



Image: Black Grass-dart butterfly

Threatened species and ecological communities

PERFORMANCE AUDIT | 15 AUGUST 2024

NEW SOUTH WALES AUDITOR-GENERAL'S REPORT

THE ROLE OF THE AUDITOR-GENERAL

The roles and responsibilities of the Auditor-General and the Audit Office, are set out in the *Government Sector Audit Act 1983* and the *Local Government Act 1993*.

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Financial audits are designed to give reasonable assurance that financial statements are true and fair, enhancing their value to end users. Also, the existence of such audits provides a constant stimulus to entities to ensure sound financial management.

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In accordance with section 38EC of the *Government Sector Audit Act 1983*, I present a report titled '**Threatened species and ecological communities**'.

A handwritten signature in black ink, appearing to read 'Bola Oyetunji'.

Bola Oyetunji
Auditor-General for New South Wales
15 August 2024



RECONCILIATION COMMITMENT STATEMENT

We pay our respects and recognise
Aboriginal people as the traditional custodians of the land in
New South Wales.

We recognise that Aboriginal people, as custodians, have a
spiritual, social and cultural connection with their lands and
waters, and have made and continue to make a rich, unique
and lasting contribution to the State. We are committed to
continue learning about Aboriginal and Torres Strait Islander
peoples' history and culture.

We honour and thank the traditional owners of the land on
which our office is located, the Gadigal people of the Eora
nation, and the traditional owners of the lands on which our
staff live and work. We pay our respects to their Elders past and
present, and to the next generation of leaders.

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Section one

Threatened species and
ecological communities in
New South Wales

Executive summary

Background

According to the 2021 *Australia State of the Environment* report published by the Australian Government, Australia has one of the highest mammal extinction rates in the world. Species that are at risk of extinction in New South Wales are listed as threatened under the *Biodiversity Conservation Act 2016* (BC Act). Over 1,100 native animals, plants and ecological communities are listed as threatened under the BC Act.

The former Department of Planning, Industry and Environment's *NSW Fire and the Environment 2019–20 Summary* reports that the number of species and ecological communities at risk of extinction in New South Wales is increasing, with the Black Summer bushfires of 2019–20 affecting the long-term survival prospects of 293 threatened animals and 680 threatened plants. Systemic threats such as climate-induced extreme weather events continue to be a risk for the long-term security of the state's ecosystems and biodiversity. Programs to prevent extinction need to effectively address these increasingly complex risks to improve outcomes for threatened species and ecological communities.

The BC Act and the *National Parks and Wildlife Act 1974* are the main laws that seek to conserve and manage native wildlife in New South Wales, including threatened species and ecological communities. The Minister for the Environment and the Minister for Climate Change are jointly responsible for these Acts. These positions are currently held by the same Minister. The Department of Climate Change, Energy, the Environment and Water (DCCEEW) supports the Minister to administer these Acts.

DCCEEW has responsibility for establishing a statutory Biodiversity Conservation Program for threatened species and ecological communities, which it delivers as Saving our Species. The National Parks and Wildlife Service's activities under its Threatened Species Framework include declaring and managing areas as Assets of Intergenerational Significance, delivering Saving our Species projects on national parks, and activities to manage threats to native animals and plants, such as pest animal and weed control and fire management. Other key DCCEEW programs are the NSW Koala Strategy, and the science and research program of work, including the Biodiversity Indicator Program. DCCEEW also has responsibilities relating to exercising statutory powers to establish protected areas, and providing advice on development and planning activities impacting on threatened species habitat and ecological communities.

Audit objective

The objective of this audit was to assess whether DCCEEW has effectively delivered outcomes to support threatened species and ecological communities across New South Wales. To address this objective, the audit considered whether DCCEEW has implemented an effective long-term plan to deliver positive outcomes for threatened species and ecological communities, and whether DCCEEW has delivered a statutory Biodiversity Conservation Program that contributes to positive outcomes for threatened species and ecological communities.

Conclusion

DCCEEW uses a risk-based approach to guide and deliver a range of programs and initiatives to improve outcomes for threatened species and ecological communities. However, DCCEEW has not effectively determined departmental priorities, coordinated programs to align efforts, or reported on the overall outcomes it is delivering for threatened species and ecological communities. Further, DCCEEW does not capture sufficient data to monitor species that it is not actively managing, creating a risk that it cannot readily identify or respond to further species decline.

DCCEEW has interdependencies among its programs for threatened species and ecological communities, but it has not mitigated risks to the delivery of objectives created by these interdependencies. DCCEEW uses staff resources flexibly across the Department to supplement program funding. As a result, it cannot readily report on the Department's total investment or the cost-effectiveness of its programs for threatened species and ecological communities. DCCEEW does not collate information across programs to assess or report on the overall outcomes of its investment. Together with delays in DCCEEW's public reporting on its key programs, this limits the transparency of DCCEEW's overall impact for threatened species and ecological communities, and how it is managing risks to species and ecological communities not under active management.

DCCEEW has contributed to collaborative initiatives across government that aim to improve outcomes for threatened species and ecological communities. However, it has made inconsistent efforts to engage with other government agencies that manage key threats such as land clearing or invasive species. Duplicative or contradictory efforts across government represent a key risk to the effectiveness and sustainability of DCCEEW's activities for threatened species and ecological communities.

The Saving our Species program is the Biodiversity Conservation Program established under the *Biodiversity Conservation Act 2016*, which DCCEEW describes as New South Wales' flagship threatened species conservation program. Under this program, DCCEEW is delivering conservation actions for less than one-third of all threatened species and ecological communities.

The number of species and ecological communities that DCCEEW actively manages, or funds other entities to manage, has reduced by 19% since 2018–19. This decrease corresponds with a decline in program funding of 25% in 2021–22. Gaps in core program planning and risk management frameworks create delivery risks for the Saving our Species program and limit its effectiveness.

DCCEEW has developed a risk-based approach to prioritising the allocation of program funding for threatened species and ecological communities. This is in line with its legislative objective to maximise the security of threatened species and ecological communities under its statutory Saving our Species program. DCCEEW advises that available funding for the program is not sufficient to deliver conservation actions for all threatened species and ecological communities, and so it has prioritised a focus on stabilising target species populations at specific sites.

DCCEEW did not deliver any conservation activities, including monitoring, for 69% of threatened species and ecological communities in 2022–23. This includes some species considered a high priority for intervention, as well as species that DCCEEW has recognised require ongoing monitoring to identify any change to extinction risk. For species under management, DCCEEW's Saving our Species key performance measures are complex to interpret, and do not provide a complete view of how many species have been protected overall, and how many are responding to intervention.

Gaps in core program planning and risk management frameworks, including some required by legislation, create critical gaps in the oversight provided by DCCEEW's governance structures. For example, a business implementation plan for the 2021–26 tranche of the program was not finalised until April 2024.

Key findings

DCCEEW has not established a long-term framework to align its intended program outcomes for threatened species and ecological communities and address the risk of duplication or conflicting efforts

DCCEEW does not have a departmental plan that sets out its priorities and desired outcomes for threatened species and ecological communities, or that defines the alignment and intersections between its various threatened species programs and activities. Individual programs have different priorities and actions that may be informed by factors such as whether conservation activities are on public or private land.

However, these program plans have not been consolidated to set out a Department-wide framework for threatened species and ecological communities that identifies cross-program goals, targets, relevant stakeholders, timeframes and reporting schedules. This creates a risk of duplicate or conflicting program activities, or inefficiencies in delivering conservation activities on common sites or habitats. It also limits DCCEEW's ability to identify gaps in coverage or opportunities to deliver complementary initiatives across programs. There are further opportunities for DCCEEW to consider how climate-related risks may impact on core program objectives and on the delivery of conservation plans over time.

DCCEEW has identified a need for improved alignment and strategic coordination between key programs. However, DCCEEW has not established governance arrangements to support cross-program strategic planning and coordinated delivery of activities with a focus on threatened species and ecological communities or conservation outcomes. DCCEEW has established program-level coordination and mechanisms for information sharing through program boards and committees. However, program-level boards cannot provide the same level of oversight as an overarching governance group with responsibility to coordinate programs and embed a common or collaborative strategic direction.

DCCEEW's previous attempt to develop a statewide Threatened Species Strategy in 2021 did not eventuate. The strategy was designed around expanding Saving our Species program delivery. The program funding was reduced before the strategy was finalised. DCCEEW has developed program-level plans to guide the short- and medium-term priorities for some activities, including the National Parks and Wildlife Threatened Species Framework 2021, and the NSW Koala Strategy Implementation Plan 2021–26. A Saving our Species program implementation plan 2021–26 was not finalised until April 2024.

Without a long-term plan to guide departmental threatened species priorities across programs within DCCEEW, there is a risk to the sustainability of outcomes being delivered.

There are delays in DCCEEW's public reporting on key programs, and it does not report on the collective impact of its activities for threatened species and ecological communities

DCCEEW has not published key progress reports detailing activities or outcomes of the Saving our Species program since 2021–22. It has not yet published an annual report against the objectives and targets of the National Parks and Wildlife Service's 2021 Threatened Species Framework, including Assets of Intergenerational Significance. The first report from the National Parks and Wildlife Service's Ecological Health Performance Scorecard program was published in July 2024.

Delays in public reporting limit transparency about what outcomes have been delivered for threatened species and ecological communities, and how DCCEEW is mitigating risks to threatened species and ecological communities that are not under active management. Delays also reduce opportunities for external engagement, for example, to leverage opportunities for collaboration, avoid duplication, or address gaps in conservation efforts.

DCCEEW has not developed an approach to collating information across programs in order to assess or report on the overall impact or outcomes of its investment in threatened species programs. DCCEEW delivers activities to improve outcomes for threatened species and ecological communities under the Saving our Species program, the work of the National Parks and Wildlife Service, as well as the NSW Koala Strategy and the science and research program of work.

These activities share common features, although there are key differences in their approaches and success measures, and in their priorities for management relative to the available legislative and regulatory levers. For example, DCCEEW uses different approaches to threatened species management across public and private land. DCCEEW advises that developing an approach to reporting on the collective impact of this work would be a significant undertaking, in part because it cannot consolidate data to report on the current status and actions being delivered for threatened species and ecological communities across its programs.

DCCEEW has program-level measures to track and report on performance, and it manages several databases to record information on threatened species and ecological communities. Differences in program priorities and data collection mean that the information is not directly comparable across programs and cannot be collated across databases to provide a statewide view. DCCEEW does not have visibility of where parallel programs may target the same species, or of habitat where threatened species are likely to receive indirect benefits from programs. This increases the risk of overlapping or divergent activities, as well as inconsistent or fragmented data collection, and duplicative or inaccurate reporting. It also creates challenges for DCCEEW in advising government on resourcing requirements, and in demonstrating opportunities or gaps in coverage across its programs.

DCCEEW has begun efforts to improve the overall quality and completeness of its information and has consolidated some cross-program reporting into the Saving our Species database. However, uptake of cross-program or external reporting into the Saving our Species database remains low. Further, a major system upgrade that aims, in part, to improve DCCEEW's cross-program reporting was planned to be delivered in June 2024 but has been delayed by around six months.

DCCEEW uses resources flexibly to meet program delivery requirements which creates challenges for reporting on the true costs of its investment in threatened species and ecological communities

DCCEEW does not report on cross-program investment in threatened species and ecological communities or collect data that accurately reflect total departmental costs, program budget allocations, and other investments such as co-funding arrangements or external in-kind support. This means that DCCEEW cannot readily report on the Department's overall investment or the cost-effectiveness of its programs for threatened species and ecological communities.

DCCEEW advises that allocated program funding is not adequate to meet program delivery targets. In 2021, DCCEEW identified that it required an increase in resources to deliver the objectives for the second iteration of the Saving our Species program (2021–26), though its attempts to secure increased funding were unsuccessful.

The difference between available program funding and delivery requirements is met through the flexible use of general departmental resources. Programs such as Saving our Species and Assets of Intergenerational Significance are reliant on resourcing outside of allocated budgets for the delivery of program objectives. For example, Saving our Species funds 20 staff positions in the National Parks and Wildlife Service, but over 1,000 National Parks staff contribute to the delivery of the program. DCCEEW advises that, in addition to the program budget, it contributed over \$15 million in departmental resources to Saving our Species between 2019 and 2023.

Flexible use of available resources across programs may support efficiencies in delivery and facilitate coordination and information sharing across DCCEEW. However, it also creates governance and accountability risks to the delivery of program objectives, and creates challenges in reporting on total investment due to a high risk of double-counting staff contributions across programs. DCCEEW's program planning has not adequately mitigated the risks associated with a flexible use of resources to deliver programs, or of the interdependencies created between programs sharing funding and resources to support delivery. Program interdependencies mean that DCCEEW's ability to deliver threatened species programs, including Saving our Species and Assets of Intergenerational Significance, would be significantly impacted if flexible resources were removed, or if program funding levels were changed in the future.

Gaps in DCCEEW's oversight of NSW Environmental Trust grants reduces its ability to report on outcomes being delivered for threatened species and ecological communities

The NSW Environmental Trust is a grant funding body established under the *Environmental Trust Act 1998* and chaired by the Minister for the Environment. The NSW Environmental Trust provides funding to DCCEEW to administer NSW Environmental Trust grant programs and funding. This includes responsibility for overseeing grant progress and reporting.

DCCEEW administers a number of grant programs for the NSW Environmental Trust, including contestable grants as well as major projects designed to support delivery of government priorities. The NSW Environmental Trust has invested over \$133 million on grants relevant to threatened species since 2019 under its main program of grants, including major projects and contestable grants programs, but has limited public reporting on outcomes arising from these grants.

DCCEEW also administers two grant programs for the NSW Environmental Trust that were developed in partnership with Saving our Species. These grants were designed to fund ten-year projects delivered through partnerships between government, the community, non-government organisations and businesses. The Saving our Species Partnership Grant Program (2014–15 and 2015–16) awarded 11 grants worth \$8,389,705 in total. These grants were awarded to projects that would run for at least 10 years, with the grant funding to cover the first six years and the remaining four years resourced by the applicant. The Saving our Species Contestable Grants Program (2018–19) awarded 28 grants worth \$8,179,937 in total. Grants of up to \$350,000 per project were offered to cover the first five years and the remaining 2.5 years were resourced by the applicant.

We identified gaps in the timeliness, completeness, consistency and quality of the progress reports prepared by the grantees, and the review reports prepared by DCCEEW. These gaps create risks to DCCEEW's oversight of projects to ensure delivery of the intended outcomes.

DCCEEW has not consistently engaged with other parts of government responsible for managing key threats, creating a risk to outcomes achieved for threatened species and ecological communities

The legislative or administrative responsibility for the response to or management of some key threats lies with parts of government outside of DCCEEW. This includes land management activities and decisions (such as planning decisions, vegetation clearing), forestry operations on both public and private land, invasive species management and fire management. This means that DCCEEW is dependent on other parts of government to enable it to deliver sustainable outcomes for threatened species and ecological communities, and other government priorities have the potential to impact on DCCEEW's programs. There is an ongoing risk that DCCEEW's conservation efforts may conflict with activities relating to land use decisions, invasive species management or fire risk management. For example, habitat loss and invasive species are key threats for many species at risk of extinction.

Despite this risk, DCCEEW has made inconsistent efforts to engage with different parts of government also delivering activities that impact on threatened species outcomes. As described above, DCCEEW does not have systems for coordination or strategic planning within the Department that would support it to engage with other parts of government to identify or mitigate the risk of conflicting priorities or activities.

There have been some recent efforts in early 2024 to establish these channels, for example, quarterly meetings with statewide managers of some relevant entities. However, DCCEEW does not have a formal engagement approach to promote outcomes for threatened species and ecological communities on publicly owned land outside of the national park estate, and there may be opportunities to strengthen the provision of guidance to decision-makers on land use decisions. DCCEEW has not consistently engaged with government priorities relating to land management, including in relation to key threatening processes such as invasive species.

Similar coordination gaps were observed in relation to other entities (government and non-government) delivering conservation programs for threatened species and ecological communities. Entities at all levels of government (local, state and national) fund and deliver threatened species programs and conservation works. DCCEEW could be more coordinated in its efforts to engage with entities across New South Wales to support information sharing on strategic priorities and planned activities, as well as to leverage or align delivery efforts. A lack of engagement and coordination between entities delivering conservation activities for the same species or on similar habitats creates risks of conflicting priorities or duplication of efforts.

DCCEEW also relies on partnerships with non-government stakeholders to deliver conservation actions across the state, and has significantly increased the value of some programs through external stakeholder co-contributions. However, DCCEEW could improve the coordination and oversight of its engagement with the non-government sector to better leverage this collective investment, and to ensure that its approaches are coordinated between different programs engaging with similar stakeholders. In particular, DCCEEW does not have a strategic approach to First Nations engagement, which limits opportunities to embed traditional knowledge and cultural values into threatened species activities and outcomes.

DCCEEW has delivered a risk-based approach to prioritising conservation efforts under the Saving our Species program, and in 2022–23 delivered conservation actions for 31% of threatened species and ecological communities

DCCEEW advises that available funding for threatened species programs is not sufficient to deliver conservation actions for all threatened species and ecological communities, and has developed a risk-based approach to prioritise funding. In this context, 76% of the Saving our Species program budget for 2021–26 has been allocated to the delivery of on-ground conservation actions. Saving our Species resourcing has been prioritised to manage species and ecological communities at the highest risk of extinction or for those considered most likely to respond to intervention.

DCCEEW delivered conservation actions (including funding other entities to deliver actions) for less than one-third of threatened species and ecological communities (31%) under its Saving our Species program in 2022–23. This figure includes some species under management through other DCCEEW programs such as the National Parks and Wildlife Service programs, the NSW Koala Strategy, bushfire recovery response efforts and the Marine Estate Management Strategy.

The number of threatened species and ecological communities that DCCEEW is actively managing has reduced from a peak of 450 in 2018–19 to 364 in 2022–23 – a decline of 19%. The number of threatened species and ecological communities has continued to rise over this time. The overall reduction in the volume of species under management has corresponded with a 25% decline in program funding from 2021.

