tested program procurements against between the 2019 and 2020 versions of the CPRs. As such, the CPRs published in 2019 will be referenced.

65 Closed non-competitive and one-off grants are defined in the CGRGs as any grant that does not undergo an open competitive selection process. These include situations where a limited number of providers are invited to apply for a grant, grants determined on an ad-hoc basis, or where applicants may apply at any time over the life of the grant opportunity and are not assessed with reference to the comparative merits of other applications.

See: Department of Finance, *Commonwealth Grants Rules and Guidelines* (2017), paragraph 13.11, [Internet], available from

<https://www.finance.gov.au/sites/default/files/2019-11/commonwealth-grants-rules-and-guidelines.pdf> [accessed 1 August 2023].

66 Many grants consisted of multiple different projects that were run by the same provider and were grouped together when the grants were assessed by the department and approved by the Minister.



3.76 Table 3.4 lists the grants by administering entity and application process.

**Table 3.4: Wildlife and Bushfire Recovery Program grants**

Administering entity	Phase	Closed non-competitive and one-off grants	Competitive grants	Total
The department	1	21	37	58
Community grants Hub	1	1	0	1
Business Grants Hub	2	38	103	141
<b>Total</b>		<b>60</b>	<b>140</b>	<b>200</b>

Source: ANAO analysis of departmental documentation.

3.77 The CGRGs recommend the use of competitive, merit-based selection processes for grants. Non-competitive processes are allowable if specifically agreed by a minister, accountable authority or delegate.<sup>67</sup> The Minister approved closed non-competitive and one-off grants for two reasons: as a response to an urgent matter to meet a specific need; and for required services that were offered by a limited number of providers with a well-established delivery record.

3.78 In January 2020, the Minister sought and received an exemption from the Prime Minister from the requirement to use the grant hubs to assess and administer the grants for Phase 1. The Minister cited exceptional circumstances and a critical need to immediately deliver the funds to providers for immediate wildlife rescue and recovery.

3.79 The department assessed and administered 58 of the 59 grants in Phase 1. The Community Grants Hub administered one grant as it was a variation to an existing grant.

3.80 The Business Grants Hub administered all 141 Phase 2 grants.<sup>68</sup> The relationship between the department and the Business Grants Hub was governed by a head agreement, as well as memorandums of understanding signed by both entities. The Business Grants Hub was responsible for designing, selecting, establishing and managing the Phase 2 grant opportunities. The department was responsible for seeking Ministerial approval for the Phase 2 grants, providing timely advice to support the decision-making process, and announcements and events related to the grant opportunities.

### *Compliance with Commonwealth Grants Rules and Guidelines*

3.81 The ANAO tested all grants to determine whether the department's administration of grants complied with relevant legislative and policy requirements.<sup>69</sup> All grants were compliant, except for a variation on a pre-existing grant awarded in 2018. The non-compliant grant was a variation to a grant awarded to the service provider in December 2018 for \$1.65 million (GST inclusive). The grant

67 Department of Finance, *Commonwealth Grants Rules and Guidelines* (2017), paragraph 11.5, [Internet], available from <https://www.finance.gov.au/sites/default/files/2019-11/commonwealth-grants-rules-and-guidelines.pdf> [accessed 1 August 2023].

68 The Business Grants Hub is an organisation administered within the Department of Industry, Science and Resources. The hub helps government agencies design and implement grants programs.

69 Paragraph 1.2 of the CGRGs (2017) require non corporate Commonwealth entities to 'undertake grants administration based on the mandatory requirements and key principles of grants administration in the CGRGs'.

was varied in June 2020 by an additional \$110,000 to address the impacts of bushfires on the marine environment. The department did not advise the Minister that this was a non-competitive grant.<sup>70</sup>

## Procurements

3.82 Sixty-four projects were delivered through procurement processes at a total value of \$46.3 million:

- Fifty-six projects were procured from NRM organisations through the existing RLP program and were administered as work orders under the RLP head agreement for \$42 million.<sup>71</sup>
- Four projects were procured as a limited tender by the CSIRO for \$3 million.
- Four projects were procured as limited tenders with BirdLife Australia, the NSW, Victorian, and ACT governments for \$1.3 million.

3.83 The ANAO tested all projects funded through procurement processes to determine whether the department's administration of procurements complied with relevant legislative and policy requirements.<sup>72</sup> Procurement processes were not fully compliant with relevant legislative and policy requirements as demonstrated in Table 3.5.

**Table 3.5: Analysis of procurement compliance**

Requirement tested	Compliance	ANAO comment
Entities must have access to evidence of agreements with suppliers (CPR paragraph 7.4).	◆	All projects have signed work orders.
Documentation should provide accurate and concise information on relevant approvals and relevant decisions, and the basis of those decisions. (CPR paragraph 7.3(d) and (e), section 23 of the PGPA Act, rule 18 of the PGPA Rules (2013) and Chapter 4.4 of the DAWE Procurement Policy).	■	Of 64 projects, the department did not keep documentation of approval for 51 projects.
Relevant entities must report contracts and amendments on AusTender within 42 days of entering into (or amending) a contract if they are valued at or above the reporting threshold (CPR paragraph 7.18).	▲	Of the 48 Contract Notice IDs <sup>a</sup> 19 were not reported to AusTender within 42 days <sup>b</sup>

Key: ◆ Compliant; ▲ Partly compliant; ■ Not compliant.

Note a: A Contract Notice ID is a unique number associated with each Commonwealth contract. Several projects were administered as work orders to pre-existing contracts, and so share the same Contract Notice ID.

Note b: Four projects were identified as having two distinct Contract Notice IDs, as the provider was changed during the contract, and the department generated a new Contract Notice ID. For this analysis, the Contract Notice ID associated with the current provider was tested.

Source: ANAO analysis of departmental documentation.

70 This grant did not comply with paragraphs 3.3, 3.10, 4.4(d), 4.6(a), 4.6(c), 4.6(d) and 13.13 of the CGRGs (2020).

71 The ANAO tabled a report on the effectiveness of RLP procurement processes in November 2021, and concluded that the processes supported the achievement of value for money and largely complied with the Commonwealth Procurement Rules. (See Auditor-General Report No. 9 2021–22 *Regional Land Partnerships*).

