

**Submission
No 14**

**EXAMINATION OF AUDITOR-GENERAL'S PERFORMANCE AUDIT
REPORTS FEBRUARY 2019 - JULY 2019**

Organisation: Department of Regional NSW

Date Received: 31 July 2020



SF20/8

Mr Greg Piper MP
Chair
Public Accounts Committee
Parliament of New South Wales

By email: pac@parliament.nsw.gov.au

31/07/2020

Dear Mr Piper

RE: Performance Audit Report follow-up – Managing native vegetation

I refer to your correspondence of 3 July 2020 to the Secretary of the Department of Planning, Industry and Environment (DPIE), regarding the status of the Government response to the 2019 Performance Audit on the management of native vegetation.

Recommendations 1 to 4 of the Performance Audit report are the responsibility of Local Land Services (LLS). While LLS was a part of the DPIE Cluster when the Performance Audit was conducted, it now sits within the Department of Regional NSW Cluster.

Accordingly, the attached table provides an update on the Government response to recommendations 1 to 4 of the Performance Audit. I understand a separate response on recommendations 5 to 11 has been provided by DPIE.

Yours sincerely,



Gary Barnes
Secretary

**IMPLEMENTATION OF RECOMMENDATIONS
by Local Land Services
Department of Regional NSW**

Managing native vegetation

| | RECOMMENDATION | ACCEPTED OR REJECTED | ACTIONS TO BE TAKEN | DUE DATE | STATUS (completed, on track, delayed) and COMMENT | RESPONSIBILITY (Section of LLS responsible for implementation) |
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| 1 | Recommendation 1 By December 2019, improve the administration of the clearing of native vegetation by: | Agreed | Local Land Services (LLS) is committed to continuous improvement of its administration of the Land Management Code for regional communities in line with triple bottom line outcomes intended by the Land Management and Biodiversity Conservation (LMBC) Reform. LLS will respond to the Audit Office findings and recommendations to improve systems, processes, performance and customer service delivery. | December 2019 | Completed LLS within the Department of Regional New South Wales (DRNSW) has reviewed and improved its administrative processes, staff guidelines and landholder guidance materials to identify opportunities for further improvement as recommended by the NSW Audit Office. | Strategy and Engagement; LLS Regions |

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| <p>a. ensuring notification forms include all relevant conditions of the Code to ensure these conditions are adequately communicated to landholders</p> | | <p>The notification forms are available to landholders through the LLS website. The forms are regularly reviewed and updated to ensure the notification forms incorporate all relevant conditions of the Code. The findings of the final report will be used to inform this process to ensure all forms remain up to date. In addition, LLS will prioritise the development of an online notifications portal to further improve customer service.</p> | <p>Completed The notification forms have been updated and incorporate all relevant conditions of the Land Management (Native Vegetation) Code 2018 (the Code) and are available to landholders through the LLS website.</p> <p>LLS Regional Service Officers (RSOs) engage directly with landholders in each LLS Region to advise what is required when applying the Code. This includes advice on requirements for land management notifications as well as certificates.</p> | <p>Strategy & Engagement; LLS Regions</p> |
| <p>b. enhancing the recording of areas authorised for thinning and clearing and set aside areas by capturing recent satellite images and on-ground photographs of these areas</p> | | <p>LLS agrees mapping software, imagery and systems can be improved. LLS will ensure that it accesses the most up to date imagery available to assess treatment and set aside area, and will regularly review and update its internal processes. For certifications, LLS will supplement the assurance of mapping products through site inspection and ground-truthing.</p> | <p>Completed LLS captures all areas authorised for treatment (thinning, clearing) and set asides in its spatial database. RSOs validate mapping products for all certificates by conducting a site inspection with the landholder, which typically also includes collection of site photos.</p> <p>Delayed LLS uses best available satellite imagery, but acknowledges these may not always be the most recent. LLS continues to develop its ICT systems to improve access to updated satellite imagery.</p> | <p>Information and Communications Technology (ICT); Strategy & Engagement; LLS Regions</p> |

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| <p>c. progressing ICT system improvements to ensure notifications and certificates, and associated spatial data, can be delivered to OEH in a timely manner</p> | | <p>LLS will improve the timeliness of data to Environment, Energy and Science (EES includes the former Office of Environment and Heritage). Documentation on notifications and certifications are shared with EES, in real time, while at present spatial data is provided every three months. LLS acknowledges real time provision of the spatial data to EES is a priority. LLS is currently building a comprehensive ICT system that will provide EES with a direct portal to spatial data. This will greatly improve timeliness.</p> | <p>Complete LLS shares documentation on notifications and certifications with EES in real time. Spatial data is provided manually every three months.</p> <p>Delayed LLS is currently developing an ICT system that will provide EES with a direct portal to share spatial data.</p> | <p>ICT; Strategy & Engagement</p> |
| <p>d. ensuring landholders are required to resubmit notifications that do not comply with the Code</p> | | <p>The Government is committed to the continuous improvement of administrative processes and customer service for regional communities, consistent with the framework recommended by the Independent Panel and will adopt process improvements wherever possible. To address the finding of the final report LLS will ensure all landholder notifications are fully completed to meet the relevant Code requirements within the 14 day period. An online notifications portal is being developed. This will further enhance customer service and data integrity.</p> | <p>Complete LLS checks all landholder notifications to ensure they meet the relevant Code requirements. This is done within the 14 day window between submission of a notification and when it can be applied.</p> | <p>Strategy & Engagement; LLS Regions</p> |