DCCEEW did not fund or deliver any conservation activities, including monitoring, for 69% of threatened species and ecological communities in 2022–23. This includes some species considered a high priority for intervention, as well as species that DCCEEW has determined will require ongoing monitoring to identify any change to extinction risk. The National Parks and Wildlife Service developed a Threatened Species Framework in 2021 to monitor and improve population trajectories of all threatened species on national parks, but it has not yet reported against this framework.

DCCEEW's key performance measures do not provide a complete view of how many species have been protected, and how many are responding to intervention

DCCEEW has developed a monitoring, evaluation and reporting framework to guide the outcomes being delivered for threatened species and ecological communities under Saving our Species management. DCCEEW has developed a traffic light approach to evaluating performance in relation to the legislative objective for species to be secure in the wild. DCCEEW uses this approach to assess performance at individual sites and for a species overall. Until 2021–22, DCCEEW published annual individual species report cards that described actions delivered and outcomes achieved.

DCCEEW has had performance targets for Saving our Species since 2017 as part of NSW Treasury's State Outcome Budgeting model. Key measures include a target for 260 threatened species and ecological communities to be under effective management, and 150 threatened species on track to be secure in the wild. This is a decline from the 2020 targets, which were 485 under effective management and 270 on track to be secure in the wild (up to a 48% reduction). DCCEEW reduced its performance targets in 2021–22 following a 25% reduction in funding and a program restructure.

DCCEEW's key performance measures are complex to interpret and have been designed to account for uncertainties and information gaps that are common in conservation work. For example, only certain categories of species are included in DCCEEW's calculation for the 'number of species and ecological communities on track to be secure in the wild'. As a result, the indicator does not fully reflect how many species have received funding or management over time, and how many species have shown a positive (or negative) response to management intervention.

Further, DCCEEW's reporting against the performance indicator for on track to be secure in the wild includes species with data gaps, for example, where site access was delayed due to weather, where site managers determined certain actions were not required that year, or for species where annual monitoring is not required. DCCEEW reported the percentage of species 'on track to be secure in the wild' to NSW Treasury as 85% for 2022–23. When species with these data gaps are excluded from the calculation, the number of species on track to be secure in the wild is 72% for the same time period. DCCEEW has acknowledged that these indicators may need to be reviewed to make them easier to interpret.

Gaps in core program planning and risk management frameworks, including some required by legislation, create risks to the successful delivery of Saving our Species

There are gaps in DCCEEW's planning and risk management systems for Saving our Species, including non-compliance with statutory requirements under the BC Act. This creates risks to program delivery, including the program's ability to identify and respond to emerging risks, and report on the impact of its investments. As Saving our Species has been in place since 2013 with consistent objectives and approaches, these deficiencies in core program documentation highlight critical gaps in the oversight provided by existing program governance structures.

For example, under the BC Act, DCCEEW is required to develop a framework to guide the setting of priorities for implementing conservation strategies at a program level. DCCEEW has defined priority levels and developed a system for allocating funding for a subset of species, but it has not developed a framework to guide its allocation of funding across the program. In addition, a program implementation plan for the 2021–26 tranche of Saving our Species was not finalised until April 2024.

Further, DCCEEW is not compliant with legislative timeframes for the delivery of statutory conservation strategies. DCCEEW has a legislative requirement to publish conservation strategies for all threatened species and ecological communities within two years of them being listed as threatened under the BC Act. At April 2024, strategies have been endorsed for 91% (943) of listed species and ecological communities, including 147 strategies endorsed in January 2024. DCCEEW did not endorse any new conservation strategies between December 2019 and January 2024.

Ongoing program delivery requires concerted effort to ensure these gaps are addressed for the remainder of the current program iteration (2021–26), and that program governance is strengthened to improve oversight of program planning systems in the future.

Recommendations

By February 2025, to address gaps in the Saving our Species program, the Department of Climate Change, Energy, Environment and Water should:

1. ensure compliance with legislation relating to:
 - a) public reporting on the five-year review of the outcomes and effectiveness of Saving our Species
 - b) development of a program-level framework to document the rationale and priorities for implementing Saving our Species strategies and allocating funding across all management streams
 - c) development of Saving our Species conservation strategies within two years of listing of threatened species or ecological communities under the *Biodiversity Conservation Act 2016*.
2. strengthen Saving our Species program governance and oversight to:
 - a) ensure that core program documentation is prepared, finalised and implemented in a timely manner
 - b) ensure that identified gaps in program risk management are addressed with respect to climate-related risks and developing a program business continuity plan
 - c) resolve program interdependency risks and improve alignment between DCCEEW programs.
3. develop a plan for Saving our Species to address risks associated with incomplete or out-of-date conservation strategies, as well as identifying trigger points for species not under management or those exposed to new threats.

By August 2025, to improve departmental coordination for the delivery of threatened species outcomes, the Department of Climate Change, Energy, Environment and Water should:

4. develop and start to implement a long-term framework seeking to coordinate and align threatened species efforts across DCCEEW. This framework should:
 - a) formalise a shared goal and principles of alignment across programs, and articulate the role of each program/activity in relation to an overall goal
 - b) establish and formalise associated governance to deliver the framework
 - c) establish data governance and performance frameworks to support consolidation of data and performance information across programs
 - d) evaluate options for information sharing to collate relevant actions and priorities of other entities delivering threatened species activities.
5. expand activities to improve coordination of DCCEEW's programs with other parts of government delivering activities that impact on outcomes for threatened species and ecological communities.

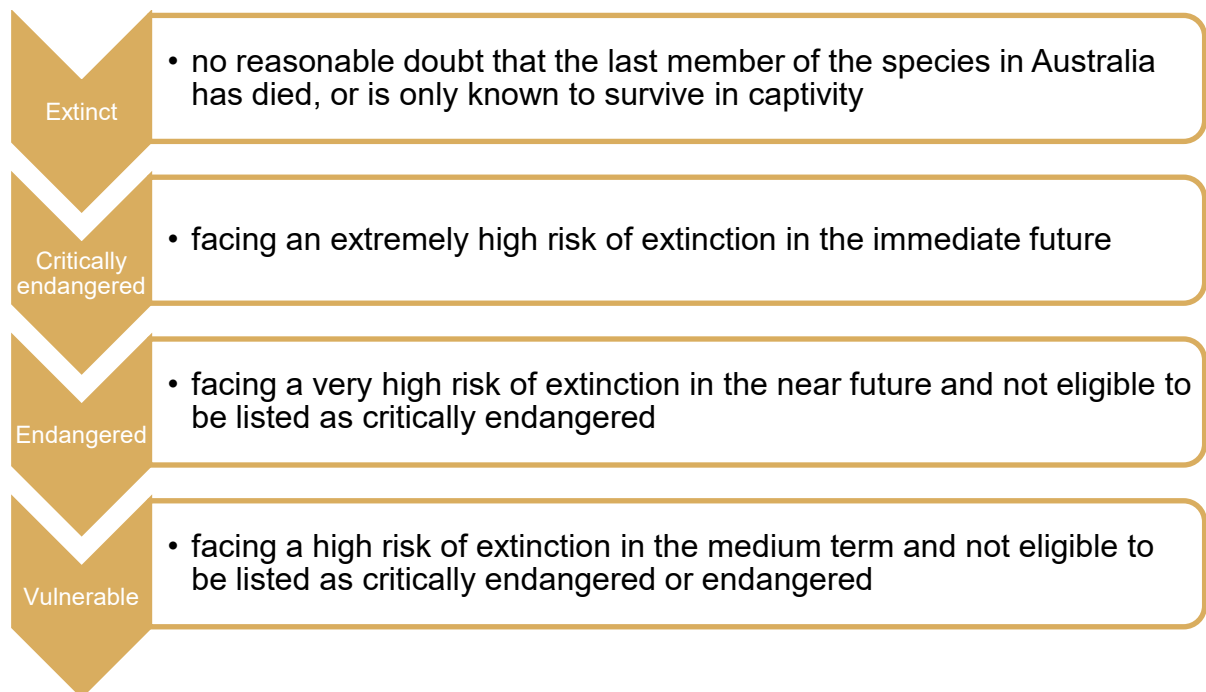
1. Introduction

1.1 Threatened species and ecological communities in New South Wales

According to the 2021 *Australia State of the Environment* report published by the Australian Government, Australia has one of the highest mammal extinction rates in the world. Threatened species, populations and ecological communities are listed by the NSW Threatened Species Scientific Committee under the *Biodiversity Conservation Act 2016* (BC Act) across the categories vulnerable, endangered and critically endangered. Collapsed ecological communities and species that are considered extinct are listed under a separate schedule to threatened species. Species that are listed under the BC Act include native terrestrial plants and animals, reptiles, marine mammals and freshwater plants. A threatened ecological community is a naturally occurring group of native plants, animals and other organisms that interact in a unique habitat and are collectively at risk of extinction.

The NSW Threatened Species Scientific Committee is an independent statutory body established under the BC Act and is formed of scientists appointed by the Minister for the Environment. The Committee's functions include making decisions to list species, populations or ecological communities under the BC Act as critically endangered, endangered, vulnerable or extinct (Exhibit 1). The Committee also decides which threats should be listed as key threatening processes, if they adversely affect threatened species or ecological communities, or could cause species or ecological communities that are not threatened to become threatened.

Exhibit 1: Categories of threatened species listing



Source: BC Act, Sections 4.2-4.6.

At March 2024, there were 1,002 threatened species and populations, 111 threatened ecological communities, and 72 species listed as extinct (Exhibit 2). The number of threatened species and ecological communities listed under the BC Act increased by around seven per cent (73 new listings) between 2019 and 2023.

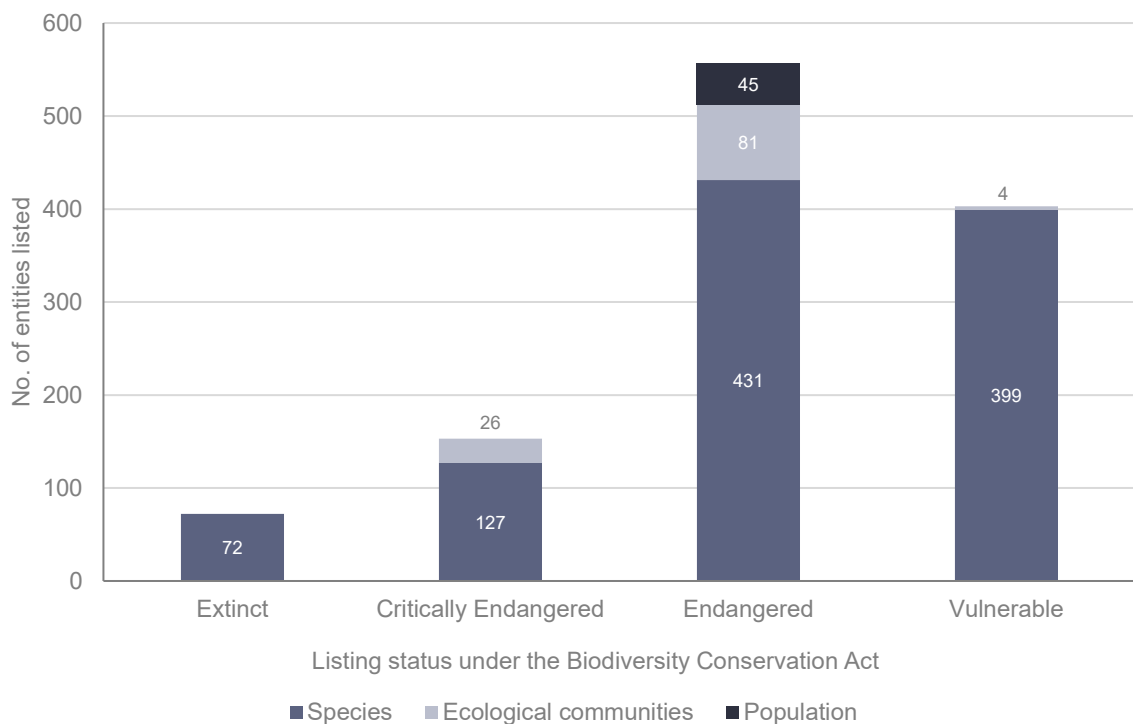
The NSW Biodiversity Indicator Program published the second *Biodiversity Outlook Report* in May 2024 and reported that without effective management, 50% of listed threatened species and 45% of threatened ecological communities in New South Wales are likely to become extinct within 100 years.

The purposes of the BC Act include the conservation of threatened species and ecological communities to slow the rate of biodiversity loss and maintain a healthy, productive and resilient environment. There are also 39 key threatening processes currently listed under the BC Act. Types of listed threats include:

- invasive species (pests and weeds)
- human-induced climate change
- high-frequency fire resulting in disrupted life-cycle processes and loss of vegetation
- diseases, including those spread by feral animals
- clearing of vegetation, loss of hollow-bearing trees, removal of bush rocks, dead wood and dead trees habitat loss, degradation or alteration.

Unmitigated, these pose significant risks to the long-term success of conservation efforts for threatened species and ecological communities. Almost 60% of listed key threatening processes relate to animal pests and weeds. The *NSW State of the Environment 2021* report found that more than 70% of threatened species and ecological communities are at risk of decline due to invasive species.

Exhibit 2: Number of threatened species and ecological communities, by listing status, 2024



Note: Endangered populations are a group of the same species within a particular geographic area, listed under the former *Threatened Species Conservation Act 1995*.

Source: Saving our Species data.

According to the Department of Climate Change, Energy, the Environment and Water (DCCEEW), 89% of threatened species and ecological communities occur across private and public land. A key challenge for programs targeting threatened species and ecological communities is the scale and complexity of the task. Each threatened species and ecological community has unique needs and requires different management approaches depending on factors such as existing threats, population size, ecology and location.

Management of threatened species and ecological communities also requires management of threats in their habitat, such as pests and weeds. Ongoing or sustained interventions are often required to keep threats at bay, and to support the sustainability of conservation efforts. Systemic threats such as climate-induced extreme weather events create a particular challenge for mitigation given their degree of impact on delicate ecosystems and threatened species and ecological communities.

1.2 DCCEEW threatened species functions and responsibilities

DCCEEW machinery of government

DCCEEW was created in a machinery of government change that took effect from the 1 January 2024. The new DCCEEW brought together the environment and heritage functions with the former Office of Energy and Climate Change (located in the former Department of Premier and Cabinet). Between 2019 and 2023, the environment functions sat within the former Department of Planning and Environment. The 2024 machinery of government change also separated the planning functions into a new Department of Planning, Housing and Infrastructure.

The activities assessed in the audit include those delivered by the current DCCEEW and the former Department of Planning and Environment.

DCCEEW statutory functions

The BC Act and the *National Parks and Wildlife Act 1974* (NPW Act) are the main pieces of legislation that set out statutory roles and responsibilities relevant to threatened species and ecological communities in New South Wales. The Minister for the Environment is responsible for these Acts, supported by DCCEEW. Core statutory functions delivered by DCCEEW that are relevant to threatened species and ecological communities are listed in Appendix two, and include:

- Establishing a Biodiversity Conservation Program (known as Saving our Species) which aims to maximise the security of threatened species and ecological communities in the wild (Part 4, Division 6, BC Act).
- Activities for the conservation of threatened species and ecological communities on national parks (Section 12, NPW Act), primarily being delivered through the National Parks and Wildlife Service's Threatened Species Framework since 2021.
- Establishing a biodiversity information program, known as the Biodiversity Indicator Program, which aims to collect, monitor and assess information on the status and trends of biodiversity in New South Wales (Part 14, BC Act).
- Supporting the Minister in exercising statutory powers to make declarations relating to:
 - areas of outstanding biodiversity value (Part 3, BC Act) which are areas that are important at a state, national or global scale and make significant contribution to biodiversity in New South Wales
 - establishing joint management agreements (Part 2, BC Act) that manage, regulate or restrict an action that impacts the survival of a threatened species, population or ecological community
 - declarations relating to Assets of Intergenerational Significance (Part 12A, NPW Act) which are areas within national parks of exceptional value that warrant dedicated protections and management.
- Issuing biodiversity licences and regulatory orders for actions (including delivery of conservation actions) that may result in harm or damage to a threatened species or area of outstanding biodiversity (Parts 2 and 11, BC Act).

Several other pieces of legislation set out statutory roles and responsibilities for DCCEEW and its entities that are relevant to threatened species. These functions relate to the delivery of relevant regulatory functions, and other programs such as the Marine Estate Management Strategy, or the NSW Environmental Trust program of grants, which have selected priorities or initiatives that focus on threatened species. Others relate to DCCEEW's role in the provision of advice or guidance to decision-makers on development activities likely to impact on threatened species and ecological communities.

Statutory review of the *Biodiversity Conservation Act 2016*

An independent five-year review of the BC Act was completed in August 2023. The review found that the BC Act is not meeting its primary objectives and made 58 recommendations to government. The NSW Government released its response to the review in July 2024. In its response, the NSW Government has committed to reviewing the BC Act and other relevant legislation to improve biodiversity outcomes.