72 Paragraph 2.2 of the CPRs (2019) states that officials from non-corporate Commonwealth entities 'must comply with the CPRs when performing duties related to procurement.

See: Department of Finance, *Commonwealth Procurement Rules* [Internet], available from [https://www.finance.gov.au/sites/default/files/2019-11/CPRs-20-April-2019\\_1.pdf](https://www.finance.gov.au/sites/default/files/2019-11/CPRs-20-April-2019_1.pdf) [accessed 1 August 2023].

3.84 The department did not maintain documentation of approvals by the appropriate delegate for 51 projects funded through procurement. Of the 64 projects:

- Thirteen had appropriate documented approvals;
- Four had documented approvals for spending that referenced the proposal for spending without providing reasons for approval;
- Thirty recorded procurement approval in the financial management system (SAP).<sup>73</sup> The SAP system did not contain scans of documentation describing the basis for the decisions; and
- Seventeen had undocumented approvals. The department provided to the ANAO 'Project Design Approval Checklist for New Project' documents. These documents did not clearly indicate approval of the commitment of funds for procurement and did not document the basis for that decision.

3.85 The department reported 19 contracts (40 per cent of the 48 Contract Notice IDs) later than the 42 day time limit. The department reported 18 contracts between 43 days and four months after the contract starting date and one contract four months after the contract starting date.

### Recommendation no. 3

3.86 The Department of Climate Change, Energy, the Environment and Water review its procurement processes to ensure that the department keeps adequate documentation of procurement approvals to ensure compliance with the PGPA Act, PGPA Rules, and departmental guidance.

**Department of Climate Change, Energy, the Environment and Water response:** *Agreed.*

3.87 *The department has recently issued guidance for procurement approvals and is developing a standard operating procedure for these processes to more comprehensively address issues raised in this audit.*

### Payments to States and Territories

3.88 The program includes two types of funding arrangements for state and territory payments. The *COAG Reform Fund Act 2008* allows the Australian Government to make grants of financial assistance to the states and territories subject to the limit prescribed in the appropriation acts for the relevant financial year, while the *Federal Financial Relations Act 2009* allows for the Australian Government Treasurer to provide general revenue assistance to the states.<sup>74</sup>

3.89 Payments made to states and territories complied with relevant legislative requirements.

<sup>73</sup> SAP stands for System Applications and Products in Data Processing.

<sup>74</sup> *Legislative Framework*, Federal Financial Relations, [Internet], <https://federalfinancialrelations.gov.au/legislative-framework> [accessed 1 August 2023].

## 4. Monitoring and reporting outcomes

### Areas examined

This chapter examines whether the Department of Climate Change, Energy, the Environment, and Water (the department) effectively monitors and reports on the achievement of outcomes for the Wildlife and Habitat Bushfire Recovery Program (the program).

### Conclusion

Monitoring and reporting arrangements are partly effective. A monitoring and reporting framework is in place, however there are limitations in the department's implementation of the framework. The department developed program logic and an evaluation plan to support program evaluation against short and long-term outcomes. In 2022 a mid-term review made recommendations to improve the evaluation process in this and future programs. The Mid-term Review Report was not disseminated to the departmental executive and the department has not developed a plan for addressing lessons learned during the implementation and evaluation of the program. A status report was used to monitor delivery from July 2021 to March 2022 and from December 2022, however, un-met targets within completed projects were not reported.

### Area/s for improvement

The ANAO made two recommendations aimed at improving the collection of data and reporting progress towards achievement of outcomes and capturing lessons learned.

4.1 Effective monitoring and reporting on program outcomes supports transparency and accountability for government expenditure, enables early identification of risks and issues, and helps ensure programs are on track to achieve objectives. Effective arrangements include:

- collection of timely and relevant information that enables progress towards achievement of outcomes to be tracked and reported; and
- an evaluation framework that contributes to continuous improvement.

### Did the department monitor and report on progress?

Staff within the Biodiversity Conservation Division monitor individual projects, reporting to the relevant board by sub-program. From July 2021 to March 2022 and from December 2022, a standard status report that included all sub-programs was provided to the relevant board, enabling Divisional level oversight of the program. At other times, reporting to the board was not regular or comprehensive. The department did not report on un-met targets within completed projects.

4.2 Individual projects within the program are managed by staff in the Biodiversity Conservation Division (BCD), using a range of procedures (see paragraph 3.26). Responsibilities include monitoring and reporting on progress at the project level. The department did not document monitoring at the sub-program level in the sub-program project plans.<sup>75</sup>

<sup>75</sup> The department developed six project plans for part or all of four of the ten sub-programs. See paragraph 3.22 and following.

4.3 Arrangements with service providers require them to report progress for individual projects. This reporting varies in frequency and content depending on individual arrangements (see paragraphs 4.30 to 4.33 on MERIT, the department's Monitoring, Evaluation, Implementation and Reporting Tool). This information is either input into MERIT by the service provider, reported to the Grants Hub or reported to the relevant departmental officer.

4.4 The department developed three spreadsheets to track projects.

- The 'Megatracker' tracks the progress and status of the 99 projects in Phase 1. The Megatracker includes information on project schedule, budget and reporting. The Megatracker does not include data on outputs delivered or outcomes achieved. Updating the Megatracker is governed by an un-approved procedure.
- The 'Variations tracker' tracks project variations for Phase 1 projects apart from projects in the NRM organisations sub-program. Updating the Variations tracker is not governed by a procedure.
- The '\$200m database' records project details for all projects within the program (both for Phase 1 and Phase 2). In February 2023 the department advised the ANAO that this spreadsheet is the 'single source of truth' for the program.

4.5 The \$200m database includes information on project schedule, budget and reporting status. It includes a column titled 'Project outcomes for Minister's office and Reporting'. This column contains a narrative description of project achievements, based on service provider reports. Management of the \$200m database is not governed by a procedure.

