



Australian Government

Department of the Environment, Water, Heritage and the Arts
Office of the Secretary

EXECUTIVE MINUTE

on

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT
REPORT No.414

*Review of Auditor-General's Reports
tabled between August 2007 and August 2008*

General comments

The Caring for our Country initiative is jointly administered by the Department of the Environment, Water, Heritage and the Arts and the Department of Agriculture, Fisheries and Forestry. All responses are supported by Dr Conall O'Connell, Secretary of the Department of Agriculture, Fisheries and Forestry.

Response to the recommendations

Recommendation No.4 paragraph 3.26

That the Department of [the] Environment, Water, Heritage and the Arts and the Department of Agriculture, Fisheries and Forestry develop a clear set of procedures to deal with any future cases of State and Territory non-compliance with bilateral agreements and provide a copy of said procedures to the Committee within twelve months of the tabling of this report.

Department of the Environment, Water, Heritage and the Arts Department of Agriculture, Fisheries and Forestry

Supported. The operating environment for the delivery of Caring for our Country investments, previously delivered through bilateral agreements, has altered substantially since this recommendation was made.

The Departments, through the design of the Caring for our Country initiative and as a result of the *Intergovernmental Agreement on Federal Financial Relations*, have moved to a funding system where the Commonwealth will largely contract directly with successful project proponents from competitive application processes. Under this simplified system there is no joint investment or decision making with State and Territory Governments and the majority of funds will not have State and Territory Government agencies as intermediaries in the funds transfer process. As such the contract terms and conditions, such as timely acquittal of funds, are directly enforceable by the Commonwealth rather than being addressed through commitments in bilateral agreements.

The Caring for our Country funding that is allocated to regional natural resource management organisations and not determined through a competitive process will be delivered through a single multi-lateral National Partnership Agreement as required by the *Intergovernmental*



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Agreement on Federal Financial Relations instead of a series of bilateral agreements. This Agreement is currently being drafted.

In the event of non-compliance with any commitments that will be in this Agreement, it is proposed that the Departments will follow the procedures below:

- Identify that a breach of agreement has occurred and its nature.
- Engage with the relevant jurisdiction, at officer level, to obtain an explanation and negotiate to attempt to address the breach.
- Determine whether or not the breach constitutes grounds for withholding future payments to the relevant jurisdiction under the National Partnership Agreement.
- Where the breach cannot be addressed through officers, the members of the jurisdiction specific Caring for our Country Cooperative Committee (joint committee comprised of senior officials from each government) will seek to resolve any dispute.
- If the Committee members are unable to resolve the dispute, it will be referred to the Commonwealth and relevant State/Territory Ministers for resolution.
- As a final option the standard dispute resolution clause in National Partnership Agreements can be invoked which involves escalation of the issue to the relevant Ministerial Council (Natural Resource Management Ministerial Council in this case) and ultimately to the Council of Australian Governments.

Recommendation No.5 paragraph 3.46

That the Department of [the] Environment, Water, Heritage and the Arts and the Department of Agriculture, Fisheries and Forestry use quantitative reporting against outcomes alongside the use of 'performance stories' in monitoring and evaluating programs..

***Department of the Environment, Water, Heritage and the Arts
Department of Agriculture, Fisheries and Forestry***

Supported. Caring for our Country has been designed with clearly defined and measureable five year outcomes as documented in the Caring for our Country Outcomes 2008-2013 statement. A number of short-term targets are identified for each outcome as published in the Caring for our Country annual Business Plans, when calling for investment proposals. A copy of the Outcomes 2008-2013 statement is at [Attachment A](#).

The design of the Caring for our Country initiative has included processes and timelines for collecting, analysing and reporting quantitative information consistent with departmental reporting requirements and the Australian National Audit Office's *Better Practice Guide in Annual Performance Reporting*. These processes are documented in the Monitoring, Evaluation, Reporting, and Improvement (MERI) Strategy for Caring for our Country. A copy of the MERI strategy is at [Attachment B](#)

The MERI strategy provides guidance on the monitoring, evaluation, reporting, and improvement process to be implemented by organisations receiving Caring for our Country funding. This information includes guidance on measures and requirements for validating and reporting project achievements against the Caring for our Country targets and five year outcomes. Caring for our Country proponents or funding recipients are required to provide a MERI plan and regular reports in accordance with the MERI strategy and the requirements of the Funding Deed.

In addition, both departments have implemented enhanced grants management systems and established related business processes to support the systematic collection, analysis and reporting of the efficiency of Caring for our Country investments in achieving the short-term targets and five-year outcomes. The Clarity grants management systems enable enhanced quantitative reporting of investment outcomes.

The information collected through the MERI process will be used to undertake periodic quantitative evaluations through the life of the program to monitor and report on the effectiveness of the program delivery, as well as the impact of investments, achievements and unintended consequences. The results of these evaluations will be reported in the Caring for our Country annual report card, the Natural Heritage Trust annual report and both annual departmental portfolio reports.

It is planned that evaluations will include both external and internal reviews of progress toward achieving the short-term targets and five-year outcomes of the program. The lessons learned will be used to inform future investment decisions.

Under the MERI strategy, performance stories may be used in support of quantitative information to provide information on the societal aspects of community engagement, expectations, aspirations and the perceived outcome of some Caring for our Country projects.

Recommendation No.6 paragraph 3.53

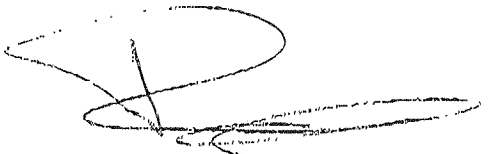
That the Department of [the] Environment, Water, Heritage and the Arts and the Department of Agriculture, Fisheries and Forestry produce a progress report to be presented to the Committee within 18 months of the tabling of the Australian National Audit Office audit.

The progress report should advise the Committee on implementation of the Australian National Audit Office recommendations detailed in the audit report, as well as compliance with the Australian National Audit Office Better Practice Guide in Annual Performance Reporting for the Caring for our Country program.

**Department of the Environment, Water, Heritage and the Arts
Department of Agriculture, Fisheries and Forestry**

Supported. On 7 October 2009 a progress report on the implementation of the Australian National Audit Office's 2008 report recommendations and Caring for our Country's conformity with the principles of the Australian National Audit Office's *Better Practice Guide in Annual Performance Reporting* was provided to the Joint Committee of Public Accounts and Audit. A copy of this progress report is at Attachment C.

Yours sincerely



Robyn Kruk AM
Secretary

9 December 2009