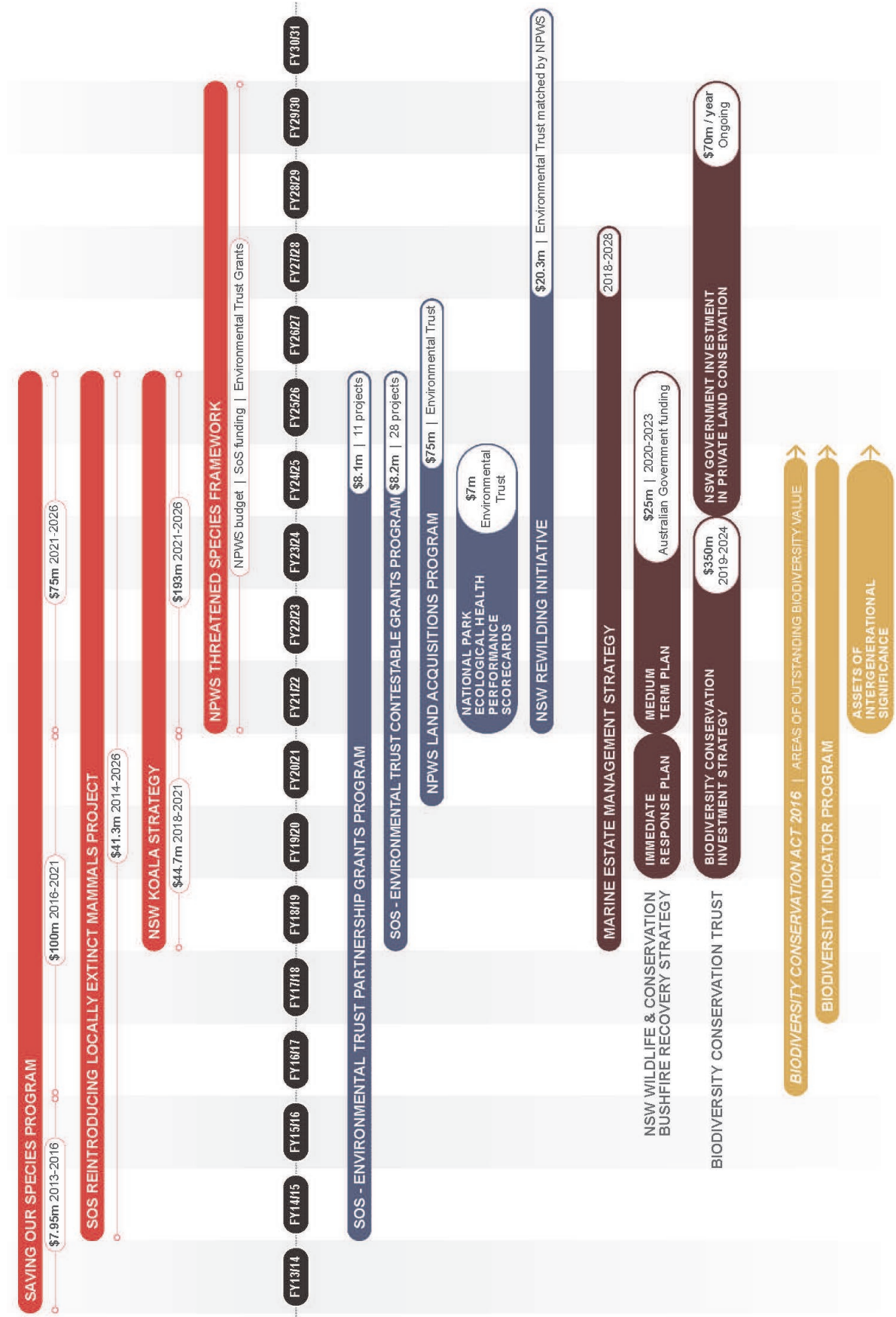
DCCEEW organisational structure

DCCEEW has established a range of programs that directly or indirectly impact on threatened species functions and responsibilities. Exhibit 3 illustrates some of the core programs and activities that DCCEEW is delivering concurrently for threatened species and ecological communities, and Exhibit 4 lists the additional functions and responsibilities of DCCEEW (further detail is included in Appendix three). Many of these programs intersect with the statutory functions described above.

DCCEEW provides administrative support to other entities that report to the Minister for the Environment, including delivering relevant programs and activities. These include:

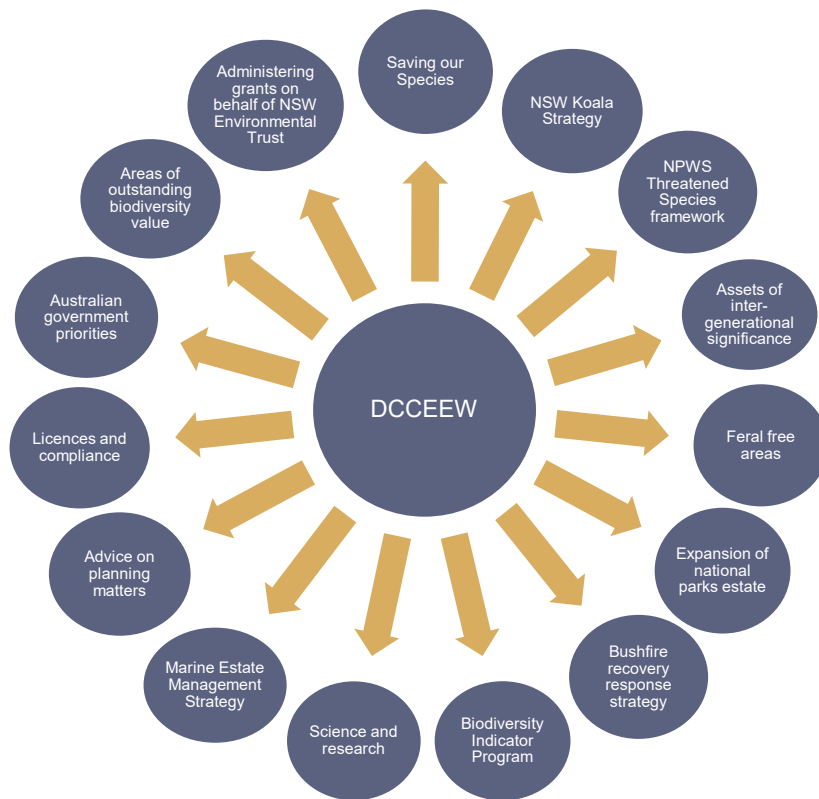
- The NSW Biodiversity Conservation Trust delivers private land conservation programs and monitors and supports landholders to manage Biodiversity Stewardship Agreements under the Biodiversity Offsets Scheme.
- The NSW Environmental Trust administers grants to support projects to conserve, protect and rehabilitate the environment of New South Wales. Grants are distributed to government, as well as community and non-government organisations.

Exhibit 3: Concurrent programs and activities that DCCEEW is delivering relating to threatened species and ecological communities



Source: Audit Office of New South Wales analysis.

Exhibit 4: DCCEEW functions relating to threatened species and ecological communities



Source: Audit Office of New South Wales analysis.

External stakeholder contributions

DCCEEW has arrangements to engage with external stakeholders to contribute to outcomes for threatened species and ecological communities through a range of mechanisms. This includes arrangements to support delivery of on-ground conservation efforts through grants programs such as partnership grants and contestable grants, formal funding agreements, as well as channels for informal engagement and consultation.

1.3 Other government agency functions and programs relevant to threatened species outcomes

DCCEEW has responsibility under the BC Act to conserve biodiversity at regional and state levels, and to support conservation and threat abatement action to slow the rate of biodiversity loss and conserve threatened species and ecological communities in nature. However, a number of cross-government priorities also have a bearing on the successful delivery of outcomes for threatened species and ecological communities. This is because management of several key threats fall outside the core responsibility of DCCEEW, including land management activities and decisions (such as planning decisions, vegetation clearing), forestry operations on both public and private land, invasive species management and fire management. The National Parks and Wildlife Service retains responsibility for management activities in national parks under the NPW Act, including invasive species and fire management.

Other New South Wales agencies with responsibilities relevant to threatened species and ecological communities include:

- The Department of Planning, Housing and Infrastructure with respect to planning and land use decisions. It also includes related entities such as Crown Lands, which manages public lands including land reserved for conservation, and the Office of Local Government, which supports local government bodies, many of which also deliver conservation programs.
- The Department of Primary Industries and Regional Development (formerly Department of Regional NSW) has a number of cluster entities with relevant functions, including the Department of Primary Industries, Local Land Services, and the Forestry Corporation of NSW:
 - The Department of Primary Industries is the lead agency responsible for invasive species policy, including the statewide invasive species plan for pests, weeds and biosecurity risks.
 - The Department of Primary Industries also takes a lead role in managing aquatic pests and in fisheries management. It has legislative responsibility for threatened species and ecological communities listed under the *Fisheries Management Act 1994*. A separate threatened species listing process exists for aquatic and marine species (including fish and other aquatic plants). There are currently 42 species and four ecological communities listed as threatened under the *Fisheries Management Act 1994*.
 - The Department of Primary Industries has responsibility for the development of policy and regulation for forest plantations on public and private lands, and supports the Forestry Corporation of NSW in managing public forests and delivering forestry services.
 - Local Land Services delivers land management regulation and decisions, and supports invasive species and pest animal management on private land. Local Land Services has responsibility for regulating land clearing decisions, and also oversees licensing on private forests. Local Land Services delivers threatened species conservation work under Australian Government funding through the Natural Heritage Trust.
- State fire entities including the NSW Rural Fire Service are responsible for bushfire planning and response, including the protection of threatened species and ecological communities and habitat.
- Reporting to the Minister for the Environment, the Environment Protection Authority has responsibility for regulating the New South Wales native forestry industry on both public and private land. This includes responding to notifications relating to breaches that impact on threatened species habitat in forests.
- Local councils are a consent authority on local development that impacts on threatened species and habitat, and land managers. Many councils have also developed their own program of conservation work for threatened species or ecological communities.

Threatened species and ecological communities can also be listed under the Australian Government's *Environment Protection and Biodiversity Conservation Act 1999*. Where made, national recovery and threat abatement plans are implemented by the Australian Government in Commonwealth areas and may involve the cooperation of the NSW Government in non-Commonwealth areas. The NSW Government signed an Intergovernmental Memorandum of Understanding with the Australian Government in 2016 to establish a common assessment method for listing threatened species across national and state threatened species. Under the common assessment method, a species' threatened status is assessed by one jurisdiction and the outcome of the assessment can then be adopted by other jurisdictions. This enables species listed as threatened at the national level to also receive recognition at the state level.

The Australian Government administered a \$200 million Wildlife and Habitat Bushfire Recovery grant following the 2019–20 bushfires. Around \$25 million of this was allocated to DCCEEW to deliver conservation actions for priority threatened species and ecological communities in New South Wales, including over \$3 million to the Saving our Species program.

1.4 About the audit

The objective of the audit was to assess whether the Department of Climate Change, Energy, the Environment and Water has effectively delivered outcomes to support threatened species and ecological communities across New South Wales. The audit assessed whether DCCEEW has:

- implemented an effective long-term plan to deliver positive outcomes for threatened species and ecological communities
- delivered a statutory Biodiversity Conservation Program that contributes to positive outcomes for threatened species and ecological communities.

The audit scope covers the delivery of the Saving our Species program since 2016 and the planning and coordination of DCCEEW activities since 2019.

In answering the audit question, the audit considered the following activities:

- Plans and strategies to deliver threatened species outcomes.
- Alignment and coordination to deliver threatened species priorities and targets across programs within DCCEEW.
- Reporting and consolidation of outcomes across programs within DCCEEW.
- Coordination and engagement with other government agencies and external stakeholders delivering related activities.
- Implementation of a statutory Biodiversity Conservation Program in line with legislative requirements and program priorities.

The audit scope did not assess:

- The design of the Biodiversity Offsets Scheme for offsetting development impacts, or the biodiversity investment strategy implementation or decisions.
- DCCEEW's delivery of its compliance and enforcement powers under the BC Act, including the oversight of biodiversity conservation licences.
- The activities and decisions of the Threatened Species Scientific Committee, or the implementation of the Intergovernmental Memorandum of Understanding on the Common Assessment Method.
- Policy decisions with respect to conservation or environmental management, including shark mesh nets, planning instruments, land clearing and regulation of native forestry.
- Species and ecological communities listed as threatened under the *Fisheries Management Act 1994*, although they were commented on where contextually relevant.
- The threatened species recovery activities of Local Land Services under the Commonwealth's Natural Heritage Trust funding program.

It is beyond the scope of this audit to fully assess the extent of impact that known threatening processes (for example habitat loss due to land clearing, invasive pests and weeds, or fire risk) have on threatened species and ecological communities.

For further detail on the audit procedures see Appendix five.

2. Planning and reporting on outcomes

This chapter assesses the effectiveness of DCCEEW's ability to report on threatened species outcomes across its various programs and activities, and its strategic planning for the delivery of these outcomes at a departmental level.

2.1 Reporting on threatened species outcomes

DCCEEW delivers a range of programs and activities to improve outcomes for threatened species and threatened ecological communities. The Saving our Species program is the Biodiversity Conservation Program established under the BC Act, which DCCEEW describes as New South Wales' flagship threatened species conservation program. Other key programs are the NSW Koala Strategy, the science and research program of work including the Biodiversity Indicator Program, and the National Parks and Wildlife Service's activities under the Threatened Species Framework, including declaring areas as Assets of Intergenerational Significance, delivering Saving our Species on national park estate, and threat management activities such as feral animal and weed control and fire management.

For further detail on DCCEEW's threatened species programs and activities see the Introduction and Appendix three.

There are delays in DCCEEW's public reporting on key programs, which reduces the transparency and accountability of its activities

DCCEEW has not published key progress reports on activities and outcomes of Saving our Species since 2021–22. It has not yet published an annual report against the objectives and targets of the National Parks and Wildlife Service's 2021 Threatened Species Framework, including Assets of Intergenerational Significance. Delayed public reporting on programs limits the transparency of outcomes that have been delivered for threatened species and ecological communities, and also of how DCCEEW is mitigating risks to threatened species and ecological communities that are not under active management. It also reduces opportunities for external engagement and collaboration, for example, to leverage conservation efforts, avoid duplication or address gaps.

DCCEEW has not published its 2022 review of Saving our Species (for the first five years of the program, 2016–21). Under Section 4.37 of the BC Act, DCCEEW is required to review the outcomes and effectiveness of the Biodiversity Conservation Program (Saving our Species) every five years, prepare a report of the review and publish that report on a government website.

DCCEEW has not published key progress reports relating to the activities delivered under the 2021–26 tranche of Saving our Species, though it has published informal communications during this time via newsletters and social media. Until 2021, the program reported annual *Year in Review* reports, as well as individual species report cards. The most recent *Year in Review* was published in February 2023 for the 2021–22 year. These reports included information such as funding sources, the number of species and ecological communities under management, and the number of active Saving our Species sites. In January 2022, Saving our Species published a series of five-year summary reports for the previous program tranche (2016–21) that provided a high-level outline of actions and outcomes delivered for 111 species. DCCEEW advises that annual report cards for 2021–22 and 2022–23 will be published, but it has not determined when this will occur.

DCCEEW's National Parks and Wildlife Service has made a number of commitments to publicly report on threatened species on park estate. However, DCCEEW has not yet published an annual report against the objectives and targets of the National Parks and Wildlife Service's 2021 Threatened Species Framework including Assets of Intergenerational Significance, or baseline trajectory information on threatened species populations. It advises that a report on the first two years of the framework will be published in 2024. A draft version of this report provided to the audit did not include baseline data or initial trajectory estimates for any threatened species on national parks. The report also indicates a plan to conduct a data audit in 2024, and then commence a five-year reporting cycle on trajectory status, though the commencement date for this reporting cycle is unclear. It is unclear how this will support the National Parks and Wildlife Service to monitor or report against the framework's targets for 2026.

DCCEEW has also committed to annual reporting through the National Parks and Wildlife Service's Ecological Health Performance Scorecard program for eight national parks. The NSW Environmental Trust allocated \$7 million in 2021 for the three-year program. DCCEEW advises that these scorecards will report on conservation assets (including threatened species), as well as ecological threats and processes to inform decisions on park management. DCCEEW published the first scorecard covering three protected areas including the Royal National Park, Heathcote National Park, and Garawarra State Conservation Area in July 2024. It advises that the scorecard for Kosciuszko National Park will be ready by the end of 2024. These two scorecards were scheduled to be published by December 2022.

DCCEEW has not assessed the overall impact of its activities on outcomes for threatened species and ecological communities

DCCEEW has not developed an approach to collating data or consolidating reporting across programs that would enable it to assess the impact of its activities in relation to threatened species and ecological communities, or to report on the overall outcomes being delivered. As a result, DCCEEW cannot assess the overall impact of its investment in threatened species programs, including where parallel programs may target the same species or habitat. This increases the risk of overlapping or divergent activities, as well as inconsistent or fragmented data collection, and duplicative or inaccurate reporting. This also creates challenges for DCCEEW in advising government on its resourcing requirements, and demonstrating opportunities or gaps in coverage across its programs. DCCEEW has program-level measures to track and report on performance, and has begun efforts to leverage existing monitoring programs with the aim of improving the overall quality and completeness of its information.

A lack of consolidated data across programs also means that DCCEEW does not report against existing or planned indicators seeking to provide an overall view of threatened species outcomes. For example, in 2022 the former Department of Planning and Environment identified a portfolio priority to 'continue to reduce the number of native animals on the New South Wales threatened species and extinct lists'. DCCEEW does not currently use changes to listing status as a measure for program effectiveness.

Under the BC Regulation 2017, DCCEEW is required to deliver a report on the status and trends of biodiversity at statewide and regional levels (Section 14.2). The Biodiversity Indicator Program was designed to meet this statutory obligation. The first baseline *Biodiversity Outlook Report* was published in 2020, and the second *Biodiversity Outlook Report* was published in May 2024. DCCEEW has developed a suite of indicators under the Biodiversity Indicator Program to assess different elements of biodiversity. This includes an indicator that assesses the effectiveness of on-ground biodiversity conservation programs. This indicator offers an opportunity for DCCEEW to report on the collective effectiveness of its threatened species programs and activities.

However, DCCEEW's current approach to collecting data at a program level means that the Biodiversity Indicator Program cannot assess the effectiveness of conservation actions across programs. Reporting against this indicator to date has included case studies where positive outcomes have been delivered for individual species, such as a recovery program for the Gould's petrel that has been in place on Cabbage Tree Island since 1993. DCCEEW advises that for the Biodiversity Indicator Program to report on the effectiveness of interventions for reducing extinction risk, a department-wide framework would be required to provide consistency in monitoring and reporting across programs.

DCCEEW has also not defined an approach to identifying or measuring the overall impact of conservation programs and activities where threatened species are likely to receive indirect benefits, such as where impacts on threatened species are a secondary goal to other conservation or restoration works. For example:

- The NSW Koala Strategy identifies that improving koala habitat is likely to bring benefits for other species located within the same habitat, but DCCEEW has not established cross-program reporting mechanisms to capture or report on outcomes of NSW Koala Strategy investment at a landscape scale or for co-located species.
- DCCEEW has a performance indicator and targets relating to expansion of the national parks estate. The National Parks and Wildlife Service reports prioritising threatened species habitat in the selection of land for potential new national parks. Reserve establishment is a government priority and increases the available protections for threatened species habitat, but the impact on species or ecological communities is not currently measured or reported on. This is a goal of the National Parks and Wildlife Service's Threatened Species Framework (discussed below).
- Pest and weed management by the National Parks and Wildlife Service is recorded at a landscape scale, for example, in terms of the number of hectares covered, or the volume of pests targeted. Monitoring of or reporting on these activities does not routinely consider their impact on threatened species.
- Many NSW Environmental Trust grant projects identify outcomes for threatened species as a secondary or downstream benefit of the grant. For example, the NSW Environmental Trust's Saving our Species Contestable Grants program reports that the grants will provide funding for 23 landscape-managed species and 30 threatened ecological communities, with additional benefits for approximately 80 co-occurring threatened species or ecological communities. DCCEEW does not have a process for grant recipients to report on whether these outcomes are realised as part of the grant acquittal or annual reporting into the Saving our Species database.