4.6 The Megatracker, Variations tracker and the \$200m database are maintained by two departmental officers. The databases are updated manually whereby officers responsible for managing individual projects are requested to provide updated information. The information in these spreadsheets is used to develop status reports.

4.7 As of January 2023, of the 200 projects with targets in MERIT (see 4.30 to 4.33), the department recorded 19 completed projects with final reports as having unmet targets. The ANAO assessed these 19 completed projects against the outcomes recorded in the \$200m database. For all 19 projects, the \$200m database outcome statements only recorded targets that had been met and did not document any unmet targets.

#### *Internal reporting*

4.8 The department advised that program reporting was included in the Budget Measures Implementation Dashboard reports provided to the Deputy Secretary responsible for BCD.

4.9 As outlined in paragraph 3.12, the department established the Bushfire Wildlife Recovery Program Board (Bushfire Board) in July 2020. From that time until June 2021, individual sub-programs reported to the Bushfire Board intermittently and with varying levels of detail. Between July 2020 and June 2021, none of the board meetings included a progress update for every sub-program.

4.10 In July 2021, the department developed the Monthly Project Status Report template. These reports covered all Phase 1 as a single 'component' and reported on Phase 2 through nine

‘components’.<sup>76</sup> The reports were provided to the Bushfire Board until its last meeting in March 2022. The reports included for each sub-program:

- a traffic light indicator of overall status, schedule, budget and scope;
- monthly updates and achievements in narrative form;
- milestones expected to be achieved in the next four weeks; and
- risks and issues, including controls, mitigation, escalation and rating.

4.11 Following the last meeting of the Bushfire Board in March 2022, a status update by sub-program was provided to the BCD Board in March and April 2022. This update included:

- funding committed, contracted and expended; and
- number of projects contracted, completed, extended and acquitted.

4.12 In May 2022 the BCD Board assumed responsibility for the program. In June 2022 the BCD Board dashboard report did not cover the entire program. The dashboard report included four lines for bushfire related programs. These lines covered 126 projects totalling approximately \$145 million in value. Each line included a delivery risk traffic light and funding status. The program did not provide any progress report at the following BCD Board meeting in November 2022.

4.13 In December 2022 and February 2023 the BCD Board status reports dashboard included six program-specific sub-programs:

- Regional Fund — strategic projects (\$28 million);
- Regional Fund (\$110m);
- Indigenous fire and land management workshops (\$2m);
- community grants (\$10m);
- Bushfire Wildlife Recovery Program (Environment Restoration Fund component)<sup>77</sup>; and
- Bushfire Wildlife Recovery Program (Regional Land Partnerships component).<sup>78</sup>

4.14 The dashboard includes a traffic light indicator for overall progress, schedule, budget and scope. Data for the dashboard was extracted from the \$200m database.

4.15 The status of each sub-program was reported to the responsible board at each meeting for the period July 2021 to March 2022. For the period January 2020 to June 2021 and March 2022 to November 2022, reporting was not regular or comprehensive.

### *Reporting to the Minister for the Environment*

4.16 The department provided program information for the Fortnightly Budget Measures Implementation Dashboard to the Minister for the Environment from July 2020 to May 2022. The department has not reported to the Minister on the status of the program since 20 May 2022.

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76 The Phase 2 sub-programs reported on in the Monthly Project Status Reports are: Regional Fund; Multiregional species; Indigenous Fire and Land Management; Community grants; Accelerated listing assessments; Enhancements to information systems; Koala habitat restoration; Koala monitoring; and Koala health.

77 This is the payments to states and territories sub-program in Phase 1.

78 This is the payments to natural resource management (NRM) organisations sub-program in Phase 1.

4.17 The dashboard included the following information for the program:

- an overall program traffic light status;
- funding committed, contracted and expended;
- key steps for implementation;
- target date for completion; and
- key risks and sensitivities.

4.18 Information for the dashboard was extracted from the \$200m database.

#### *Public reporting*

4.19 The department published a quarterly report on its website from October 2020 to May 2023. These reports include:

- an overview of the program;
- case studies of activities underway or completed;
- details of species and ecological community assessments undertaken;
- a selection of activities completed in the last quarter; and
- number of completed projects.

