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Auditor-General for Australia



13 February 2023

Senator Jacqui Lambie

Committee Chair

Select Committee on Australia's Disaster Resilience

By email: disasterresilience.sen@aph.gov.au

Dear Senator Lambie

Select Committee on Australia's Disaster Resilience

The Australian National Audit Office (ANAO) published the following performance audit report that you may find relevant to the Select Committee on Australia's Disaster Resilience Inquiry.

- Report No. 46 (2020-21) [*Administration of the National Bushfire Recovery Agency*](#)

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.

Yours sincerely

Grant Hehir

Auditor-General

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Auditor-General Report No. 46 (2020-21) Administration of the National Bushfire Recovery Agency assessed the effectiveness of the Department of the Prime Minister and Cabinet's administration of the National Bushfire Recovery Agency functions including the National Bushfire Recovery Fund.

To form a conclusion against the objective, the following high level audit criteria were adopted:

- Was the design and establishment process sound?
- Were effective arrangements established to support the leadership and coordination of a national response to bushfire recovery and rebuild activities?
- Has the NBRA effectively coordinated, monitored and reported on progress of recovery efforts funded through the National Bushfire Recovery Fund?

The audit concluded that:

- The Department of the Prime Minister and Cabinet's administration of the National Bushfire Recovery Agency and the National Bushfire Recovery Fund to date has been largely effective. The impact of the NBRA on recovery will be unclear for some time yet due to the timeframes involved in delivery of the bushfire recovery measures.
- The Department of the Prime Minister and Cabinet's design and establishment process for the NBRA and for the National Bushfire Recovery Fund was sound.
- The NBRA has largely effective arrangements in place to support national leadership and coordination of recovery and rebuild activities. Risk management was embedded into the NBRA's operations and the scope of operations was clearly defined and communicated. There was a planned approach to community engagement and communication, and largely effective relationships have been established to support the NBRA's coordination of the recovery and rebuild activities. Arrangements for measuring performance are still developing with an evaluation expected to be the key means of providing assurance that the NBRA was effective.
- The NBRA has been largely effective in its coordination, monitoring and reporting on the progress of recovery efforts funded through the National Bushfire Recovery Fund. Funding of recovery efforts through existing mechanisms allowed money to be allocated quickly through the Australian Government and state and territory governments to affected communities. However, the data quality assurance process was informal and the approach to transferring the monitoring responsibilities to the new National Recovery and Resilience Agency was not clear at the time of the audit.

Supporting findings

Design and establishment

The advice PM&C provided to government on establishing the NBRA was sound. The advice outlined options for the structure of the NBRA and a design that was based on previous arrangements to manage recovery from large scale disaster. The advice also considered the lessons learnt from previous disaster recovery arrangements and stakeholder input.

PM&C was effective in establishing the National Bushfire Recovery Agency. PM&C supported the rapid implementation of the NBRA by identifying and mobilising necessary skills and knowledge from across the public service and using existing systems and processes. The NBRA also mobilised skills and expertise from a variety of Australian Government entities, including the Australian Defence Force, through secondments.

Appropriate arrangements were established to administer the National Bushfire Recovery Fund. The National Bushfire Recovery Fund was established and designed to enable funds to be rapidly deployed to programs that supported the immediate relief requirements of affected communities.

Governance arrangements

The NBRA established largely effective governance arrangements to coordinate measures that supported the delivery of recovery and rebuild activities. NBRA's scope of operations has been defined and communicated through an internal 'Statement of Strategic Intent'. Risk management has been embedded into the NBRA's operations, but the approach to managing shared risk is still developing. The NBRA was established with clear roles and responsibilities, with the exception of how the NBRA is to interact and interrelate with other entities with similar or overlapping functions.

There was a planned approach to community engagement and communication, supported by various communication and engagement frameworks, plans and strategies, as well as a system to capture community feedback.

NBRA has established largely effective arrangements to support and demonstrate leadership and coordination across the recovery and rebuild activities in communities affected by the 2019/20 bushfires. At the time of the audit, performance reporting arrangements were still developing. However, the development of a formal evaluation was underway. The evaluation was expected to be the key means of providing assurance that the NBRA was effective.

The National Bushfire Recovery Fund

Fit for purpose funding arrangements have been implemented. The National Bushfire Recovery Fund includes 29 separate measures that aligned with the established practises of the National Disaster Recovery Principles and the Disaster Recovery Funding Arrangements.

The arrangements established to monitor and report on the implementation of funded activities were largely effective. There is scope for the NBRA to improve quality checking and consistency of status reports provided to the Australian Government.

The NBRA has developed largely effective measures to address community recovery and resilience, through the Local Economic Recovery fund and Complementary Projects fund. There are effective arrangements in place for the proposal assessment process. However, Local Economic Recovery and Complementary Fund projects will extend beyond the life of the NBRA and the ongoing oversight and evaluation arrangements for the program in the new national resilience and recovery agency are not yet clear.

The report included the following three recommendations:

Recommendation No.1

The Government at the commencement of the new national resilience, relief and recovery entity:

- clarifies roles and responsibilities between existing/other agencies to ensure there is clear authority to expend funding and minimise any duplication of effort; and
- identifies shared risks and develops an agreed approach to management which is documented and reviewed regularly.

National Recovery and Resilience Agency response: Agreed.

Department of the Prime Minister and Cabinet response: Noted.

Recommendation No.2

That the Department of the Prime Minister and Cabinet ensure that the NBRA document and formalise its data quality checks, so the process is captured for future responses to large scale natural disasters.

Department of the Prime Minister and Cabinet response: *Agreed.*

Recommendation No.3

That the Department of the Prime Minister and Cabinet ensure that the monitoring and evaluation plan for the Local Economic Recovery and Complementary project funds are transferred to the new resilience, relief and recovery agency. This is to ensure that project oversight is maintained into 2023–24 when final projects are to be completed.

Department of the Prime Minister and Cabinet response: *Agreed.*