Data on threatened species and ecological communities are distributed across multiple databases, creating a risk of inconsistency

DCCEEW manages several databases that record different information on threatened species and ecological communities. This includes public-facing databases that collate information on the ecology and distribution of threatened species and ecological communities across the state, as well as separate internal databases to record data on funding and resource allocations, conservation activities and outcomes (Exhibit 5). None of these databases reflects the full picture of the current status and actions being delivered for threatened species and ecological communities.

DCCEEW does not have a current data governance framework to consolidate threatened species data from various sources to support information sharing across programs. This is important because loss of data or recording information in different locations can lead to inconsistent or fragmented data collection, and duplicative or inaccurate reporting. A data governance framework would also assist with addressing risks related to the storage requirements of large amounts of raw data, for example, data collected during species monitoring.

DCCEEW has begun some efforts to improve the quality and completeness of its information about threatened species interventions and outcomes, and to increase functionality to support cross-program consolidation of data. For example, DCCEEW business units have committed to improving the centralised recording of data on management actions and outcomes from Saving our Species and Assets of Intergenerational Significance, including a plan to consolidate monitoring data on threatened species and ecological communities on national park estate.

The Saving our Species database was expanded in 2019 to enable the collection of information and data for a broader range of management sites, termed 'contributing sites'. Before that, it could only record activities for sites identified in Saving our Species conservation strategies. This functionality allowed the Saving our Species database to record some conservation activities delivered across other DCCEEW programs, including Assets of Intergenerational Significance, the Marine Management Estate Strategy and the NSW Koala Strategy, as well as sites managed by other entities including Local Land Services.

However, there are still gaps in the completeness of cross-program data within the Saving our Species database, and the number of contributing sites in the database remains low. At December 2023, the Saving our Species database listed 53 contributing sites (including seven sites with an active status), compared to over 1,900 sites that have been identified as a priority in Saving our Species conservation strategies. There remains a proportion of DCCEEW investment in threatened species projects that is not captured, including the National Parks and Wildlife Service's landscape-scale activities and some NSW Environmental Trust contestable grants.

Furthermore, DCCEEW has not undertaken work to consolidate the threatened species data captured in public-facing databases (such as the SEED repository, or the Koala Habitat Information Base) with its internal records on threatened species. DCCEEW has participated in the Threatened Species Index for Australia which collates monitoring data from across the sector to report on population trends at national, state and regional scales.

Effective coordination across information systems requires data governance frameworks and processes. DCCEEW has some standards for data collection and information sharing, for example, a register of data-sharing agreements between Saving our Species and external parties, and it has adopted the 2023 National Framework for the Sharing of Restricted Access Species Data in Australia. But other information governance documents are out-of-date. A departmental information governance framework (for the former Department of Planning, Industry and Environment) was last updated in 2021. A policy for managing sensitive species (such as species where locations cannot be disclosed) has not been reviewed or updated since 2009. Inadequate data governance increases risks of poor decision-making and transparency, as well as inefficiency in delivery and coordination of programs.

DCCEEW is currently delivering a project to improve the collection, management and reporting of threatened species data. The Saving our Species Connect project received \$3 million in funding from the NSW Digital Restart Fund between 2022–23 and 2023–24 to:

- Improve public-facing website content for conservation strategies, and threatened species and ecological communities management information.
- Build data infrastructure to improve data-sharing.
- Integrate the Saving our Species database with other Department systems such as the National Parks and Wildlife Service's Pest and Weed Information System to reduce duplication.
- Integrate reporting tools to improve internal and public reporting.

The Saving our Species Connect program is currently being implemented but is behind schedule for delivery against a planned completion date of June 2024.

Exhibit 5: Databases maintained by DCCEEW with threatened species information

Database	Information included	Access	Linkages
BioNet – Atlas	Repository of biodiversity data, including species sightings, species names, systematic survey results, vegetation and distribution mapping.	Public-facing	Includes data provided by DCCEEW, researchers, other agencies and the general public.
BioNet – Atlas Threatened Biodiversity Profiles	Threatened species profile data for all species, population, ecological communities and key threatening processes listed under the BC Act. The collection is managed by Accountable Officers.	Public-facing	Linked to the Saving our Species public register of conservation strategies.
Sharing and Enabling Environmental Data (SEED)	Repository of environmental data, which includes over 2,500 open datasets and a citizen science hub.	Public-facing	SEED bushfire mapping, koala habitat.
Koala Habitat Information Base	Spatial data on koala distribution, koala-preferred trees and koala sightings.	Public-facing	Linked to BioNet – Atlas for sightings data and accessible through SEED portal.
Saving our Species public register of conservation strategies	Repository of conservation strategies developed under the requirements of the BC Act.	Public-facing	Linked to BioNet – Atlas Threatened Biodiversity Profiles.
Saving our Species database	Land managers, researchers, project managers and others involved in conservation work who contribute to the delivery of Saving our Species conservation strategies can record investment, actions delivered and monitoring outcomes.	Internal	
National Parks and Wildlife Pest and Weed Information System	Records investment and activities delivered at the landscape level for pest and weed management in national parks.	Internal	
Assets of Intergenerational Significance – Inventory of threatened species	Data on validated records of threatened species found on national parks.	Internal	Drawn from BioNet Atlas and validated by the National Parks and Wildlife Service.

Source: Audit Office of New South Wales analysis.

There are gaps in the data on the statewide status of threatened species and ecological communities across New South Wales

DCCEEW currently has limited or no information about most threatened species and ecological communities across the state. DCCEEW does not collect statewide data on threatened species or ecological communities that are not currently under active management. For species not under active management or monitoring, DCCEEW cannot identify emerging threats or other changes that may increase or decrease a species' extinction risk at a statewide level. For species that are being monitored, data fragmentation across sources (discussed above), and differences in the way data have been collected between programs does not support a statewide view of outcomes or trends.

The National Parks and Wildlife Service's Threatened Species Framework aims to address some information gaps for species' population trends, by setting a goal to report on population data and to stabilise or improve the population trajectory for 300 species on national parks by June 2026. This reflects the stronger legislative and regulatory levers that the National Parks and Wildlife Service has available to influence the outcomes being delivered on the national parks estate. At April 2024, the National Parks and Wildlife Service reported that it has collated baseline population information for almost 100 threatened species across all national parks. These data have been collated from Saving our Species data collected on national parks.

Under Saving our Species, DCCEEW monitors threatened species and ecological communities under active management at priority sites, and has collected trend data for around 160 species at over 500 sites. However, Saving our Species is not designed to report on statewide population trends for species under management, but instead aims to obtain coverage of the most important populations for each species and ecological community across the state, or those sites most suitable to intervention. The program identifies these sites through a process of seeking expert input on the selection of priority sites across the state, regardless of whether these sites occur on public or private land.

In August 2023, DCCEEW held an initial workshop to share approaches on statewide monitoring and trajectory mapping of threatened species. This involved Saving our Species, the National Parks and Wildlife Service, DCCEEW Science Economics and Insights division, the Biodiversity Conservation Trust, as well other government entities, and non-government bodies. It is not clear what action has been taken following this workshop.

Gaps in DCCEEW's oversight of NSW Environmental Trust grants reduces its ability to report on outcomes being delivered for threatened species

The NSW Environmental Trust is a statutory grant-funding body established under the *Environmental Trust Act 1998* and chaired by the Minister for the Environment. The NSW Environmental Trust does not employ staff directly, but does provide funding to DCCEEW to support staff responsible for administering NSW Environmental Trust grant programs and funding.

DCCEEW administers a number of grant programs for the NSW Environmental Trust, including contestable grants as well as major projects designed to support delivery of government priorities, such as the acquisition of land under the NPW Act to be protected and managed as a national park. The NSW Environmental Trust grants also include two programs developed in partnership with Saving our Species to fund ten-year projects delivered through partnerships between government, the community, non-government organisations and businesses:

- The Saving our Species Partnership Grant Program (2014–15 and 2015–16) awarded 11 grants worth \$8,389,705 in total. The grants were awarded to projects that would run for at least ten years, with grant funding covering the first six years and the remaining four years resourced by the applicant.
- The Saving our Species Contestable Grants Program (2018–19) awarded 28 grants worth \$8,179,937 in total. Grants of up to \$350,000 per project were offered to cover the first five years of 7.5-year projects, with the remaining 2.5 years resourced by the applicant.

DCCEEW has a process to annually review the progress of projects funded by NSW Environmental Trust grants, to assess whether projects are on track. DCCEEW advises that grant projects have been impacted by COVID-19-related delays.

This audit assessed key documentation relevant to the review process for a random selection of six grant projects. Five of the six projects included DCCEEW as either the grant recipient or a key partner for project delivery. We identified gaps in the completeness, consistency and quality of the progress reports prepared by the grantees, and the review reports prepared by DCCEEW. These gaps create risks to the effectiveness of the review process as a mechanism to ensure that the projects are delivering the intended outcomes. For example, on multiple occasions review reports assessed project progress as 'Good', despite identifying issues relating to matters such as budget discrepancies, inadequacy of monitoring, and gaps in the completeness of progress reporting.

DCCEEW advises that it continues to monitor the progress of NSW Environmental Trust grant projects after the final grant instalment up to the end of the project delivery by the applicant. However, based on the projects reviewed, DCCEEW has not been ensuring that relevant progress reports are received and reviewed in a timely manner to ensure that the applicants are accountable for delivering the projects as agreed. In July 2024, two of the six projects we assessed had completed the annual progress review process for financial year 2022–23. For grants awarded under the NSW Environmental Trust's Saving our Species grant programs, grantees are required to provide monitoring data into the Saving our Species database which contributes to program reporting for each threatened species and ecological community. DCCEEW advises that two grantees did not meet this reporting requirement in 2023.

Since 2019, the NSW Environmental Trust has invested over \$133 million on grants relevant to threatened species under its main program of grants, including major projects and contestable grants programs, but has limited public reporting on outcomes arising from these grants. The NSW Environmental Trust reports annually on total grants awarded, but does not publish information relating to the outcomes of individual grants or the collective impact of grants programs. DCCEEW has published evaluations of completed major projects on the NSW Environmental Trust's website. The website also includes project summaries relevant to the contestable grants programs, but these summaries do not include information about whether those projects are delivering the intended outcomes.

2.2 Planning of threatened species programs and resources

DCCEEW does not have a consolidated long-term plan to deliver sustainable outcomes for threatened species and ecological communities

DCCEEW does not have a consolidated plan that sets out its priorities and desired outcomes for threatened species, or defines the intersections between its various threatened species programs and activities. A consolidated plan would establish overarching objectives and priorities to support coordination across the Department, including identifying gaps and opportunities to leverage investment or deliver complementary initiatives. Further, a shared goal across programs, defined through a long-term plan for threatened species, may support DCCEEW to better align actions delivered under the respective programs and identify the contribution of each program to the overall goal.

DCCEEW has developed program-level plans to guide the short- and medium-term priorities for some activities. For example, the National Parks and Wildlife Service's Threatened Species Framework includes delivery priorities and performance measures for threatened species over a ten-year period (2020–30). The Framework includes conservation activities delivered under several initiatives such as Assets of Intergenerational Significance and establishing feral free areas, as well as contributing to Saving our Species objectives on national parks. However, DCCEEW has not consolidated these plans to set out a department-wide framework for threatened species and ecological communities.

Both Saving our Species and Assets of Intergenerational Significance have statutory requirements under their respective legislation for the development of conservation plans for each site or species, which provide long-term commitments to the actions required to prevent extinction of that species. For example, the Saving our Species strategies define the minimum conservation actions required to prevent extinction and secure the species or ecological community in the wild for 100 years.

However, the program strategic plans do not define how the programs intend to deliver outcomes over the long timescales identified in the respective program objectives (ranging 10–100 years). For example, the Koala Strategy aims to double the koala population by 2050, but the strategy only extends until 2026. Saving our Species aims to secure threatened species in the wild for 100 years, but the program planning only extends to 2026.

In May 2021, the former Department of Planning, Industry and Environment began drafting a statewide Threatened Species Strategy that also sought to guide the implementation of Saving our Species 2021–26. This strategy aimed to set the context for conserving threatened species in New South Wales, and provide a framework for related government and non-government entities (including those within the Department and for other agencies such as Local Land Services), to engage with Saving our Species. However, this strategy did not proceed because it was designed around the Saving our Species program, and program funding was reduced before the strategy was finalised.

Without a long-term plan to guide threatened species priorities across DCCEEW, there is a risk to the sustainability of outcomes being delivered, particularly in the context of a changing climate and for meeting the extended timescales of some programs.

The Department uses resources flexibly to meet program delivery requirements, which creates challenges for reporting on the true costs of its investment in threatened species and ecological communities

DCCEEW's investment in programs for threatened species and ecological communities is a combination of departmental and external funding. Departmental funding includes general operational and program-specific resource allocations, which are used flexibly to meet program delivery requirements. DCCEEW does not report on the total departmental costs, program budget allocations, and other investments such as co-funding arrangements or external in-kind support for threatened species activities. As a result, the true cost of its threatened species programs is not transparent, and DCCEEW cannot readily report on its overall investment or the cost-effectiveness of its programs for threatened species and ecological communities.

Programs such as Saving our Species and Assets of Intergenerational Significance are reliant on resourcing outside of allocated program budgets for the delivery of program objectives. DCCEEW supplements the delivery of its threatened species programs with general departmental staff resources. Staff responsible for program delivery are dispersed across business units and funded from a variety of sources. For example, there are Saving our Species-funded roles in regional branches of DCCEEW and the National Parks and Wildlife Service, but these are not sufficient to meet program delivery requirements.

In 2021, DCCEEW identified that it required an increase in resources to deliver the objectives for the second iteration of the Saving our Species program (2021–26), though its attempts to secure increased funding were unsuccessful. In 2021 the program funding for Saving our Species was reduced by 25%. The difference between program funding and delivery requirements is met through the flexible use of general departmental resources. DCCEEW resources used to supplement Saving our Species delivery include goods, services, advice, assistance and time provided to implement activities outside of program operating budget or staff costs. DCCEEW records departmental resources as 'in-kind contributions' to Saving our Species. Flexible use of available resources across programs may support efficiencies in delivery, and facilitate coordination and information sharing across DCCEEW. It can also create governance and accountability risks to the delivery of program objectives (discussed further below) and creates challenges in reporting on total investment due to a risk of double-counting staff contributions across programs.

Until 2021–22, DCCEEWS public reporting on Saving our Species included a breakdown of total program costs and an estimate of the departmental contributions to the program (Exhibit 6). DCCEEWS reports that departmental contributions to Saving our Species outside of the program budget was \$15.2 million between 2019–20 and 2022–23, though there are limitations to interpreting this figure (discussed further below). Around 80% of these reported contributions are attributed to contributions from National Parks and Wildlife Service personnel. The volume of flexible hours reported to Saving our Species has increased by 22% between 2019–20 and 2022–23.

A number of factors prevent DCCEEWS from consolidating this reporting of shared program resources at a departmental level. Staff report variable time-recording practices, and DCCEEWS has not developed any guidance to staff to support the accurate capture of staff time across programs. Furthermore, because flexible resources are tracked in program-specific systems, DCCEEWS cannot undertake quality assurance to identify duplication or double-counting of staff time between programs. For example, the Assets of Intergenerational Significance program relies on Saving our Species funding for the delivery of management actions on declared Assets of Intergenerational Significance sites. In many cases, the same staff are also delivering Saving our Species projects on those sites, and reporting time spent into the Saving our Species database.

Exhibit 6: Saving our Species reporting on program investment

DCCEEWS 2021–22 annual reporting on the Saving our Species program highlights some of the challenges in quantifying the total investment across the Department. The table below summarises the investment overview from the 2021–22 Saving our Species annual report, which included:

- Program funding.
- Additional departmental resourcing calculated from personnel hours recorded.
- Additional resourcing from other DCCEEWS programs, including National Parks and Wildlife Service activities for Assets of Intergenerational Significance and feral free areas.
- Additional resourcing from other NSW Government agencies.
- Additional resourcing from external stakeholders.

At a program level, this breakdown provides insight into the true cost of delivering outcomes for threatened species and ecological communities outside the allocated program budget. However, this information is not readily consolidated across other DCCEEWS programs to estimate the total departmental investment due to the volume of resourcing that is shared between programs.

Source	Amount (\$)	DCCEEWS explanation
Saving our Species operating	8,943,816	Includes project delivery, program management, science and research, and community engagement
Saving our Species labour	5,528,294	Includes labour expenditure for DCCEEWS, including the National Parks and Wildlife Service
Departmental cash	3,585,372	Includes \$3,038,842 reported via the Saving our Species database and \$546,531 that was re-profiled as operating expenses
Departmental in-kind	4,882,250	Includes reported investment at priority sites such as personnel (labour) costs and other in-kind
Complementary programs cash	1,627,221	Includes investment from DCCEEWS, other NSW Government and external partners at contributing sites, Assets of Intergenerational Significance and feral free areas
Complementary programs in-kind	1,428,924	Includes investment from DCCEEWS, other NSW Government and external partners at contributing sites, Assets of Intergenerational Significance and feral free areas
Other NSW Government cash	2,560,878	Includes reported investment in Saving our Species priority sites only
Other NSW Government in-kind	4,521,561	Includes reported investment in Saving our Species priority sites only
External cash	3,964,444	Includes Saving our Species partnerships and reported investments in Saving our Species priority sites only
External in-kind	5,343,328	Includes reported investments in Saving our Species priority sites only
Total	42,386,088	

DCCEEWS has not published annual reports for Saving our Species since 2021–22.

Source: Saving our Species Year in Review 2021–22.