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| <p>e. ensuring assessments of compromised groundcover are calculated at a time of year when the proportion of the native groundcover is likely to be at its maximum in compliance with the Code</p> | | <p>LLS will provide further guidance on how to undertake on-ground assessments of compromised groundcover. The Code requires that assessments for compromised groundcover are undertaken at the correct time of the year. LLS provides advice to landholders to assist them to meet these requirements of the Code. The guidelines used by LLS to support landholders through this process will be improved to further support sound decision making for groundcover assessments.</p> | <p>Complete LLS provides guidance to landholders on how to undertake on-ground assessments of compromised groundcover. The Code requires that assessments of compromised groundcover are undertaken at the correct time of year, and that the landholder retains records of the compromised groundcover assessment. LLS provides advice to landholders to assist them to meet these requirements. The guidelines used by LLS to support landholders through this process have been improved to further support sound decision making for native groundcover assessments.</p> <p>The ultimate responsibility for the assessment remains with the landholder, unless they specifically request LLS to conduct the assessment on their behalf.</p> | <p>Strategy & Engagement; LLS Regions</p> |
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| <p>f. establishing guidelines for:</p> <ul style="list-style-type: none"> - the extent of clearing allowed under the allowable activity of sustainable grazing - treatment methods that result in nil and minimal ground disturbance, especially in relation to invasive native species and thinning other native vegetation - selection of set-aside areas that seek to maximise environmental benefits from these areas | | <p>LLS will review its guidance material to address the issues identified by the Audit Office. The Government is committed to the continuous improvement of administrative processes and customer service for regional communities and results consistent with triple bottom line outcomes. LLS will develop guidance recommendations for sustainable grazing, invasive native species and thinning consistent the risk based approach recommended by the Independent Panel for low risk activities. LLS is already revising its internal Set Aside Management guidelines and will develop advisory material for landholders explaining these set aside requirements.</p> | <p>Complete LLS has updated its guidance materials for invasive native species and thinning, consistent with the risk based approach for low risk activities recommended by the Independent Panel. These guidance materials are available on the LLS website (and in LLS regional offices).</p> <p>Delayed LLS is finalising its sustainable grazing allowable activity guideline.</p> <p>LLS is revising its internal set-aside management guidelines (see rec 4) and will update its advisory material for landholders to include further advice on set aside location and management actions to maximise environmental benefit.</p> | <p>Strategy & Engagement</p> |
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| | g. defining and reporting on measures to determine the impact of the Code on agricultural productivity, and the management of environmental risks. | | The Government acknowledges the importance of having in place monitoring and evaluation programs. LLS has designed its monitoring and evaluation programs to inform the government on the environmental, economic and social outcomes of the Code. LLS also has review processes in place through which evidence from these programs can be considered and recommendations made for changes in policy, where appropriate, for consideration by the Government. LLS will continue work to further refine and improve its processes for documenting and reporting on the outcomes from landholders applying the Code, both for agricultural productivity and for biodiversity. | | <p>On-track</p> <p>LLS has designed its monitoring and evaluation program to inform the Government on the environmental, economic and social outcomes of the Code. LLS also has review processes in place through which evidence from these programs can be considered and recommendations made for changes in policy, where appropriate, for consideration by Government.</p> <p>LLS will continue to refine and improve its processes for documenting and reporting on the outcomes from landholders applying the Code for agricultural productivity and biodiversity.</p> | |
| 2 | Recommendation 2 By June 2020, review the Code to address issues identified in this audit, including: | Agreed | LLS will address the matters (Recommendations 2a – 2d), and amendments required in a broader review of the Code by June 2020. | June 2020 | <p>Delayed</p> <p>LLS is working with EES to finalise a terms of reference for the Interim Review of the Land Management and Biodiversity Conservation (LMBC) framework. The LMBC Board will consider this terms of reference and have oversight of the Interim Review.</p> <p>LLS will review Code provisions to assess opportunities for further improvement of triple bottom line outcomes based on the evidence from monitoring and evaluation activities. LLS will review high priority matters in the Interim Review.</p> | Strategy & Engagement |