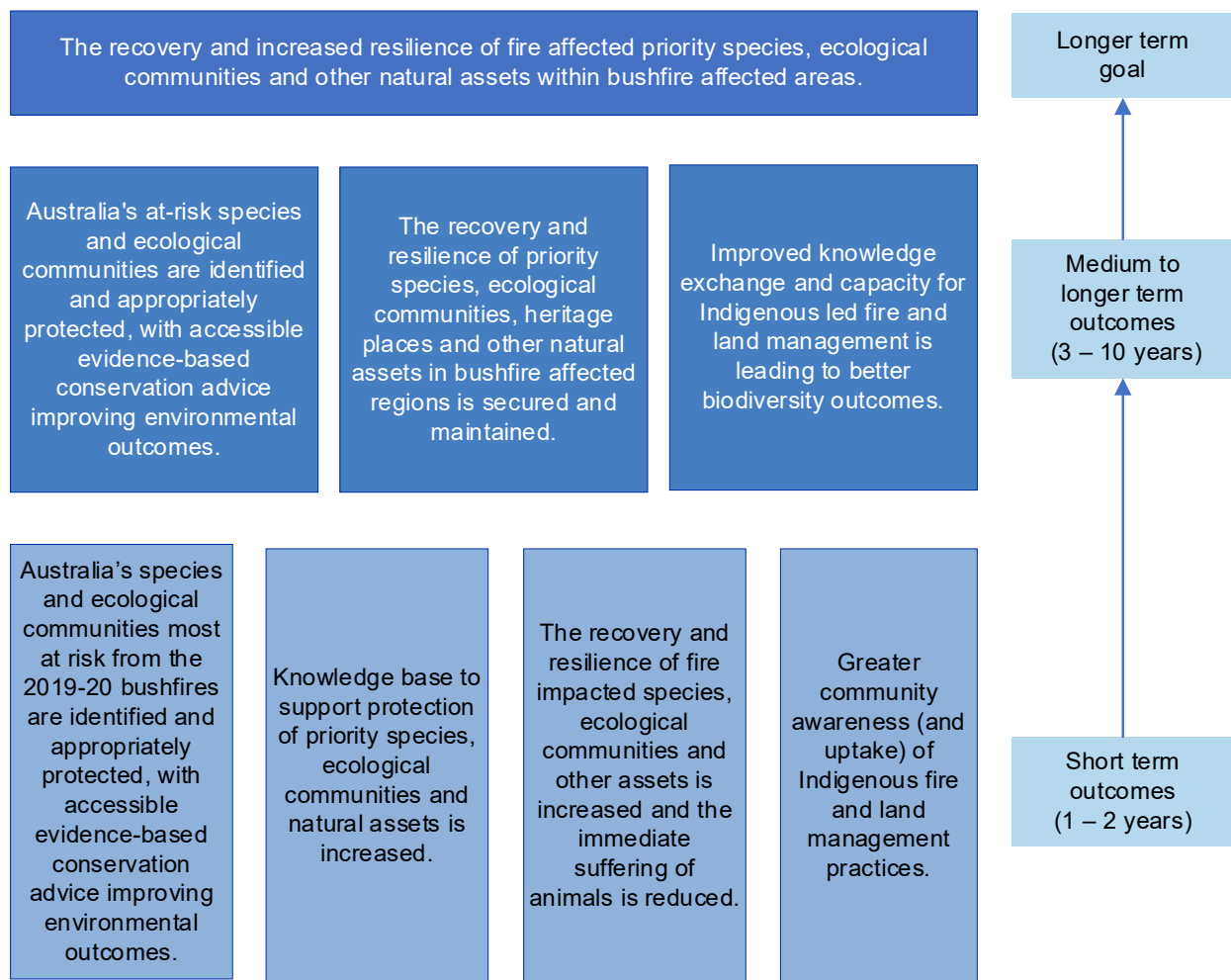
### **Is monitoring and reporting information used to evaluate progress towards achievement of program outcomes?**

The department developed program logic and an evaluation plan to contribute to the assessment of program outcomes. In June 2022 the department completed a mid-term review in accordance with the Evaluation Plan. This review reported on targets achieved for two of the six sub-programs and made 10 recommendations to improve data interpretation in this and future programs. The Review Report was not provided to departmental executive or the Minister. The department has not developed a plan to address the lessons learned from the implementation of the program and its mid-term review.

#### **Program logic**

4.20 In October 2020 the department developed a program logic framework to document the relationships between inputs, actions, and outputs, and anticipate outcomes and indicators that could be used to measure program progress. The program logic identifies short term outcomes (one to two years), medium to longer term outcomes (three to 10 years) and longer term goals (see Figure 4.1).

**Figure 4.1: Program logic**



Source: ANAO analysis of program logic.

4.21 The program logic framework was intended to provide for monitoring and measuring of outputs and outcomes. The Bushfire Board endorsed the program logic framework in October 2020, and noted that the program logic would be used to inform the development of an evaluation plan and the development of indicators.

4.22 In October 2020 the department prepared draft program logics for each sub-program in Phase 1. In March 2021 the department prepared detailed logic processes for the regions that were the focus of the Regional Fund.

## Evaluation Plan

4.23 On 1 March 2021 the Bushfire Board endorsed in principle the draft Bushfire Recovery Wildlife and Habitat Evaluation Plan (the Evaluation Plan). A final undated evaluation plan, which included extended completion dates, was not returned to the Board for endorsement.<sup>79</sup>

4.24 The final Evaluation Plan outlines the broad approach to assess the program and identifies the following two evaluation activities:

<sup>79</sup> The final Evaluation Plan includes changes to proposed completion dates for evaluation activities. The evaluation plan was not approved.



- the mid-term assessment to assess progress on short term outcomes and project activities for Phase 1 and identify improvements for the remainder of the program<sup>80</sup>; and
- the end-of-program assessment to assess whole-of-program achievement against identified outcomes for Phase 2.

4.25 The Evaluation Plan identifies key elements that will be used to assess and measure achievement and progress against identified outcomes and key activities (Table 4.1).

**Table 4.1: Key elements for evaluation**

Element	Description
Overarching program logic and sub-program logics	Documents the relationship between project inputs, outputs, outcomes and indicators to measure progress over time. They are intended to support monitoring and evaluation and provide program governance. <sup>a</sup>
Key evaluation questions	Effectiveness — extent to which objectives were achieved.
	Appropriateness — alignment with needs of intended beneficiaries or compliance with process.
	Efficiency — optimal value from resources.
	Impact — change in the condition of assets. <sup>b</sup>
	Legacy — enduring consequences — end of program. <sup>b</sup>
Indicators and data sources	Overarching measurement points to support assessment of activities and outcomes. <sup>c</sup>

Note a: Endorsed by the Bushfire Program Board on 30 October 2020.

Note b: Applies to end of program evaluation only.

Note c: Endorsed by the Bushfire Program Board on 28 January 2021.

Source: ANAO analysis of departmental documentation.

4.26 The department's monitoring tool, MERIT is identified as the primary source of data for assessing program progress.<sup>81</sup>

4.27 The Evaluation Plan was provided to BCD staff and the National Bushfire Recovery Agency<sup>82</sup> in April 2021. The Evaluation Plan identifies the following key stakeholders:

- the Minister for the Environment;
- Bushfire Board;
- BCD Executive; and
- BCD Project Managers.

4.28 The Evaluation Plan identifies 12 'challenges' relating to assessing and tracking progress, including:

- difficulties in assessing progress due to the range of projects, data points, geographical location and views on what constitutes success;

80 Analysis of the mid-term review is detailed at paragraphs 4.36 to 4.40.

81 MERIT is an online reporting tool designed to collect and store data associated with projects funded by the Australian Government.