DCCEEW has not adequately addressed risks created by a flexible use of resources across programs

DCCEEW's flexible use of resources to meet program delivery requirements (discussed above) creates program delivery risks as well as interdependencies between programs. DCCEEW's program-level risk frameworks identify several program delivery risks associated with a reliance on shared departmental resourcing. This includes the risk that staff may have competing priorities or be directed away from program delivery, or that staff levels are inadequate to deliver program priorities. However, DCCEEW has not adequately mitigated the risks associated with program interdependence on common funding sources, for example that over 1,000 DCCEEW staff are responsible for delivering projects with multiple accountabilities, or that staff are accountable to other competing priorities and governance frameworks.

Since 2021, Saving our Species has distributed around 30% of program funding to the National Parks and Wildlife Service, including directly funding around 20 staff, to support Saving our Species delivery on national parks. This reflects the high proportion (around 64%) of Saving our Species priority sites located on national park estate. This has also been accompanied by increased responsibilities for National Parks and Wildlife Service staff to deliver Saving our Species projects. The number of Saving our Species project coordinators based in the National Parks and Wildlife Service increased from 29 in 2020–21 to 50 in 2022–23.

In acknowledgement of this, delivery of Saving our Species on national parks forms one component of the National Parks and Wildlife Service's Threatened Species Framework. However, staff in the National Parks and Wildlife Service are also accountable to the National Parks and Wildlife Service's priorities for Assets of Intergenerational Significance, along with core responsibilities for park management, such as general pest or weed management. The audit noted instances where staff reporting or program delivery responsibilities were inadequately defined. DCCEEW has not provided adequate guidance to staff on how these competing priorities should be managed, or supported staff in prioritising and reporting on their contributions across programs.

There are opportunities for DCCEEW to strengthen the integration of climate risk into its planning for threatened species outcomes

DCCEEW has undertaken some program-specific activities to plan for climate risks. However, there are opportunities for DCCEEW to embed climate risk management into its planning to better understand how these risks may impact on its core objectives and delivery of conservation programs.

Climate change is listed as a key threatening process under the BC Act, because the Threatened Species Scientific Committee determined that climate change is increasing the risk of extinction of threatened species and degrading the integrity of ecological communities. Climate change also increases the risks posed by other key threatening processes such as fire and weeds. Climate-related risks to threatened species may impact on DCCEEW's ability to deliver core objectives and outcomes for threatened species and ecological communities. DCCEEW has been drafting a statewide strategy for climate change as a key threatening process under Saving our Species, and this is planned for completion by the end of 2024.

Some discrete projects have been undertaken across DCCEEW to consider the risks of climate change, but these have not been sufficient to embed climate risk planning at the program or Department level. Examples of relevant projects include:

- DCCEEW has commissioned technical advice, including a 2019 academic report on identifying stable habitat for key species in New South Wales that may be affected by climate change, and a 2022 academic report on statewide risk mapping of high frequency fires and climate change.
- A number of initiatives under the NSW Koala Strategy, including \$16 million allocated to deliver landscape-scale restoration of 5,000 hectares of box-gum woodland in partnership with the Taronga Conservation Society, to support climate change-resilient koala habitat.

- The National Parks and Wildlife Service and the former Office of Energy and Climate Change (now part of DCCEEW) are working on implementing a climate adaptation plan for the Gondwana Rainforest world heritage site. The project received a NSW Environmental Trust contestable grant of \$159,000 in 2021–22 to establish insurance populations of two threatened species at risk of extinction due to climate change.

DCCEEW procedures also require staff to consider future climate needs in developing Saving our Species conservation strategies, though the procedures do not provide any guidance on how this should be done. The NSW Koala Strategy has developed an Adaptive Management Framework that outlines an approach to responding to climate change and severe weather events.

There remain opportunities for DCCEEW to strengthen the integration of climate risks into program planning and delivery, at both a species level and to support continued program delivery and operation. This includes integrating climate risk within performance frameworks and business continuity planning, to enable adaptive management both to climate-related events such as the 2019–20 bushfires (see Exhibit 7) and longer-term shifts in climate. Without a statewide strategy to guide program planning and decision-making with respect to climate risks, project-level investment and planning for climate risks will continue to be ad hoc and fragmented. As part of a statewide climate-risk planning initiative, DCCEEW is currently undertaking a departmental climate risk assessment, though this will not address program-specific risks.

Exhibit 7: The 2019–20 bushfires and planning for climate change

The 2019–20 Black Summer Bushfires burnt approximately 5.5 million hectares across New South Wales, including 2.7 million hectares of national park, and are estimated to have resulted in the death of one billion animals. According to the former Department of Planning, Industry and Environment's *NSW Fire and the Environment 2019–20 Summary* report, the Black Summer bushfires of 2019–20 exacerbated the extinction risk, affecting the long-term survival prospects of 293 threatened animals and 680 threatened plants. The fires affected the habitat of many threatened species and ecological communities, and destroyed food sources for many animals, increasing the risk of starvation.

In January 2020 the NSW Government released its *Wildlife and Conservation Bushfire Recovery: Immediate response*, and then in February 2021 the *NSW Wildlife and Conservation Bushfire Recovery: Medium-term response plan*. The plans set out the actions that were implemented to support post-fire biodiversity recovery, including an action to use the lessons learned to inform planning and preparedness for future fire events. DCCEEW was allocated around \$25 million in funding from the Australian Government to support delivery of its bushfire response activities. The bushfires had a significant impact on the delivery of DCCEEW's programs for threatened species, for both immediate project delivery priorities as well as longer-term funding decisions. Many active projects were delayed or pivoted to address immediate needs. We heard from stakeholders that the bushfire crisis response facilitated a high degree of collaboration across government and non-government entities. Australian Government funding for the bushfire response ceased in June 2024.

Over the period following the immediate fire response, a number of initiatives were pursued to support greater preparedness. Examples include engagement with the Rural Fire Service to support awareness of threatened species in fire risk responses (discussed in Section 3.2), and seed banking and captive breeding programs to act as insurance against future crises. A Saving our Species strategy on high frequency fire as a key threatening process is planned for completion by the end of 2024.

However, DCCEEW has not fully embedded lessons from the bushfire response to support its response to future severe weather events. For example, DCCEEW has not developed a plan to incorporate climate risks into individual conservation strategies, or a business continuity plan or other adaptation plan to support an overarching program-level response for Saving our Species. Business continuity planning would help to ensure that lessons from the 2019–20 fires can be sustained and DCCEEW can embed these into practice for future climate-related severe weather events. This was also a recommendation of previous program reviews in 2021–22.

Source: Audit Office of New South Wales analysis .

3. Program alignment and coordination

3.1 Alignment and coordination within DCCEEW

DCCEEW has identified a need for improved alignment of efforts and strategic coordination between key programs, but has made limited progress towards addressing it

Many DCCEEW programs and activities with a focus on threatened species or ecological communities share common features, such as targeting similar species or communities, in similar habitats or regions, or using similar conservation management approaches (see Appendix three). For example, conservation activities on many sites declared as Assets of Intergenerational Significance are also relevant to sites or species being managed under Saving our Species and the NSW Koala Strategy. Though the programs aim to improve outcomes and prevent further extinctions, there are key differences in the approaches and success measures.

In 2016, DCCEEW identified an intent for the Saving our Species program to function as a framework to guide the priorities and delivery of other threatened species activities across the Department. It has not developed sufficient data governance systems or guidance to fully implement this intent. DCCEEW has made limited systematic or coordinated efforts to define the relative contributions of its core threatened species programs and activities to the overall outcomes being sought, or taken steps to improve the strategic or operational alignment of these programs. This is important to support clarity and productivity for staff, and improve the efficiency of outcomes being delivered.

A lack of systematic efforts to identify and address the interdependencies across DCCEEW's programs and activities (discussed in Section 2.2) increases the risk that program priorities may compete, or result in uncoordinated, duplicative or conflicting efforts. For example, DCCEEW has not defined procedures to determine overlap or opportunities for coordination between existing DCCEEW activities and the NSW Environmental Trust's main program of contestable grants relevant to threatened species.

The National Parks and Wildlife Service's 2021 Threatened Species Framework aims to bring together key activities delivered on national parks and provide for integration with other threatened species conservation activities across DCCEEW. The Framework includes an action to integrate activities with Saving our Species, the NSW Koala Strategy and other programs, but DCCEEW has not yet ensured that this has occurred for key projects being delivered under the Framework. For example, DCCEEW has not adequately addressed challenges to monitoring and reporting on outcomes arising from the resourcing interdependencies between its feral free area projects and the Assets of Intergenerational Significance and Saving our Species programs (see Exhibit 8).

In February 2023, DCCEEW endorsed five principles to improve strategic alignment between activities relevant to Assets of Intergenerational Significance and Saving our Species. Relevant managers of both programs convened in November 2023 to begin work on identifying required actions to implement these principles, such as improving role clarity for staff, streamlining governance arrangements, and improving the alignment of program sites and delivery of objectives. At July 2024, progress on delivering these priorities had commenced but was not finalised. DCCEEW has advised that guidance to staff on aligning Saving our Species conservation strategies with Assets of Intergenerational Significance Conservation Action Plans is under development.

Programs such as Saving our Species and the NSW Koala Strategy also depend on the establishment of private land conservation agreements as a vehicle for delivering conservation initiatives. The NSW Koala Strategy has regular engagement with the Biodiversity Conservation Trust to support the delivery of targets relating to the establishment of private land conservation agreements for important koala habitat. In 2024, around 600 Saving our Species priority sites overlap with a Biodiversity Conservation Trust land conservation agreement.

Saving our Species has more recently focused efforts to work with the Biodiversity Conservation Trust to deliver conservation actions to meet biodiversity offset obligations, including a Memorandum of Understanding signed in April 2024 to support the use of Saving our Species conservation strategies as an offset option through the Biodiversity Offsets Scheme.

Exhibit 8: Feral free areas projects and alignment across DCCEEW

According to DCCEEW, Australia has some of the worst mammal extinction records in the world. In New South Wales, 14 bird species and 26 mammals have become extinct in the past 250 years, with feral cats and foxes being a key driver in the decline. DCCEEW is responsible for delivering two major projects which aim to create seven feral free areas covering almost 65,000 hectares within the national parks estate. The projects aim to reintroduce species that are otherwise extinct in New South Wales, and to maximise survival within fenced areas of national park that are protected from feral predators. The projects are among the NSW Government’s largest investments in extinct species and wildlife restoration.

The first project started in 2014 under the Saving our Species program, delivered by the National Parks and Wildlife Service in partnership with third-party organisations. The second project started in 2021 as part of the key actions under the National Parks and Wildlife Service's Threatened Species Framework. The National Parks and Wildlife Service has reported that over 33 locally extinct species are being reintroduced to the seven feral free areas, including the bilby, the eastern quoll and the eastern bettong. A further 45 threatened species are expected to benefit from these areas. The Threatened Species Framework also states that each feral free area will be declared as an Asset of Intergenerational Significance.

Project name and timeframe	Objective	Delivered by	Funding source	Status in 2024
Reintroducing locally extinct mammals 2014–26	Establish feral free areas in three national parks and reintroduce 13 locally extinct mammal species.	National Parks and Wildlife Service in partnership with third parties.	\$41.3 million NSW Government project-specific funding* and contributions from delivery partners.	Three feral free areas have been established and were declared Assets of Intergenerational Significance in 2021, but conservation action plans have not yet been finalised. Eleven locally extinct species and one threatened species have been reintroduced.
NSW Rewilding Initiative 2021–30	Establish feral free areas in four national parks and reintroduce 23 locally extinct species.	National Parks and Wildlife Service.	\$20.3 million NSW Environmental Trust major project grant to support a NSW Government priority, and matched National Parks and Wildlife Service resourcing.	The feral free areas are being developed and have not yet been declared Assets of Intergenerational Significance. To date, two species have been reintroduced into one area.

* In addition to other Saving our Species and National Parks and Wildlife Service funding.

Some of the threatened species relevant to these projects are also being managed (or have been managed) under the Saving our Species program and other programs such as the NSW Koala Strategy. DCCEEW has not yet undertaken work to align these projects and other related programs to ensure a coordinated approach to delivering and reporting on relevant threatened species outcomes. DCCEEW identified a need to align these projects and the Saving our Species framework and reporting requirements in Saving our Species planning documentation in 2022–23, but DCCEEW has not provided evidence that this has been done. There have been some efforts to improve coordination, such as the feral free projects reporting into the Saving our Species database on actions delivered.

Source: Audit Office of New South Wales analysis.

DCCEEW does not have adequate governance arrangements to effectively coordinate the delivery of its threatened species programs

DCCEEW has not established oversight arrangements to support cross-program strategic planning and coordinated delivery of activities with a focus on threatened species or conservation outcomes. This function is primarily delivered at an operational level by DCCEEW staff. An executive conservation coordination group was planned in 2022 but did not proceed. DCCEEW advises that this was due to competing priorities and the complexity of the approach. The absence of overarching governance arrangements contributes to a lack of clarity around the integration and interdependencies of DCCEEW's programs and activities for threatened species and ecological communities.

Some staff within DCCEEW, known as Accountable Officers, are allocated formal roles with a responsibility to provide oversight of individual species. These officers are responsible for maintaining data on their allocated species and providing expertise to inform decision-making in statutory processes, such as the impacts of planning proposals on threatened species. DCCEEW advises that Accountable Officers play a key coordination role between different programs or activities targeting common species or ecological communities.

However, DCCEEW also advises that staff capacity to deliver this coordination is highly variable due to the resourcing burden of the role, and individual staff members may be responsible for over 25 species in addition to their other duties. In 2023–24, DCCEEW has made efforts to improve the delivery of the Accountable Officer role, including the implementation of an Accountable Officer Framework to track and triage work using a risk-based approach and the development of good practice guidance. The impact of these changes has not yet been assessed.

DCCEEW has established program-level coordination and mechanisms for information sharing through program boards and committees, such as the Saving our Species Board and the DCCEEW Koala Board. These groups have responsibility for the strategic direction and oversight of program delivery. DCCEEW also has some formal arrangements in place to support the delivery of programs, such as program working groups. Many of these groups have explicitly identified integration across programs as a priority, for example:

- The Saving our Species Regional Delivery Working Group terms of reference include responsibilities to identify program dependencies and opportunities for collaboration and work across delivery areas to improve the alignment between Saving our Species and the National Parks and Wildlife Service's Threatened Species program.
- The Assets of Intergenerational Significance Project Control Group aims to ensure the efficiency and effectiveness of all aspects of the delivery of work associated with Assets of Intergenerational Significance, including alignment with Saving our Species. From 2024, the project control group has a Saving our Species representative.
- The DCCEEW Koala Board's terms of reference include responsibility to ensure alignment and integration with broader Department priorities.

Many working groups contain cross-program representation that provides opportunities for information sharing and discussion. In addition, overlapping membership of program-specific boards and working groups provides some channels for informal coordination across the programs and across DCCEEW. However, program-level boards cannot provide the same level of oversight as an overarching governance group with respect to coordination between programs, or embedding a common or collaborative strategic direction.

DCCEEW has not effectively coordinated the delivery of statutory requirements for conservation strategies, meaning the same species or sites may have two conservation plans with potentially differing priorities

Programs with a conservation focus often use a management plan or strategy to guide conservation priorities and required actions. Relevant to the Saving our Species program, the BC Act requires that the program includes strategies to achieve the objectives of the program in relation to each threatened species and threatened ecological community (Section 4.36). DCCEEW has developed these strategies to include high-level information about priority sites for conservation, critical threats, and the management actions required for that species or ecological community. Relevant to the National Parks and Wildlife Service's activities, the National Parks and Wildlife Regulation 2019 requires DCCEEW to prepare a conservation action plan for land declared as an Asset of Intergenerational Significance (Part 7A, Section 78C). The Regulation sets out detailed requirements for these plans, including identifying the environmental and cultural values of the land, key risks to those values, and the conservation activities requirement to mitigate these risks or to restore those values.

While delivering both sets of plans is a statutory requirement, there is a high level of overlap between the programs in the species and sites under conservation. According to DCCEEW, nearly 80% of sites declared as Assets of Intergenerational Significance at least partially overlap with Saving our Species priority sites for a species. The sites may not have completely overlapping boundaries, if one program has prioritised only a subset of a site or area within the national park. This has created challenges for the development of management strategies, as these overlapping sites or species are required to have two separate statutory conservation plans in place.

Similarly, all seven sites being established as feral free areas (see Exhibit 8) are intended to also be declared as Assets of Intergenerational Significance. This means that species management will be guided by conservation plans under both programs. Notably, while the three feral free areas established to date were declared as Assets of Intergenerational Significance in 2021, DCCEEW has not yet published a conservation action plan for any of these sites. Re-introduced species are also included in Saving our Species performance reporting, but DCCEEW is not required to develop Saving our Species conservation strategies for these species.

DCCEEW advises that the plans are intended to fulfil different purposes and be complementary. However, DCCEEW has not introduced adequate processes to mitigate the risk of parallel strategies containing out-of-date information, or containing conflicting or duplicative management actions. If a conservation action plan for the Asset of Intergenerational Significance identifies new threats or requires additional management actions, there are no processes for the Saving our Species strategy to be similarly updated to reflect this (and vice versa).

DCCEEW did not consider an approach to enable both sets of strategies to be updated concurrently between 2021 and 2023, when over 279 Assets of Intergenerational Significance were declared. It identified this as a risk during subsequent work in 2023–24 to improve alignment across the programs, but has not yet put in place any strategies to mitigate this risk. This means that many of the same species or sites are required to have two conservation plans in place, but these plans may have differing priorities, creating challenges for staff responsible for implementing actions and reporting against both plans.

DCCEEW has not fully utilised statutory provisions to maximise the protection of threatened species and ecological communities

Saving our Species is the only statutory program solely dedicated to threatened species and ecological communities. Other statutory provisions, such as Assets of Intergenerational Significance, have also been used to prioritise the protection of threatened species. The legislative provisions for Assets of Intergenerational Significance, under the *National Parks and Wildlife Act 1974*, are not specific to threatened species, but DCCEEW has selected these as a strategic priority for the program. Between 2021 and 2024, there have been 279 Assets of Intergenerational Significance declared for the protection of 108 threatened species.

