



Auditor-General for Australia



8 August 2018

Senator Janet Rice
Chair
Environment and Communications References Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator Rice

Inquiry into Australia's faunal extinction crisis

The Australian National Audit Office (ANAO) published the following performance audit report that you may find relevant to the Environment and Communications References Committee Inquiry into Australia's faunal extinction crisis:

- Report No. 32 2017–18 [*Funding Models of Threatened Species*](#)

Information about what the audit assessed, concluded and recommended is attached. The audit report is available online at www.anao.gov.au.

Should the Committee require further information in relation to these matters, my office would be pleased to provide you with a briefing at a time convenient to you or appear as a witness at a hearing. To arrange a briefing, please contact our External Relations area at

Yours sincerely

Grant Hehir
Auditor-General

Report No. 32 of 2017–18, *Funding Models of Threatened Species*, assessed whether the Department of Environment and Energy's design of the Threatened Species Prospectus was effective as an innovative approach to attract investment from private and philanthropic sources. To form a conclusion against the audit objective, the ANAO adopted the following high level audit criteria:

- Was an appropriate design process established to support the achievement of the Government's objectives?
- Was a sound performance and reporting framework established, including fit-for-purpose performance monitoring, reporting and evaluation arrangements?

The audit concluded that:

- The Department of the Environment and Energy's design of the innovative Threatened Species Prospectus was effective, other than the lack of a fit-for-purpose performance framework.
- Within the broader framework established by the Threatened Species Strategy, the design of the Prospectus was an innovative approach in supporting the Government's intent of promoting projects likely to be attractive to private and philanthropic investors. A total of 51 projects were selected for inclusion in the Prospectus through a largely informal process following stakeholder engagement.
- The department is not well placed to monitor and report on the effectiveness of the Prospectus in attracting additional funding for threatened species recovery from private and philanthropic investors. Limited performance data is collected against the targets of the Threatened Species Strategy. The department has commenced an evaluation of the Prospectus as part of a broader evaluation of the Threatened Species Commissioner model.

The ANAO recommended that the Department of the Environment and Energy develop fit-for-purpose performance measures to better inform itself and stakeholders on the extent to which the Prospectus is achieving its objective.