82 Now National Emergency Management Agency.

- difficulty in assessing direct causal relationship between activities and outcomes;
- lack of baseline data in some instances;
- environmental impacts on recovery of species and habitats;
- aggregation of like data;
- differences in the MERIT reporting requirements for various projects;
- the assessment of longer-term outcomes over 3 to 10 years is not within the investment timeline of the program; and
- some of the projects do not have defined indicators and targets and would need to be assessed manually to ensure key deliverables and objectives are met.

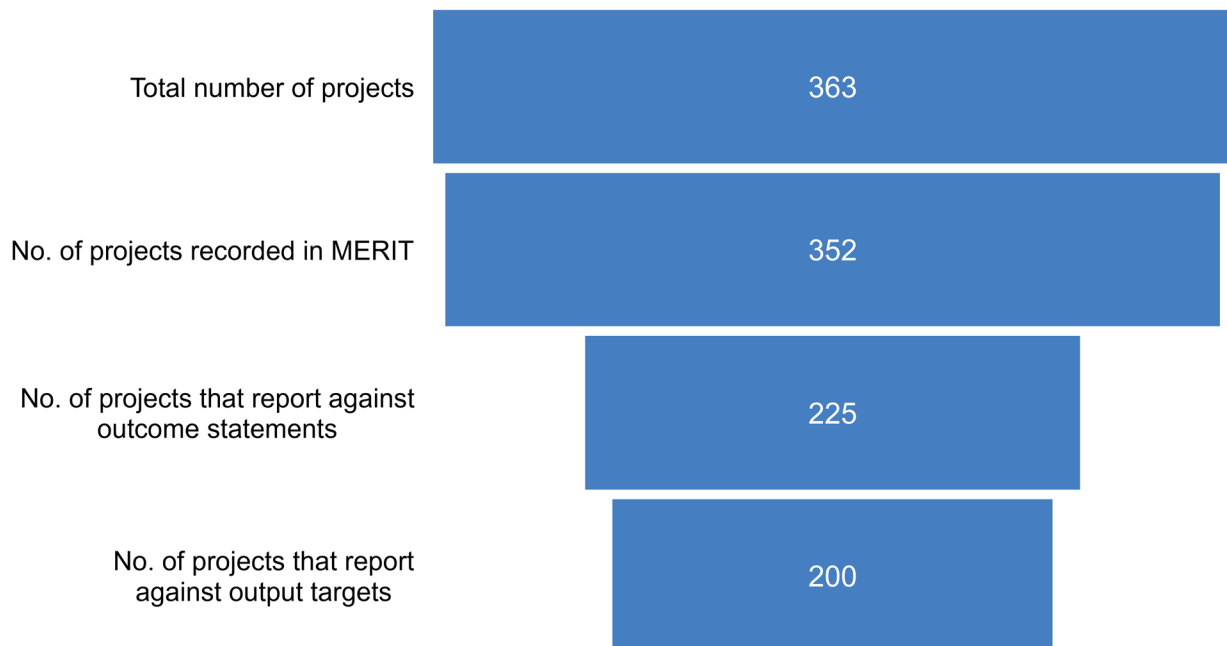
4.29 These challenges indicate a risk that the program will not be able to quantify the achievements of the program and demonstrate whether objectives have been met. This risk was identified in all Phase 1 risk assessments, and the multiregional fund and koala health risk assessments between October 2020 and May 2021. The department did not review risk assessments after May 2021.

### Monitoring, Evaluation Reporting and Improvement Tool

4.30 MERIT is the department's online reporting tool. It is designed to collect and store planning, monitoring and reporting data associated with projects funded by the Australian Government.

4.31 Project progress is recorded inconsistently across the program. Figure 4.2 provides the number of projects reporting in MERIT, and the number of projects reporting against output targets and outcome statements.

**Figure 4.2: Reporting in MERIT**



Source: ANAO analysis of departmental data.

4.32 The 11 projects not recorded in MERIT consist of:

- two non-competitive grant projects for koala research and veterinary care;
- one non-competitive grant relating to assessing Grey-headed Flying-fox behaviour and survival;
- two procurement projects for koala monitoring;
- one procurement project for citizen science activities;
- one procurement project for bushfire recovery and preparation in the ACT; and
- four procurement projects for multiregional species coordinators.<sup>83</sup>

4.33 For the projects reporting progress in MERIT, seven different reporting templates were used depending on sub-program. The difference in reporting templates, and the fact that not all projects are reporting against targets or outcomes, means progress data cannot be compared or aggregated to provide a program level assessment of progress.

#### Recommendation no. 4

4.34 For future emergency response programs, the Department of Climate Change, Energy, the Environment and Water develop requirements for service provider reporting that enables output and outcome data to be compared or aggregated to provide assessment of progress at the program level.

**Department of Climate Change, Energy, the Environment and Water response: Agreed.**

4.35 *The department is committed to improving program evaluation and an evaluation for this program is well underway. One approach adopted in this program was the collection of baseline surveys and additional surveys of fauna, flora and pest species. The department will consider alternate approaches to ensure performance measures at different levels can be aggregated to determine program success.*

#### Mid-term review

4.36 The department conducted a mid-term review of the program (the review) in accordance with the Evaluation Plan (paragraphs 4.23 to 4.29). The review was intended to:

- evaluate key outcomes to date for Phase 1, by sub-program;
- assess project activities underway for Phase 2;
- identify opportunities for improvement; and
- assess progress against short-term outcomes as defined in the evaluation plan.

4.37 The Mid-term Review Report (the Report) was disseminated within the BCD and one staff member in the Portfolio Strategy Division for information on 10 June 2022.<sup>84</sup> The department provided extracts of the Report to the National Bushfire Recovery Agency on 1 September 2022 to

<sup>83</sup> The department informed the ANAO on 14 November 2022 that a reporting shell was being developed to include these projects in MERIT.