There are additional statutory mechanisms available under the BC Act relevant to threatened species protection, including Areas of Outstanding Biodiversity Value, and the use of joint management agreements between government agencies.

There is one joint management agreement in place between DCCEEW and the Department of Primary Industries. This agreement, first signed in 2009 and renewed in 2017, supports delivery of the shark meshing program and minimisation of its impact on marine mammals, birds and reptiles. No other joint management agreements have been established to guide government responsibilities and obligations with respect to key threats or activities impacting on threatened species.

The BC Act gives the Minister for the Environment the power to declare Areas of Outstanding Biodiversity Value in order to identify and conserve sites on private land that make significant contributions to biodiversity in New South Wales. Areas of Outstanding Biodiversity Value have had limited use as a mechanism to expand areas of protection for threatened species and ecological communities. This is despite the eligibility criteria for Areas of Outstanding Biodiversity Value including threatened species protection (Appendix four). There have not been any new declarations made under the BC Act since 2016.

The NSW Koala Strategy 2021–26 includes goals to establish one Area of Outstanding Biodiversity Value and 20 Assets of Intergenerational Significance for koalas. There are four legacy Areas of Outstanding Biodiversity Value sites that were declared via a previous ‘critical habitat’ provision under the former *Threatened Species Conservation Act 1995*. One of these is the Wollemi Pine, which has since also been declared an Asset of Intergenerational Significance.

This is important because the statutory provisions for Saving our Species, Assets of Intergenerational Significance and Areas of Outstanding Biodiversity Values have different conservation requirements and enforcement powers (summarised in Appendix four). Areas of Outstanding Biodiversity Value may represent an opportunity for DCCEEW to identify and protect priority conservation sites on private land and to work strategically with the Biodiversity Conservation Trust to expand private land conservation agreements.

3.2 Cohesion and coordination with external stakeholders

DCCEEW has responsibility under the BC Act to conserve biodiversity at regional and state levels, and to support conservation and threat abatement action to slow the rate of biodiversity loss and conserve threatened species and ecological communities in nature. However, a number of other government priorities also have a bearing on the successful delivery of outcomes for threatened species and ecological communities.

This section assesses DCCEEW's efforts to engage with other government agencies responding to key threats, and with other stakeholders delivering related conservation or threat mitigation activities. This is in view of the potential impact these activities have on DCCEEW's conservation efforts, and for the long-term survival of threatened species and ecological communities. It is beyond the scope of this audit to fully assess the impact that these threatening processes have on threatened species and ecological communities, or the activities of various other government agencies to respond to them.

DCCEEW's efforts to engage with other government agencies responsible for managing key threats have been inconsistent, creating a risk that threatened species outcomes will be lost

In its 2022 annual review of the NSW Koala Strategy, the Independent Koala Expert Advisory Panel stated that:

Future climate projections, habitat loss, continued urbanisation, forestry practices and disease put koalas in New South Wales on the precipice of risk of future extinction and significant effort is needed to ensure their survival. This must involve significant whole-of-government investment, and strong coordination across agencies, Indigenous and local communities, and the academic community.

The Independent Koala Expert Advisory Panel's statement is relevant to threatened species and ecological communities more broadly. The legislative or administrative responsibility for the response to or management of threats often lies with parts of government outside of DCCEEW. For example, invasive species policy is led by the NSW Department of Primary Industries, and Local Land Services is the primary entity responsible for the regulation of land management and vegetation clearing, as well as coordinating regional pest and weed committees.

At June 2024, DCCEEW was drafting 19 Saving our Species conservation strategies relating to feral animals, pests or weeds, but has not determined a date for these to be finalised. DCCEEW does not intend to develop Saving our Species conservation strategies for other key threatening processes such as clearing of native vegetation and various types of habitat degradation, because they are primarily covered by other pieces of legislation. Actions to address some key threats are included in Saving our Species conservation strategies for individual threatened species and ecological communities. This means that DCCEEW is dependent on other parts of government to deliver sustainable outcomes for threatened species and ecological communities, and other government priorities have the potential to impact on DCCEEW's programs.

Despite this risk, DCCEEW has not defined a systematic risk mitigation approach and has made inconsistent efforts to engage with other parts of government responsible for managing threatening processes. For example, it does not have systems for interagency executive coordination or strategic planning to identify or mitigate the risk of conflicting priorities or activities, and does not provide guidance or support for the consideration of threatened species priorities by other government entities. DCCEEW has not provided evidence that it has established regular channels or defined formal arrangements to engage with the Department of Primary Industries and Regional Development on its priorities. There have been some recent efforts in early 2024 to establish some channels at the program level, for example, through quarterly meetings with statewide managers of some relevant entities such as Local Land Services.

There is executive coordination between DCCEEW and Local Land Services via the Land Management and Biodiversity Conservation Board, which has provided a mechanism since 2016 for overseeing the implementation of reforms under the BC Act and the *Local Land Services Act 2013*. The National Parks and Wildlife Service also engages with the Department of Primary Industries and Regional Development and Local Land Services in Regional Pest Animal and Weed Committees. However, these initiatives have not translated across programs within DCCEEW to support a coordinated or consistent focus on proactive interagency engagement. Coordinated efforts to address key threatening processes are critical for the long-term success of DCCEEW's conservation efforts for threatened species and ecological communities.

Marine threatened species present challenges for management due to a legislative division of responsibility across government

Some threatened marine species such as turtles and whales fall under the BC Act, but others (including freshwater and marine fish and marine vegetation) fall under the *Fisheries Management Act 1994*. Threatened species listed under the *Fisheries Management Act 1994* are managed by the Department of Primary Industries. This division of responsibility creates coordination challenges for the delivery of threatened species conservation projects in common habitats.

The *Marine Estate Management Act 2014* (MEM Act) was introduced in recognition of the challenges coordinating across the marine estate. The MEM Act established the Marine Estate Management Authority, which provides a formal framework of which DCCEEW is a member. DCCEEW is responsible for the delivery of initiative 5 of the framework, to reduce impacts on threatened and protected species. Actions under initiative 5 are focused on addressing priority threats and improving strategic planning, coordination and reporting. Actions under the Marine Management Estate Strategy are included in Saving our Species conservation strategies for marine threatened species listed under the BC Act. Actions funded by the Marine Estate Management Strategy that are undertaken by DCCEEW are reported into the Marine Estate monitoring program and the Saving our Species database.

DCCEEW has provided limited evidence of strategic engagement with the Department of Primary Industries to support the planning or coordination of threatened species priorities in delivering these multiple legislative requirements. The roles and responsibilities of each entity in planning and delivering conservation activities for marine or aquatic threatened species have not been adequately defined. There are some arrangements to guide specific initiatives in the marine environment. For example, the 2017 joint management agreement for the New South Wales shark meshing (bather protection) program. Other attempts to formalise arrangements have not been successful, for example, a Memorandum of Understanding was drafted to guide the management of marine entanglement response support outside of shark nets, but was not finalised.

DCCEEW has engaged in some collaborative interagency initiatives to support threatened species outcomes

DCCEEW has collaborated with other parts of the NSW Government on collaborative initiatives seeking to fill knowledge gaps or improve threat responses to support threatened species management. Examples include the mapping of threatened ecological communities in state forests, the NSW Koala Strategy interagency committee, and improved bushfire protections for Assets of Intergenerational Significance. DCCEEW has also contributed to collaborative projects for the coastal emu population (Exhibit 9).

Threatened ecological communities mapping

DCCEEW has been engaged with a project led by the Environment Protection Authority and Forestry Corporation of NSW since around 2014. This work aimed to resolve long-standing issues surrounding the identification, extent and location of priority threatened ecological communities on the New South Wales state forest estate, in order to support better protections for these communities in forestry operations.

This work was funded initially by a three-year grant administered by the NSW Environmental Trust between 2014 and 2016. A subsequent project was funded by the Environment Protection Authority in 2021 to significantly expand the number of threatened ecological communities mapped. DCCEEW was engaged on these projects to carry out mapping and modelling of threatened ecological communities across the forest estate, and participated in a Project Reference Panel to provide scientific advice. DCCEEW has reported that the resulting vegetation maps have improved identification of threatened ecological community boundaries on public forestry estate.

NSW Koala Strategy Interagency Committee

Under the NSW Koala Strategy 2021–26, DCCEEW has convened an interagency committee and associated working group to support interagency coordination of relevant activities. Members include DCCEEW and entities such as the Environment Protection Authority, Biodiversity Conservation Trust, and the Taronga Conservation Society Australia. The committee includes other government agencies such as the Department of Planning, Housing and Infrastructure and its entities such as Crown Lands and the Office of Local Government. The committee also includes the Department of Primary Industries, Local Land Services, NSW Rural Fire Service, Transport for NSW, Forestry Corporation of NSW, Natural Resources Commission, as well as the Office of the NSW Chief Scientist and the Office of Strategic Lands Strategy.

This committee was established in 2022 and has met three times to discuss actions under the NSW Koala Strategy requiring whole-of-government coordination or collaboration. However, the Committee did not finalise a terms of reference document until January 2024.

Bushfire response planning in national parks

In 2022, DCCEEW's National Parks and Wildlife Service engaged with the NSW Rural Fire Service to have Assets of Intergenerational Significance site locations added into the NSW Rural Fire Service incident control database, to improve bushfire response planning for these protected sites on national parks. DCCEEW advises that this is a significant piece of work with a direct impact on the bushfire response plans for sensitive or valuable species. DCCEEW has not yet evaluated the impact of this approach on fire management responses and outcomes for threatened species.

Exhibit 9: Collaborative projects to protect the coastal emu population

The emu (*Dromaius novaehollandiae*) population in the North Coast Bioregion and Port Stephens Local Government Area was listed as an endangered population (coastal emu) by the NSW Threatened Species Scientific Committee in 2002. The coastal emu population is genetically distinct from other Australian emus and is culturally and ecologically important to New South Wales. In 2015, DCCEEW's Saving our Species reported that the coastal emu population was less than 100. Recent estimates (2023) are that the population is less than 50, including baby chicks with low survival rates.

Since 2014, DCCEEW has allocated over \$700,000 to the coastal emu through several funding sources, including:

- Three NSW Environmental Trust grants were awarded to a local council and a non-government organisation for coastal emu-related projects (\$100,000 each in 2014, 2017–18, and 2018–19).
- Saving our Species funding between 2019–20 and 2021–22, including \$67,468 cash and personnel contributions valued at \$37,440. This is in addition to contributions from external parties such as Local Land Services, local councils, and non-government entities reported at around \$4,700.
- Saving our Species funding of \$150,000 to be allocated between 2022 and 2026 for conservation and research.
- 2021–22 Australian Government bushfire recovery program (\$190,000).

This investment has supported the delivery of a number of conservation and research projects for the coastal emu population in partnership with local councils, First Nations communities, other state government entities, and non-government organisations. DCCEEW has established committees and working groups to support the delivery of these initiatives. In 2020 and 2023, DCCEEW collaborated with local Aboriginal communities to support the production of two films aiming to raise awareness of the cultural and ecological importance of the coastal emu population. DCCEEW has delivered a number of public awareness and education initiatives, and ran a citizen science survey in 2023 to collect data on the coastal emu population.

The coastal emu population was impacted by the 2019–20 fires, including direct damage to emu habitat, as well as indirectly through damage to monitoring equipment and the loss of population monitoring data being collected through Saving our Species conservation works. The Australian Government bushfire recovery funding supported the development of a captive breeding program for the coastal emu, to increase the survival rates of emu chicks.

DCCEEW has not reported publicly since 2021 on the progress or outcomes of its investments for the coastal emu population. It has also not reported publicly on outcomes delivered through the NSW Environmental Trust grant funding. Internal Saving our Species reporting indicates that the coastal emu population was assessed as 'on track to be secure in the wild' between 2019–20 and 2022–23, although population estimates in 2023 suggest ongoing population decline.

DCCEEW provides advice on the impact on threatened species of proposed developments and regional plans, and there may be opportunities to strengthen the guidance to decision-makers

DCCEEW has a formal role under the *Environmental Planning and Assessment Act 1979* in providing advice to the Department of Planning, Housing and Infrastructure on planning proposals and biodiversity offset assessments, including on species impact statements required for developments affecting threatened species. DCCEEW has a team dedicated to coordinating advice from relevant experts in relation to proposed developments likely to affect threatened species or ecological communities. This includes consolidating advice from threatened species experts across the Department such as Accountable Officers or species project coordinators. In addition, DCCEEW provides input into a range of regional and strategic planning activities, including Regional Plans and executive-level forums.

DCCEEW has also developed several resources to support assessors and decision-makers with respect to biodiversity and threatened species impacts. Many of these materials were developed at the regional team level to provide resources for local councils within that region. DCCEEW did not provide evidence of central coordination for the development of guidance documents, or a plan for the development or updating of guidance to planning decision-makers.

There may be further opportunities to strengthen the provision of advice to include wider audiences and to support the application of principles-based approaches to good practice. One example of a principles-based approach was identified in the 2018–21 Koala Strategy, which required the development of a best-practice koala planning guideline. These guidelines are delayed and have not yet been finalised.

DCCEEW does not have a formal engagement approach to promote threatened species outcomes on publicly owned land reserved for conservation outside of national parks

DCCEEW has not provided evidence of consistent efforts or strategies to engage with other parts of government responsible for publicly owned land reserved for conservation outside of the national parks estate. For example, around 40% of state forests, and four per cent of Crown land is reserved for conservation. Crown Lands also has responsibility for land associated with waterways, estuaries and beaches. Engaging with other public land managers offers DCCEEW an avenue to identify shared priorities or other opportunities to strengthen conservation efforts across public land.

DCCEEW has participated in some preliminary discussions to establish regular forums for interagency collaboration. In late 2023 and early 2024 DCCEEW staff from the Saving our Species program met with the Forestry Corporation of NSW in some preliminary discussions about opportunities to improve information sharing and conservation strategy development on state forests, and advises it has an intent to continue these on a quarterly basis. Forums such as these may support DCCEEW to share information on its priorities and collaborative opportunities, to leverage conservation efforts across different types of publicly owned land, and to improve consistency of practice in conservation and management between land managers.

DCCEEW advises that Saving our Species has funded conservation actions on Crown land, including in the current program funding round. The audit could not verify this, because information on public land tenure outside of national parks is not recorded in the Saving our Species database. Crown Lands has been listed as a collaborator on several projects (including the glider survey described in Exhibit 10).

DCCEEW has some arrangements to coordinate with other agencies delivering threatened species programs, but it has not adequately addressed risks of competing priorities or duplication of efforts

There are opportunities for DCCEEW to strengthen its efforts to engage with other agencies such as Local Land Services that also deliver conservation work for threatened species and ecological communities, including to better facilitate strategic planning or information sharing with respect to management priorities, and mitigate risks of conflicting priorities or duplication of efforts.

Between 2018 and 2023, Local Land Services regional branches were funded by the Australian Government to deliver projects for threatened species and ecological communities across New South Wales under the Natural Heritage Trust funding. In early 2024, agreements were established with Local Land Services to include DCCEEW as a partner in the delivery of threatened species projects under the 2023–28 Australian Government's Regional Service Provider program. Some of the threatened species actions delivered by Local Land Services are reported into the Saving our Species database as contributing sites. Under the NSW Koala Strategy, the Department of Primary Industries and Local Land Services participate in interagency committee meetings. Local Land Services are involved in koala translocation projects under this strategy. However, collaboration between agencies has been largely driven by individual relationships at the project level, and instances where a lack of coordination resulted in duplication of efforts or detrimental impact to outcomes.

In 2024, DCCEEW and Local Land Services have also developed a draft engagement plan in recognition of the need for improved coordination between agencies. This plan includes contacts and responsibilities at the project level, but does not provide higher-level guidance on organisational objectives and priorities. In April 2024 statewide managers held preliminary discussions about opportunities to improve collaboration, and DCCEEW advises it intends to continue these on a quarterly basis. Previous attempts to develop a formal arrangement between DCCEEW and Local Land Services were not finalised (such as a draft Memorandum of Understanding in 2020).

DCCEEW has also developed procedures that require it to consult with other government entities with responsibility for related activities when implementing some programs. For example, the procedure to develop a Saving our Species conservation strategy includes a step to seek input from government land managers and threat experts to inform decisions on management sites and actions, including Local Land Services, the Department of Primary Industries and the Forestry Corporation of NSW. However, there are gaps in DCCEEW's oversight of project-specific arrangements or consultations which would support more consistent departmental engagement across government.

DCCEEW is engaged in inter-jurisdictional forums to support alignment with national priorities

DCCEEW is engaged in a number of inter-jurisdictional forums relevant to threatened species and ecological communities. DCCEEW participation in these forums supports the alignment and coordination of its programs with Australian Government priorities, at both strategic and project-specific levels. Examples of inter-jurisdictional engagement include:

- DCCEEW has signed the Intergovernmental Memorandum of Understanding on the common assessment method for listing threatened species at national and state levels.
- Working groups supporting the delivery of national strategies and priorities, such as the Inter-jurisdictional Senior Officials Group, the Inter-jurisdictional Biodiversity Working Group, and the National Environment and Invasives Committee.
- Other meetings, workshops and taskforces to discuss national initiatives such as the threatened species action plan, communities of practice, and targeted projects such as the National Koala Recovery Board, marine and feral pest initiatives.
- Information sharing with the Australian Threatened Species Index in 2021, a national database of threatened species monitoring data.

According to data from the Saving our Species database, Australian bushfire recovery funding also contributed over \$3 million in funding for threatened species and ecological communities in New South Wales between 2021–22 and 2022–23. This is a component of the \$25 million funding allocated to DCCEEW for the bushfire recovery effort in 2020. A project to conduct a post-fire survey for yellow-bellied gliders and greater gliders is an example of the strategic alignment between DCCEEW and Australian Government priorities (Exhibit 10).

Exhibit 10: Post-fire survey of yellow-bellied and greater gliders

The yellow-bellied glider and greater gliders rely on large hollow-bearing trees in forests along the east coast of Australia. The species were listed as threatened because of population declines and habitat loss. Other threats include fire and climate change because of their reliance on mature forests for habitat. A project was funded under the Australian Government's regional bushfire recovery for wildlife habitat program in 2021 and included a survey of gliders on national park estate, state forest, Crown land, Aboriginal-owned land, water catchment, local government and private land.