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| <p>a. the inability of LLS to reject a notification or proposal for a certificate on the basis it would likely result in poor environmental outcomes</p> | | <p>The Government has review process in place through which evidence from the experience of Code implementation can be considered and recommendations made or changes in policy where appropriate. In this way, options for further improving the Code, including appropriate grounds for requiring amendment of proposals can be explored and provided to the Government for consideration.</p> <p>Under the Code LLS can only grant approvals that conform to the requirements of the Code. The Code has many detailed requirements; failure to meet any one of them is potential grounds for requiring amendment of proposals. LLS Operations manual lists all of these requirements for all the Parts and Divisions of the Code.</p> | | <p>Completed The Code has many detailed requirements and failure to meet any one of them is potential grounds for requiring amendment of a notification or an application for a certificate. The LLS Operations manual lists the requirements for all the Parts and Divisions of the Code.</p> | <p>Strategy & Engagement</p> |
| <p>b. the lack of oversight of authorisations for the clearing of compromised native groundcover</p> | | <p>LLS will examine evidence from its monitoring and evaluation programs to assess the effectiveness of its policy setting for low risk activities. Compromised groundcover refers paddocks containing a mix of native and introduced grasses. The Code establishes a risk-based regulatory framework that balances production with environmental risk. Compromised native groundcover was deemed low risk, and therefore requiring notification only. This means landholders are required to retain written records of their assessment. LLS will review its compromised native groundcover assessment guidelines to further assist landholders with this process.</p> | | <p>Completed LLS has reviewed its compromised native groundcover assessment guidelines to further assist landholders with this process.</p> <p>Delayed LLS will see if adequate records are being kept by landholders of compromised native groundcover assessment by including this matter in its audit program.</p> | <p>Strategy & Engagement; LLS Regions</p> |

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| | c. the absence of the requirement to demonstrate that a species is invading a landscape prior to approving the clearing of it as an invasive native species | | LLS will examine evidence from its monitoring and evaluation programs to assess the effectiveness of its policy setting for low risk activities. Managing invasive native species (INS) has been regarded as an environmental improvement technique since native vegetation has been regulated in NSW. The management of INS by low impact methods as provided for under Part 2 Division 1 of the Code is deemed low risk and requires notification only; however, use of moderate impact methods to control Division 2 activities requires an invasiveness test. LLS will review evidence from the experience of the Code and the risk levels presently assigned to invasive native requirements to determine if an invasive test should also apply to Part 2 Division 1 activities. | | Delayed LLS proposes to include this matter in the terms of reference for the LMBC Interim Review. The Interim Review will consider evidence from the experience of the Code and the risk levels presently assigned to invasive native species requirements to determine if an invasive test should also apply to Part 2 Division 1 activities. | Strategy & Engagement |
| | d. discounts (i.e. reductions) in the area of land required in set asides when they contain threatened ecological communities or are of strategic landscape importance. | | This aspect of the Code is designed to incentivise landholders to focus their conservation activities on high conservation value vegetation and their development activities in areas of lower conservation value. LLS will examine evidence from its monitoring and evaluation programs to assess the effectiveness of this policy setting to ensure it is having the effect intended. | | Delayed LLS will undertake further work on the effectiveness of the discounts/penalties settings to ensure it is having the intended outcome for the protection of threatened ecological communities and areas of strategic landscape importance. | Strategy & Engagement |
| 3 | Recommendation 3 By December 2019, ensure all field staff receive specific | Agreed | LLS will implement a program of ongoing training for all staff on plant community types and threatened ecological communities. Currently the LLS workforce comprises highly qualified staff with expertise in on- | December 2019 | Completed LLS has a program of ongoing training for all staff on plant community types and threatened ecological | LLS Regions |

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| | training in the identification of plant community types and threatened ecological communities, with regular refresher courses. | | ground flora and threatened ecological communities (TECs) identification, and these staff are supported by many ongoing initiatives to continuously improve their capability and efficacy in this technical discipline. However further training will be made available to all staff to ensure technical knowledge and identification skill sets relating to TECs are up to date and regionally appropriate. | | communities. LLS supports its staff through ongoing initiatives to improve their capability in this technical discipline. This includes field-based training with agency partners and matching junior and more experienced staff to accelerate learning and skills development. | |
| 4 | Recommendation 4 By June 2020, effectively monitor the establishment and management of set aside areas and provide support to landholders to achieve required restoration outcomes. | Agreed | LLS will establish a protocol for monitoring set aside management and assisting landholders with restoration activities. LLS has been developing this monitoring program for set a side management for some time. It is scheduled to begin by early 2020. | June 2020 | Delayed LLS is developing an approach for monitoring set aside management and assisting landholders with restoration activities. In July 2020 the LLS Senior Executive Team (SET) approved further development of the approach by the Land Management State-wide Advisory Group (LM SWAG). It is anticipated this approach will be ready for final SET approval by end September 2020, with implementation to commence shortly after. | Strategy & Engagement; LLS Regions |