<sup>84</sup> BCD staff included the First Assistant Secretary, Threatened Species Commissioner, three branch heads and various Directors, Assistant Directors and Program Officers. The PSD staff member was an Assistant Director.

inform a broader evaluation of the \$2 billion Bushfire Recovery Fund.<sup>85</sup> The Minister for the Environment was specified as a stakeholder in the Evaluation Plan. The department did not provide the Minister with a copy of the Report. In May 2023 the department advised it did not provide a copy of the Mid-term Review Report to the Minister as it was primarily an internal document and would be followed by a comprehensive end-of-program evaluation to be completed by the end of 2023.

4.38 The review assessed all sub-programs in Phase 1.<sup>86</sup> The report is based primarily on data extracted from MERIT (extracted on 1 March 2022).

4.39 The Report did not address all activities and indicators required by the Evaluation Plan due to data availability limitations. Indicators that were not addressed in the Review Report include:

- number of advices released by the Panel on the department's website;
- budget; and
- new and improved accessible datasets and tools to support evidence-based conservation decisions.

4.40 The Report includes a summary of key activities and indicators achieved against the overarching short-term outcomes identified in the Evaluation Plan. This summary gives an indication of the type of activities undertaken against each short-term outcome by sub-program. The Report includes some quantitative data at the sub-program level, such as the area covered by weed control activity.

#### *Progress towards completion of activities and outputs*

4.41 The Report indicates that two of the six sub-programs assessed identified targets. The department reported these targets as predominantly achieved. Table 4.2 provides the report's assessment of targets that have been achieved.

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85 The National Bushfire Recovery Agency has been incorporated into the National Emergency Management Agency.

86 It did not assess one project funded under the payments to NRM organisations sub-program as this project submitted data outside of MERIT.

**Table 4.2: Mid-term review — targets achieved by sub-program**

Sub-program	Total number of projects	Number of projects completed	Number of projects included in the Mid-term Review Report	Number of targets across the sub-program	Targets achieved	Additional information
Pest Mitigation and Habitat Protection [payments to NRM organisations]	17	13	Not specified	31	<ul style="list-style-type: none"> <li>• 27 targets were 100% achieved</li> <li>• 3 targets were achieved to within 76–79%</li> <li>• 1 target was achieved to within 51–75%</li> </ul>	–
Competitive grants	37	21	Not specified	42	<ul style="list-style-type: none"> <li>• 32 targets were 100% achieved</li> <li>• 7 targets were achieved to within 76–99%</li> <li>• 1 target was achieved to within 51–75%</li> <li>• 2 targets were &lt;50% achieved</li> </ul>	–
Payments to state and territory governments	23	Not specified	Not specified	Nil	–	Includes description of outputs delivered
Conservation Volunteers Australia	1	0	1	Nil	–	Not assessed. Not complete at time of review
Greening Australia	1	1	1	Nil	–	–
Wildlife rescue and rehabilitation	19	4	Not specified	Nil	–	Report identifies 8 activities: <ul style="list-style-type: none"> <li>• 6 on track to achieve 76%–99% of targets</li> <li>• 2 on track to achieve 51%–75% of targets</li> </ul>

Source: ANAO analysis of Mid-term Review Report.

### *Progress towards completion of outcomes*

4.42 The Report includes a summary of key activities and indicators achieved against short-term outcomes at the program level. This summary provides an indication of the type of activities being undertaken against each outcome. It does not indicate the level of progress towards achievement of the outcomes. Table 4.3 provides the report's assessment of outcomes that have been achieved.

4.43 The review applied various methods, criteria and source data to assess the outcomes achieved under the six sub-programs. This approach was taken because the format and content of data entered in MERIT by service providers varies due to the use of seven different reporting templates.

**Table 4.3: Mid-term review — outcomes by sub-program**

Sub-program	Total number of projects	Number of projects completed	Number of projects included in the Mid-term Review Report	Number of outcome statements across the sub-program	Outcomes achieved	Additional information
Pest Mitigation and Habitat Protection [payments to NRM organisations]	17	13	12	70	<ul style="list-style-type: none"> <li>48 outcomes were achieved to within 76–100%</li> <li>5 outcomes were achieved to within 51–75%</li> <li>17 outcomes were not reported</li> </ul>	Self-assessed by service provider
Competitive grants	37	21	Not specified	136	<ul style="list-style-type: none"> <li>117 outcomes were 100% achieved</li> <li>11 outcomes were achieved to within 76–99%</li> <li>2 outcomes were achieved to within 51–75%</li> <li>5 outcomes were &lt;50% achieved</li> <li>1 outcome was not reported</li> </ul>	Assessment based on descriptive responses reported by service provider
Payments to state and territory governments	23	Not specified	17	Not specified	<ul style="list-style-type: none"> <li>75 outcomes were 100% achieved</li> <li>3 outcomes were achieved to within 76–99%</li> <li>1 outcome was achieved to within 51–75%</li> <li>1 outcome was not reported</li> </ul>	Assessment based on descriptive responses reported by service provider
Conservation Volunteers Australia	1	0	1	Not specified	Not reported	Project not complete/not assessed
Greening Australia	1	1	1	24	<ul style="list-style-type: none"> <li>21 outcomes were achieved</li> <li>3 outcomes were significantly achieved</li> </ul>	Self-assessed by service provider
Wildlife rescue and rehabilitation	19	4	Not specified	2	On track to satisfactorily achieve	Self-assessed by service provider

Source: ANAO analysis of Mid-term Review Report.

4.44 The Report concludes that ‘significant progress has been made against each short-term outcome, with all outcomes on track to being achieved by program end’. The Report identified limitations to forming evaluation conclusions and made 10 recommendations under three categories: the interpretation of project achievements; data availability; and data quality and quantity. Self-reporting of progress by funding recipients led to issues including potential self-reporting bias, differences in the level of detail and incorrect counting of treatment areas.

4.45 The Report was endorsed by Assistant Secretaries within the BCD in June 2022. In response to the Report, the department implemented two actions to improve data quality and assist in interpreting project achievements.