The post-fire survey is an example of the strategic alignment between DCCEEW and Australian Government priorities. The project aligned with the Australian Government's assessment of the status of the gliders along the east coast of Australia, and the conservation actions identified in the Saving our Species conservation strategies for the populations in New South Wales. The Australian Government funded several projects relating to fire impacts on gliders, and a cross-jurisdictional working group was established with designated Secretariat from Victoria, to share information across these projects. The group included project leads from New South Wales, Queensland, Australian Capital Territory and Victoria.

According to the project plan, the data generated by the surveys would quantify the decline from the bushfires and be a resource to identify strongholds of glider populations, as well as identify future habitat.

Source: DCCEEW's post-fire survey project plan.

DCCEEW could do more to engage with the local government sector to support strategic planning and delivery of threatened species programs

Local councils play an important role in managing their local environment, including as a planning authority and land manager. Local councils also contribute to the protection of threatened species and ecological communities through the delivery of local conservation and restoration works. According to Saving our Species data, local councils contributed almost \$2 million in cash and resources to the delivery of activities under the program between 2021 and 2023.

DCCEEW regional teams have developed some region-specific guidance and avenues of engagement with local councils across the different programs. For example, under the NSW Koala Strategy, DCCEEW has identified priorities to engage with local councils to facilitate implementation of local actions such as habitat restoration, private land conservation, dog attack and vehicle strike mitigation, and community engagement campaigns. DCCEEW has developed guidance for local councils for koala conservation, including guidelines for koala habitat restoration, fact sheets on vehicle strikes and koala area management plans.

DCCEEW advises that relevant councils are also included in the drafting and review of Saving our Species conservation strategies where sites or conservation actions may involve local government. In 2023–24, 53 councils were given the opportunity to comment on draft Saving our Species conservation strategies, and 19 councils responded.

Council stakeholders advised the audit that there are limited opportunities for collaboration between DCCEEW and local councils to inform or align strategic priorities for conservation actions. Councils indicated that they would benefit from support in the form of regional communications and guidance, and improved mapping of threatened species and ecological communities and habitat.

We identified low levels of awareness in local councils of DCCEEW's strategic priorities in relation to threatened species and ecological communities. DCCEEW could be more coordinated in its efforts to engage with local councils and there are opportunities to improve awareness of its strategic priorities across the sector, for example, through strengthening of regional partnerships to align priorities for important sites and management needs such as weed control.

DCCEEW has significantly increased the value of some programs through external stakeholder contributions, but does not coordinate its engagement across programs

DCCEEW relies on partnerships with non-government stakeholders to deliver conservation actions across the state. According to DCCEEW, 'wide involvement by community, business and industry are key to saving species and the habitats they rely on'. However, DCCEEW has not developed a coordinated approach to stakeholder engagement at a Department level, to inform strategic planning or communication of priorities for threatened species outcomes. In October 2023, around 38 community engagement positions in DCCEEW were defunded.

DCCEEW collaborates and has existing partnerships with relevant stakeholders at the program level, including with land managers, community organisations, researchers and local First Nations groups. For example, Saving our Species reported cash and in-kind contributions from non-government partners delivering conservation actions totalling \$31 million in 2016–21. DCCEEW could improve the coordination and oversight of its engagement with the non-government sector to better leverage this collective investment. The NSW Koala Strategy allocates \$15.7 million of program funding to develop regional partnerships with local councils, conservation groups and First Nations communities to deliver coordinated on-ground actions informed by community expertise.

DCCEEW has not developed systems to ensure that its approaches are coordinated between different programs engaging with similar stakeholders. DCCEEW has developed stakeholder engagement plans for the NSW Koala Strategy, Assets of Intergenerational Significance and Saving our Species, though not all of these documents have been finalised. Community outreach campaigns are also at the program and project level and include citizen science projects, newsletters and media releases. Examples of program-level collaboration include the NSW Koala Strategy's priority to develop regional partnerships with local councils, conservation groups and First Nations communities to deliver coordinated action.

DCCEEW has also identified the need for a collaborative and coordinated approach to research. For example, the Saving our Species science and research strategy 2021–26 includes activities to integrate research outcomes and engage with partners to collaborate and share knowledge.

There is limited evidence of sector-wide engagement to support relationship building and two-way information sharing to inform strategic priorities. DCCEEW hosted a 'powered by partnerships' event on Threatened Species Day in 2022. This event brought together businesses, conservation groups, universities and other potential partners to build relationships, and provided an opportunity to engage with the sector to align strategic priorities. Sector-wide engagement supports opportunities for relationship building and enables the guiding of priorities for activities across the state.

DCCEEW does not have a strategic approach to engaging with First Nations peoples which limits its opportunities to embed traditional knowledge and cultural values into threatened species activities and outcomes

DCCEEW states that it is committed to involving First Nations peoples in the management of threatened species, in recognition of the value of traditional ecological knowledge for conservation practice, and the cultural values associated with many threatened species.

Engaging with First Nations peoples is identified as a priority in program-level strategies and frameworks, including for Saving our Species, the National Parks and Wildlife Service's Threatened Species Framework, and the NSW Koala Strategy. However, DCCEEW's approach to engaging with First Nations peoples is program-specific, and often project-specific. For example, the National Parks and Wildlife Service has developed plans and processes for engagement with First Nations peoples during consultation relevant to the statutory declaration of Assets of Intergenerational Significance under the NPW Act.

DCCEEW has not undertaken workforce planning to consider including First Nations-identified roles in its threatened species activities. Some regional teams have established First Nations-identified positions with functions relating to community engagement and project delivery. Without a strategic approach to engagement across programs, DCCEEW limits its opportunities to consider traditional knowledge and cultural values across program development and delivery towards achieving threatened species outcomes.

According to a 2022 evaluation of Saving our Species, First Nations peoples and communities participated in over 60 threatened species management projects between 2016 and 2021. However, reviews of the program in 2020 and 2022 identified that the integration of First Nations ways of working and traditional knowledge into the program design had been limited. It recommended establishing appropriate governance and First Nations-identified roles at the program level, to lead the incorporation of First Nations aspirations into Saving our Species program design, and identification of opportunities for mutual outcomes.

Saving our Species has had a working group for First Nations engagement within its governance structure since late 2020, but this working group met only once, in March 2021. In October 2023, the Saving our Species Board decided to consider alternative models for engaging with First Nations peoples, such as engaging with existing structures across other DCCEEW programs, but this has not been finalised.

4. Saving our Species

Under Part 4, Division 6 of the BC Act, DCCEEW is required to deliver a Biodiversity Conservation Program. The program's statutory objectives are to:

- maximise the long-term security of threatened species and ecological communities in nature
- minimise the impacts of key threatening processes on biodiversity and ecological integrity.

Under Section 4.36 of the BC Act, the program must have:

- strategies to achieve the objectives of the program in relation to each threatened species and threatened ecological community
- a framework to guide the setting of priorities for implementing the strategies
- a process for monitoring and reporting on the overall outcomes and effectiveness of the program.

4.1 Saving our Species program

DCCEEW implements the statutory Biodiversity Conservation Program as Saving our Species

DCCEEW is responsible for implementing Saving our Species and has been delivering the program since 2013. The Saving our Species program was initially funded through the Waste and Environment Levy Envelope (\$7.95 million over 2012–13 to 2015–16). Following the introduction of the BC Act in 2016, Saving our Species was significantly expanded with a commitment of \$100 million over five years (2016–21). The program was continued in 2021 with \$75 million committed over five years (2021–26).

Since 2013, the primary program objective of Saving our Species has been to 'maximise the number of threatened species that are secure in the wild in New South Wales for 100 years'. In 2016, an additional objective was included to 'control key threats facing our threatened plants and animals'.

DCCEEW defines 'secure in the wild' as stable or increasing populations at identified priority sites with a 95% probability of having a viable population in 100 years. DCCEEW defines a viable population as one that has sufficient habitat, threats controlled, and a population size sufficient to avoid demographic problems and with a stable or increasing trajectory.

DCCEEW's Saving our Species program allocates threatened species and ecological communities to nine management streams depending on their conservation needs

The Saving our Species program is structured around nine management streams that account for threatened species, ecological communities and key threatening processes listed under the BC Act (Exhibit 11). Threatened species are allocated to a management stream based on how much is known about its ecology and conservation requirements. A species may move between streams if new information is discovered, or if its extinction risk level changes.

Exhibit 11: Saving our Species management streams

Management stream	Description
Iconic species	Species that are considered to be socially or culturally important to New South Wales.
Site-managed	Species that can be targeted through on-ground management at specific sites.
Landscape-managed	Species with wide geographic distribution that require a broader conservation approach.
Keep watch	Species that are determined to not require immediate investment.
Data-deficient	Species that have key knowledge gaps to inform management or are presumed extinct.
Partnership	Species with most of their population outside of New South Wales. Partnership species are considered to be either range-restricted or widespread depending on ecological distribution and management needs.
Populations	Groups of species within a defined area that are not already listed as threatened for the whole species.
Threatened ecological communities	Naturally occurring groups of native plants, animals and other organisms collectively at risk of extinction. Ecological communities are considered to be either range-restricted or widespread depending on ecological distribution and management needs.
Key threatening processes	Major categories of threats facing native plants and animals, including pests and weeds, climate change and habitat loss.

Source: DCCEEW's definition of management streams – Saving our Species business plan 2016.

Each stream, except key threatening processes and keep watch, contains species or ecological communities across all levels of extinction risk (vulnerable, endangered, critically endangered). The keep watch management stream only includes species listed as vulnerable. Some streams also include species considered extinct. These management streams are used to guide the prioritisation of conservation actions across the Saving our Species program.

Under the BC Act, all threatened species and ecological communities are required to have a conservation strategy developed within two years of listing. According to DCCEEW policy, a conservation strategy must include the following information: identification of priority management sites or areas, critical threats impacting the species or ecological community at those sites, and the management actions needed to mitigate those threats such as pest animal and weed control, fire management and monitoring. There are some exceptions, for example, strategies for species in the data-deficient stream may only include research actions to address knowledge gaps, and strategies for species in the keep watch stream do not include management actions.

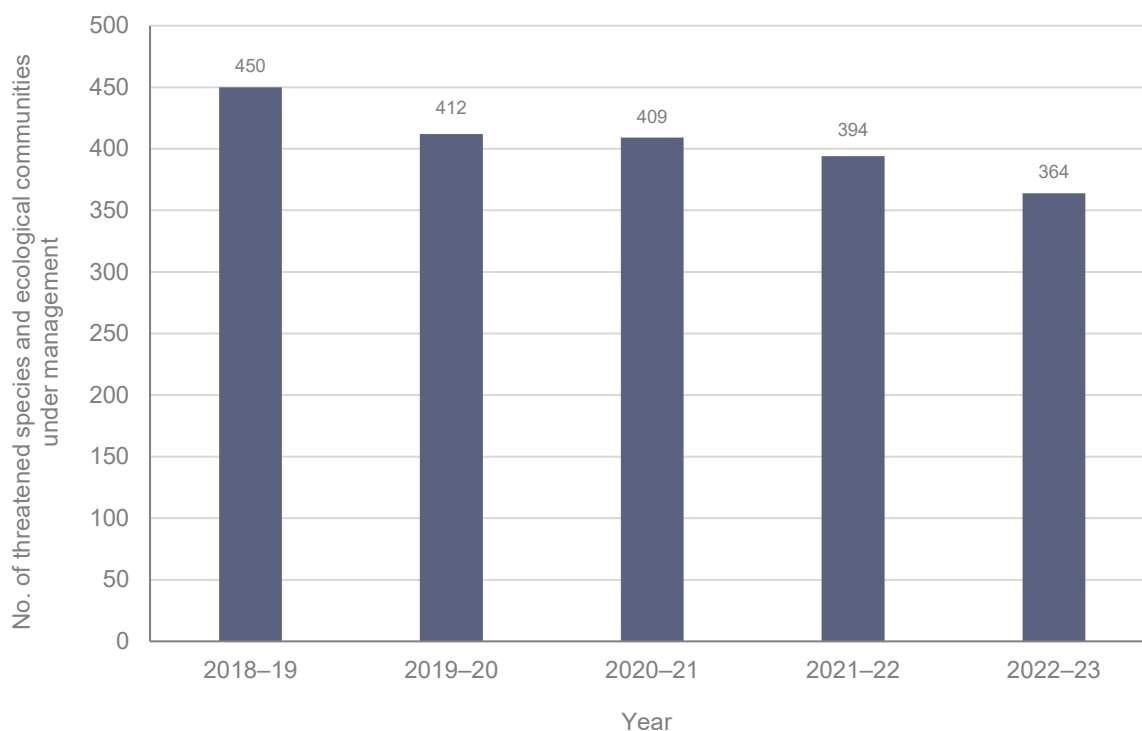
4.2 Outcomes and reporting

DCCEEW's Saving our Species program is delivering conservation actions for less than one-third of all threatened species and ecological communities, and this has reduced over time

In 2022–23, DCCEEW's Saving our Species funded or delivered conservation management actions for less than one-third of species and ecological communities listed under the BC Act (31%, 364). This includes species or ecological communities that are at a high risk of extinction, and those considered likely to respond to intervention. DCCEEW's risk-based approach to prioritising species and ecological communities for management is discussed further in Section 4.3.

The number of threatened species and ecological communities under management reduced by 19% from a peak of 450 in 2018–19, to 364 in 2022–23 (Exhibit 12). This means that since 2021, at least 86 threatened species no longer receive project funding under the current program tranche.

Exhibit 12: Threatened species and ecological communities under management, 2018–19 to 2022–23



Source: DCCEEW Saving our Species data.

The overall reduction in the volume of species under management has corresponded with a decline in program funding from 2021. In 2021, the NSW Government committed \$75 million to Saving our Species over five years (2021–26). This was a 25% reduction from the \$100 million committed to the program between 2016 and 2021.

In response to the 2021 reduction in program funding, DCCEEW undertook a significant program restructure. DCCEEW identified that this would also require a reduction in the targets for its Saving our Species key performance measures. After providing this advice to government, DCCEEW reduced the performance measure targets for Saving our Species by between 33% and 48% (Exhibit 13). For example, the target for the number of species under effective management was reduced from 440 species to 230 species (a 48% reduction). DCCEEW has not documented how these revised targets were determined. According to DCCEEW, the targets were reduced at a greater proportion than the funding reduction to account for increased activities for species outcome monitoring, and increased program coordination and administration functions.

Since 2017, DCCEEW has assessed performance against two measures relating to the Saving our Species program (Exhibit 13). Between 2019 and 2023, DCCEEW has reported quarterly to NSW Treasury on its performance against these measures. This includes a 'lead' indicator to measure the number of threatened species and ecological communities under effective management by NSW Government programs, and a 'lag' indicator to measure the number of threatened species and ecological communities on track to be secure in the wild.

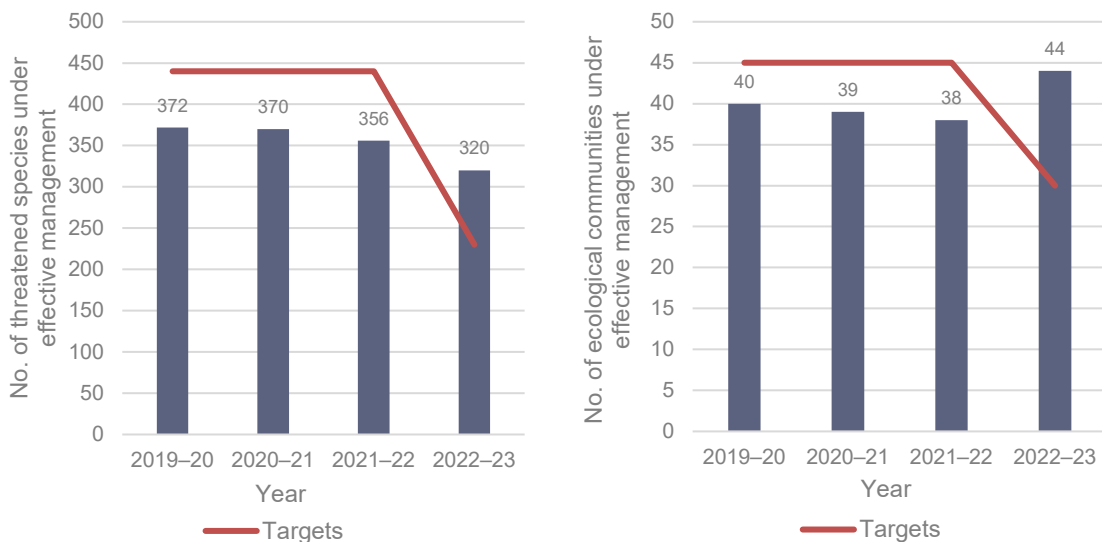
Exhibit 13: Saving our Species performance measures, and reduction in targets between 2020 and 2022

	2020 target	2022 target	(%) reduction
Lead indicator: The number of threatened species and ecological communities under effective management by NSW Government programs.	440 species and 45 ecological communities	230 species and 30 ecological communities	Species: 48% Ecological communities: 33%
Lag indicator: The number of threatened species and ecological communities on track to be secure in the wild.	270 species and ecological communities	150 species and ecological communities	35%

Note: Lead indicators measure progress towards achieving an outcome in the short term (12 months), while lag indicators are longer term (four years).
Source: DCCEEW Outcome and business plan 2022 and Saving our Species.

DCCEEW did not meet its performance targets for the number of threatened species and ecological communities under effective management between 2019 and 2022 (Exhibit 14). Following the reduction of its performance targets in 2021, DCCEEW met these targets for the first time in 2022–23.

Exhibit 14: DCCEEW performance reporting on Saving our Species threatened species and ecological communities under effective management, 2019–20 to 2023–24



Source: DCCEEW state outcome indicator reporting.