4.46 In December 2022 the department advised the Report would be considered as part of the end-of-program evaluation. The department recruited expertise to undertake the evaluation, supported by an SES-level reference group. The evaluation is due to be completed at the end of 2023 (see Appendix 2). In July 2023 the department advised the end-of-program review final report would capture the recommendations from the mid-term review. The department is ‘confident the end-of-program evaluation will be able to quantify the achievements of the program and demonstrate whether objectives have been met’.

## **Lessons Learned**

4.47 The department conducted two activities that documented lessons learned during the program.

- The *Lessons Learned: Regional Fund for wildlife and habitat bushfire recovery May 2020–July 2021, August 2021* included representatives from the department and state government. It incorporated lessons relevant to four components of the Phase 2 Regional Fund sub-program.
- The *Role of the Wildlife and Threatened Species Bushfire Recovery Expert Panel in the 2019-20 Black Summer Bushfires*, dated May 2022, included lessons about the operation of the Expert Panel.

4.48 The department has captured lessons from departmental staff, state government stakeholders and the Expert Panel. It has not formalised a plan to address the lessons documented.



## Recommendation no. 5

4.49 The Department of Climate Change, Energy, the Environment and Water develop a plan to address lessons learned from the Wildlife and Habitat Bushfire Recovery Program.

**The Department of Climate Change, Energy, the Environment and Water response:**  
*Agreed.*

4.50 *The department prepared three lessons learnt summaries from i) Phase One Emergency Response, ii) Phase Two Regional Fund for Wildlife and Habitat Bushfire Recovery and iii) for the Role of the Wildlife and Threatened Species Bushfire Recovery Expert Panel in the 2019–20 Black Summer Bushfires. The department has commenced drafting a plan capturing the lessons learned to be applied in the design and implementation of new programs.*

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Grant Hehir  
Auditor-General

Canberra ACT  
23 August 2023



## **Appendices**

## Appendix 1 Entity response



Australian Government  
Department of Climate Change, Energy,  
the Environment and Water

David Fredericks PSM  
Secretary

Our Ref: EC23-002389

Mr Grant Hehir  
Auditor-General  
Australian National Audit Office  
Office of the Auditor-General  
[officeoftheauditorgeneralperformanceaudit@anao.gov.au](mailto:officeoftheauditorgeneralperformanceaudit@anao.gov.au)

Dear Mr Hehir

Thank you for your correspondence of 6 July 2023. The Department of Climate Change, Energy, the Environment and Water welcomes the ANAO's performance audit of the Wildlife and Habitat Bushfire Recovery Program and appreciates the opportunity to comment on the findings and recommendations.

### Summary Response

The department agrees with the Australian National Audit Office's five recommendations.

I acknowledge the value of the ANAO providing independent insights which will lead to continuing improvements to current processes and provide important direction in managing future disaster recovery programs.

Implementation of the recommendations has already commenced, improving existing processes and procedures as well as earmarking considerations for design and implementation of future programs. Implementation will be overseen by the department's Audit Committee.

Please find enclosed with this letter the Department's Summary Response: Response to the Proposed Recommendations (Appendix A), and editorial matters for your consideration (Appendix B).

### Overview

I am pleased that the ANAO found the department's administration of the Wildlife and Habitat Bushfire Recovery Program was largely effective.

The 2019-20 Black Summer bushfires were catastrophic and unprecedented in terms of scale, intensity and duration – these were the worst bushfires in living memory and created a biodiversity emergency unlike any Australia has ever faced. The department responded under extremely challenging circumstances with the best available science and through extensive stakeholder engagement to implement the largest ever biodiversity disaster recovery response program.

Critical to the department's initial rapid response was the almost immediate establishment of the Wildlife and Threatened Species Bushfire Recovery Expert Panel (the Expert Panel) to facilitate

[DCCEEW.gov.au](http://DCCEEW.gov.au)

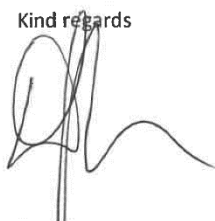
John Gorton Building, King Edward Terrace, Parkes ACT 2600 Australia  
GPO Box 3090 Canberra ACT 2601 ABN: 63 573 932 849

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engagement and ensure national perspectives of bushfire impacts and recovery priorities. The agility afforded by the procurement-based service delivery model established under the Natural Heritage Trust was also important.

I would like to thank the ANAO for its collaborative approach throughout the audit process.

Kind regards

A handwritten signature in black ink, appearing to read 'David Fredericks', with a stylized flourish extending to the right.

**David Fredericks**  
**Secretary**

26 July 2023

Encl. Department Response to the proposed recommendations

## Appendix 2 Improvements observed by the ANAO

1. The existence of independent external audit, and the accompanying potential for scrutiny improves performance. Improvements in administrative and management practices usually occur: in anticipation of ANAO audit activity; during an audit engagement; as interim findings are made; and/or after the audit has been completed and formal findings are communicated.

2. The Joint Committee of Public Accounts and Audit (JCPAA) has encouraged the ANAO to consider ways in which the ANAO could capture and describe some of these impacts. The ANAO's 2023–24 Corporate Plan states that the ANAO's annual performance statements will provide a narrative that will consider, amongst other matters, analysis of key improvements made by entities during a performance audit process based on information included in tabled performance audit reports.

3. Performance audits involve close engagement between the ANAO and the audited entity as well as other stakeholders involved in the program or activity being audited. Throughout the audit engagement, the ANAO outlines to the entity the preliminary audit findings, conclusions and potential audit recommendations. This ensures that final recommendations are appropriately targeted and encourages entities to take early remedial action on any identified matters during the course of an audit. Remedial actions entities may take during the audit include:

- strengthening governance arrangements;
- introducing or revising policies, strategies, guidelines or administrative processes; and
- initiating reviews or investigations.

4. In this context, the below actions were observed by the ANAO during the course of the audit. It is not clear whether these actions and/or the timing of these actions were planned in response to proposed or actual audit activity. The ANAO has not sought to obtain assurance over the source of these actions or whether they have been appropriately implemented.

- During the course of the audit the department commenced collating information for lessons learned for Phase 1, captive breeding programs, and for the program as a whole.
- Early in 2023 the department commenced the whole-of-program evaluation process as required by the Evaluation Plan. This is due for completion in December 2023.

## Appendix 3 Sub-program list

The Wildlife and Habitat Bushfire Recovery Program is made up of sub-programs. Each sub-program has a specific purpose. The Regional Fund sub-program is made up of components, as the projects are funded by a variety of different mechanisms and are administered separately.

**Table A.1 Wildlife and Habitat Bushfire Recovery Program sub programs**

Sub-program	Component	Phase	Purpose	Projects	Funding
Payments to states and territories	–	1	To undertake emergency interventions to protect threatened plants and animals, their habitats and other natural assets affected by the bushfires.	23	\$13.0m
Payments to natural resource management organisations <sup>a</sup>	–	1	To provide initial protection and recovery of nationally threatened species and ecological communities, and other priority actions.	18	\$7.0m
Competitive grants	–	1	To support immediate survival and long-term recovery and resilience for fire-affected Australian animals, plants, ecological communities and other natural assets and their cultural values for Indigenous Australians.	37	\$11.9m
Greening Australia	–	1	To understand the native seed supply needs to restore vegetation and wildlife habitat across fire impacted regions, and other objectives related to native seed conservation.	1	\$5.0m
Conservation Volunteers Australia	–	1	To develop a national central point for volunteers to register their interest in participating in environmental restoration work in bushfire affected areas.	1	\$2.5m
Wildlife rescue and rehabilitation	–	1	To support wildlife rehabilitators (including community wildlife carer organisations, veterinarians, animal hospitals, zoos, local shelter operators and foster carers), to rescue, treat and rehabilitate wildlife impacted by bushfires and return them into suitable natural environments or otherwise take care of them.	19	\$10.3m
Community grants	–	2	To support recovery of native flora and fauna, and involving local communities, community groups and Traditional Owners in delivering bushfire recovery activities for native flora and fauna.	90	\$10.2m

Sub-program	Component	Phase	Purpose	Projects	Funding
Indigenous fire and land Management	–	2	To support Indigenous-led knowledge sharing of Indigenous fire and land management practices, strengthen the knowledge and understanding of those practices, and to support Indigenous communities to benefit from traditional fire and land management knowledge.	13	\$2.0m
Regional Fund	Payments to states	2	To support the ongoing recovery of bushfire affected wildlife and their habitat for the seven most vulnerable regions following the bushfires.	37	\$41.5m
Regional Fund	Payments to natural resource management organisations <sup>a</sup>	2	To support priorities for investment, including weed control, pest animal control, erosion control, improved fire management planning, activities to support the recovery of specific priority species and ecological communities and Traditional Owner led healing of country.	26	\$27.2m
Regional Fund	Koala health and habitat restoration	2	To support projects related to koala health research and habitat restoration.	9	\$12.0m
Regional Fund	Multiregional species and recovery	2	To deliver bushfire recovery actions in one or more of the seven priority bushfire impacted regions, that address the recovery of identified animal or plant species and/or ecological communities impacted by the 2019-20 bushfires.	78	\$10.2m
Regional Fund	Strategic projects	2	To support plant regeneration, koala feed, control of invasive species and other bushfire recovery initiatives.	7 <sup>b</sup>	\$17.8m
Regional Fund	East Gippsland pest control	2	To support the recovery of priority animal or plant species and/or ecological communities impacted by the 2019-20 bushfires through herbivore and predator control, weed control, revegetation and fencing in collaboration with private landholders and community members and to encourage private landholders to secure long term conservation outcomes on their property through conservation agreements.	1	\$1.0m
Regional Fund	Gippsland Lakes post-fire analysis	2	To review the vulnerability and sensitivity of the Gippsland Lakes Ramsar Site and its catchment to bushfire and include broader climate change vulnerability assessment and adaption planning to guide effective responses to future extreme events.	1	\$400,000



Sub-program	Component	Phase	Purpose	Projects	Funding
Departmental funding	–	2	To support the delivery of three sub-programs of the program including the Regional Fund, the community grants program, the Indigenous fire and land management workshop Program, as well as scientific assessments.	2	\$27.7m
<b>Total</b>				<b>363</b>	<b>\$199.7m</b>

Note a: Natural resource management organisations operate in 56 management units across Australia and act as delivery agents under the regional stream of the National Landcare Program.

Note b: This includes the \$14 million grant to Landcare Australia. This grant is considered as one project within the program, though it is made up of 111 projects.

Source: ANAO analysis of departmental documentation.

## Appendix 4 Expert Panel composition

Member <sup>a</sup>	Organisation	Area of Expertise
Dr Sally Box (Chair)	Threatened Species Commissioner, Department of Agriculture, Water and the Environment	Implementation of threatened species recovery policies and programs
Professor John Woinarski (Deputy Chair)	Charles Darwin University	Conservation biology
Professor Sarah Legge	Australian National University	Ecology, feral predator expertise
Dr Stephen van Leeuwen	Indigenous Advisory Committee	Indigenous perspectives, plant ecology, fire ecology
Dr Libby Rumpff	University of Melbourne	Environmental decision making and prioritisation
Assoc Professor Dale Nimmo	Charles Sturt University	Animal ecology, fire ecology, ecosystem resilience and disturbance
Dr Jenny Gray	Zoos Victoria	Captive breeding, wildlife care and rehabilitation, first response / critical response
Dr Dan Metcalfe	Land & Water, Commonwealth Scientific and Industrial Research Organisation	Landscape ecology
Dr Dick Williams	Charles Darwin University	Plant ecology, fire regime / ecology, vegetation dynamics and disturbance

Note a: In addition to members, government experts from each bushfire-affected state and territory, acting as advisers to the Expert Panel could also attend Panel meetings as needed.

Note b: The total cost of the Panel was \$268,072.

Source: Wildlife and Threatened Species Bushfire Recovery Expert Panel Terms of Reference [Internet], available at <https://www.dcceew.gov.au/environment/biodiversity/bushfire-recovery/bushfire-impacts/expert-panel> [accessed 1 August 2023].