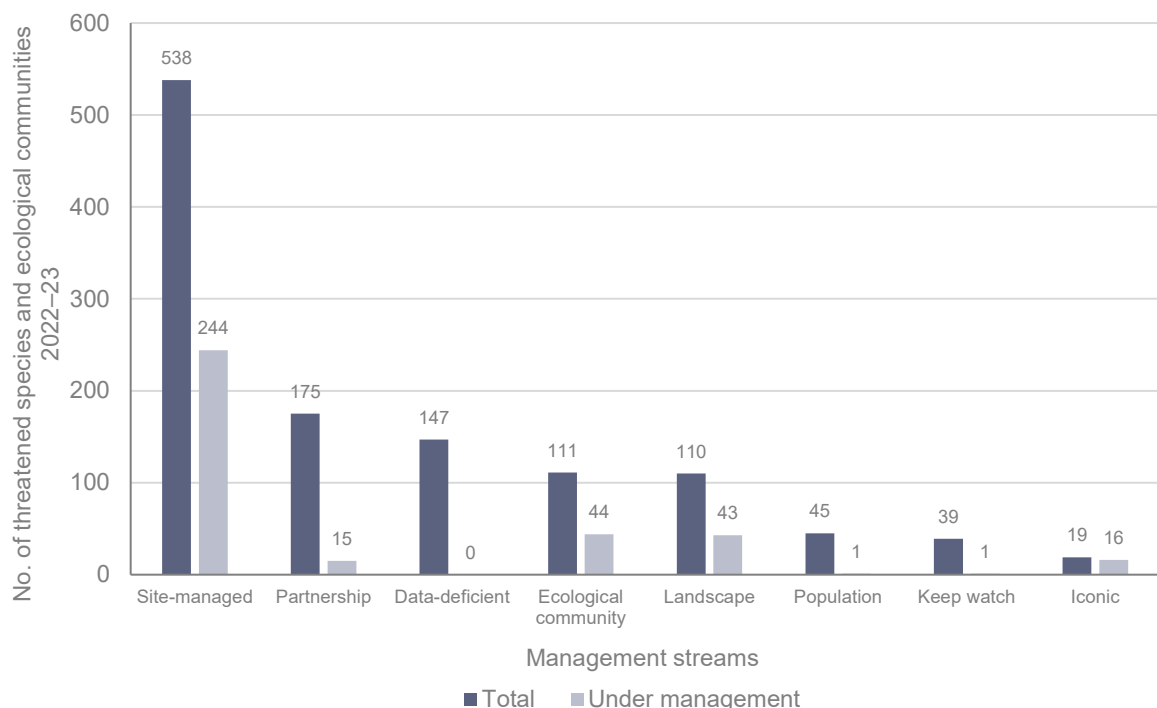
DCCEEW's Saving our Species program does not monitor the status of 69% of threatened species and ecological communities

Saving our Species did not fund or deliver any conservation activities, including monitoring, for 69% of threatened species and ecological communities in 2022–23. This includes around 428 species and ecological communities that are considered a high priority for management but were not allocated funding. It also includes species in lower-priority management streams such as keep watch, which are intended to be periodically monitored to ensure species remain stable. Without periodic monitoring of species not under active management, DCCEEW cannot identify and respond to risks such as emergent threats, or know whether populations of threatened species and ecological communities continue to decline toward extinction.

DCCEEW has taken a risk-based approach to the delivery of on-ground actions for species under management, and this has been prioritised over undertaking monitoring of species that are not under active management. Around 76% of program funding has been allocated to the delivery of on-ground conservation actions. Exhibit 15 shows the proportion of species and ecological communities across each management stream that were under active management in 2022–23. The highest proportion of species under active management were in management streams that DCCEEW had identified as a high priority for funding, including the site-managed and iconic management streams. In contrast, there was no funding allocated to species in the keep watch management stream between 2016 and 2021, and only one species in this stream under management in 2022–23.

Species included in the keep watch stream are considered not to require immediate intervention, but DCCEEW has determined that monitoring is required to identify any changes to the status of these species. A review of the stream in 2019 resulted in 66 species being moved into higher-priority management streams, for example, due to the presence of threats requiring intervention. Most species remaining in the keep watch stream have not had any monitoring activity undertaken since 2019. DCCEEW has established a short-term funding cycle available on an annual basis which is open to all management streams, including for keep watch species. Species in the keep watch stream did not receive any funding for short-term or monitoring actions in 2022–23 or 2023–24.

Exhibit 15: Saving our Species management streams and proportion under active management, 2022–23



Note: Twelve species in the iconic stream and 60 species in the data-deficient management stream are listed as extinct.

Source: DCCEEW Saving our Species data.

DCCEEW has developed a risk-based framework to monitor and report on threatened species and ecological communities under active management

DCCEEW has developed a monitoring, evaluation and reporting framework to guide the outcomes being delivered for threatened species and ecological communities under Saving our Species management. The detailed monitoring plans are not made public, but some information is included in conservation strategies, and until 2021–22 DCCEEW published individual species report cards that included information such as funding sources, the number of species and ecological communities under management, and the number of active Saving our Species sites.

Under the framework, Saving our Species projects are required to have performance indicators and to apply a consistent approach to monitoring the outcomes of conservation management actions. Species project coordinators are responsible for the management and monitoring of allocated threatened species and ecological communities, as well as annual reporting of monitoring results and the evaluation of outcomes.

DCCEEW staff report progress in delivering management actions into the Saving our Species database, such as direct monitoring of population targets, or outcomes of threat management activities at Saving our Species sites. DCCEEW has developed a ‘traffic light’ approach to evaluating the status of individual sites and for a species overall, in relation to the objective for the number of species that are on track to be secure in the wild (Exhibit 16).

Exhibit 16: Saving our Species traffic light reporting for ‘secure in the wild’

Traffic light	Status	Description
Dark green	On track – confirmed	Annual population targets have been met.
Light green	On track – inferred	No or limited monitoring data are available for the year, but threat management activities have met annual targets.
Amber	Not on track – inferred	No or limited monitoring data are available for the year and threat management targets have not been met.
Red	Not on track – confirmed	Annual population target has not been met at one or more sites.

Source: Saving our Species business implementation plan, 2021–26.

DCCEEW has developed a risk-based process to review and escalate projects that are assessed as meeting the description for a red traffic light, and it maintains a register of these species with treatment plans to resolve issues contributing to the project being off track, such as lack of site access. DCCEEW advises that the traffic light system has been designed to be conservative to avoid overstating the outcomes being delivered, and the logic underpinning the performance levels is sensitive to variations in the delivery of management actions. For example, an amber light may be triggered if a site cannot be accessed or if conservation actions are delayed due to poor weather. At the species level, if population monitoring is on track at all sites except for one, this would trigger a red light for the species overall.

DCCEEW aggregates site-level traffic light reports into an overall species status for threatened species in the site-managed, population and iconic management streams. It uses this to report against the program’s key performance measure for the number of threatened species and ecological communities on track to be secure in the wild.

DCCEEW’s performance measure for ‘secure in the wild’ does not give a complete view of how many species have been protected, and how many are responding to intervention

DCCEEW’s key performance measure for the number of species on track to be secure in the wild (Exhibit 13) does not include all species under management, and it has not clearly defined the rationale for the inclusion of the amber category as being ‘on track’ to be secure in the wild. This means that DCCEEW’s reporting against this indicator does not fully reflect how many species have received funding or management over time, and how many species have shown a positive (or negative) response to management intervention.

DCCEEW does not include all threatened species and ecological communities under management in its calculation of the number of species and ecological communities on track to be secure in the wild (Exhibit 17). DCCEEW's reporting against this measure only includes a subset of threatened species, including those within certain management streams, and those with sufficient monitoring data available. In 2022–23, around 22% of all listed threatened species had sufficient data available for DCCEEW to assess the species as either on or off track, but the remaining 78% of species were not assessed (Exhibit 17). This means that the aggregated reporting on this measure does not fully reflect all species that may or may not be responding to intervention under the program.

For example, threatened ecological communities and species in widespread management streams are not assessed in the 'secure in the wild' measure. Actions delivered under these management streams have been reported through other channels, such as in species report cards, which include traffic light assessment at the individual site level.

Exhibit 17: Saving our Species reporting on 'secure in the wild', 2019–20 to 2022–23



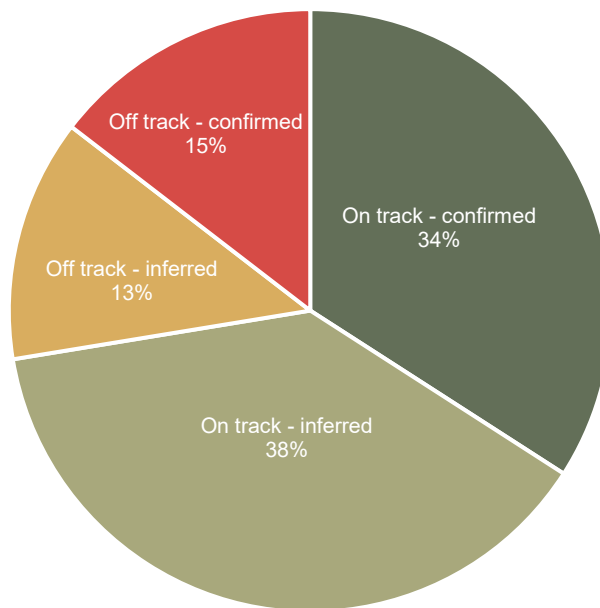
Source: DCCEEW Saving our Species data.

Furthermore, DCCEEW's reporting to NSW Treasury against the 'secure in the wild' performance measure includes both green and amber traffic lights as being on track (see description in Exhibit 16), but it does not make this clear in its reporting.

Of the species assessed as on or off track to be secure in the wild, DCCEEW's reporting in 2022–23 indicated that 85% (223 species) were assessed as on track. Of these 223 species reported as on track, there were 34 species (13%) assessed with an amber traffic light, which means the threats to those species were not sufficiently reduced according to targets. For example, where management actions may have been delayed due to weather or issues of site access. If only species with a green traffic light are included, performance against this indicator is reduced to 72% on track to be secure in 2022–23. This is summarised in Exhibit 18.

There are also limitations to the interpretation of species assessed with a green traffic light. DCCEEW advises that the time lag between delivering a management action and observing changes to species population can be as much as ten years, which creates challenges for short-term reporting on outcomes. As such, DCCEEW's calculation of the number of species on track to be secure in the wild also includes those where all planned management actions have been delivered, even if species population changes have not yet been observed, for species where annual monitoring is not required, or where project managers determined certain actions were not required in a particular year. For example, the coastal emu population has been assessed as 'on track to be secure in the wild' between 2019 and 2023, although population estimates in 2023 were indicative of population decline (see Exhibit 9). Only 34% of assessed species had a confirmed positive population response to intervention (dark green traffic light) for 2022–23 (Exhibit 18).

Exhibit 18: Traffic light reporting on 'secure in the wild', 2022–23



Source: Audit Office of New South Wales analysis.

DCCEEW has acknowledged that these indicators may need to be reviewed to make them easier to interpret. In 2024, the NSW Government is moving away from Outcomes Budgeting with the introduction of a new Performance and Wellbeing Framework. At the time of the audit, DCCEEW had not yet determined whether it would continue to report against the Saving our Species outcome indicators.

DCCEEW is not compliant with legislative timeframes for delivery of statutory conservation strategies, but refocused its efforts on addressing this in 2023–24

DCCEEW has a legislative requirement to publish conservation strategies for all threatened species and ecological communities within two years of being listed as threatened under the BC Act (Section 4.36). It is not currently compliant with this requirement, and at April 2024 there were 142 species that did not meet this requirement. Strategies were in place for 91% (943) of listed species and ecological communities.

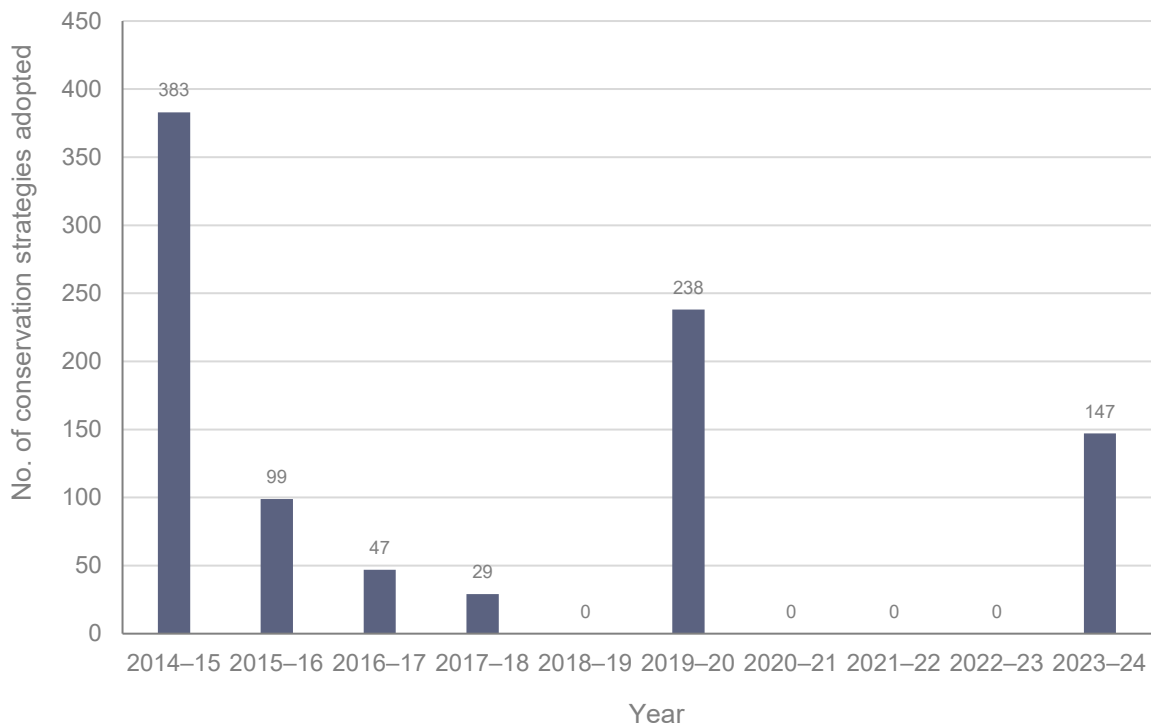
DCCEEW did not endorse any new conservation strategies between December 2019 and January 2024 (Exhibit 19). Conservation actions for species without a conservation strategy are not able to be funded by Saving our Species. This means that no newly listed threatened species or ecological communities were included in the prioritisation process for resourcing for 2021–26. One example of this is the plain’s rat (*Pseudomys australis*), which was listed as extinct until 2021 when the species listing was changed to vulnerable. The conservation strategy for this species was due for completion by May 2023. At April 2024, the strategy had been drafted for public consultation. Although this species is part of the iconic management stream and a high priority for funding, it has not been allocated funding in the 2021–26 program budget.

DCCEEW had a plan to exhibit 209 conservation strategies by July 2021, including species that were reassigned to a higher-priority management stream following a 2019 review of the keep watch stream, but this was not delivered until 2023–24. DCCEEW has not provided a reason why the project was delayed. In 2023–24, Saving our Species has refocused efforts to finalise conservation strategies. Since January 2024, DCCEEW has endorsed 147 strategies and in April publicly exhibited a further 71 draft strategies. DCCEEW advised that it has prioritised the development of conservation strategies for species considered to be at a higher risk of extinction and in high-priority management streams.

Of the 142 species not meeting legislative requirements, 134 have a ‘Priorities Action Statement’ in place, which was a requirement under the previous *Threatened Species Conservation Act 1995*. This was replaced by the BC Act in 2016. DCCEEW considers these legacy strategies as compliant with the current legislation. The BC Act includes a provision that actions under former legislation that are consistent with the BC Act continue to have effect.

However, under the *Threatened Species Conservation Act 1995*, Priorities Action Statements were required to be reviewed every three years, though these have not been updated since the BC Act was introduced in 2016. Further, the statements available on the public register do not contain enough information on key threats or conservation actions to provide a long-term plan for the conservation of the species. DCCEEW advises that additional detail on the conservation strategies is available in the internal Saving our Species database.

Exhibit 19: Number of conservation strategies adopted, 2014–15 to 2023–24



Source: DCCEEW Saving our Species data.

DCCEEW published the management stream framework for partnership species in 2019 which included an option to develop a 'simple strategy' for species in the partnership management stream. These strategies consist of a generic statement that a full strategy will be developed should new information become available that indicates a need for on-ground conservation actions.

DCCEEW began introducing these in January 2024, when over half (76) of the 147 strategies adopted were simple strategies. These strategies do not include any specific conservation sites, actions or monitoring activities relevant to those species. Saving our Species data indicate that simple strategies are also in development for populations where the species already has a strategy, species that have been listed as extinct, and for key threatening processes.

DCCEEW's rationale for this approach indicates that a simple strategy is developed where 'investing in conservation actions for these species in New South Wales is not likely to deliver outcomes for their long-term security in the wild'. However, in the context of the lack of monitoring information for species not under active management (discussed above), it is not clear how DCCEEW plans to identify when a species may require an updated strategy to be developed.

DCCEEW has some mechanisms to respond to new risks for species and ecological communities under Saving our Species

DCCEEW has some mechanisms to adapt program delivery to respond to new risks for species and ecological communities that are under management, including if they are not responding to management actions. However, DCCEEW does not have a routine process to review Saving our Species conservation strategies to ensure they include information on new or emerging threats, and there has been limited use of emergency funding to respond to emerging risks.

DCCEEW relies on Saving our Species conservation strategies to guide program priorities for funding decisions. All threatened species and ecological communities are allocated to a threatened species officer who is responsible for managing ongoing needs. Where staff identify an emergent risk or a required amendment to a conservation strategy, Saving our Species has a Technical Group that reviews proposed amendments to a species' management stream or conservation strategy. The group has an established process to review and approve major amendments to conservation strategies proposed by staff. Major amendments include changes such as the location of a priority site, allocation to a management stream, as well as reviews of management and monitoring actions. According to DCCEEW, the Technical Group approved 37 amendments to conservation strategies in 2022–23.

However, DCCEEW does not have a routine process or schedule for the review and update of Saving our Species conservation strategies, either in response to new information or to support consistency with other programs such as Assets of Intergenerational Significance conservation action plans. Without a routine process in place, there is a risk that conservation strategies do not reflect current threats, particularly for the species and ecological communities that are not monitored. There is an opportunity for DCCEEW to develop routine reviews of conservation strategies for species and ecological communities, including defining trigger points for threatened species and ecological communities exposed to new risks.

One example of the urgency and unpredictability of emergent threats occurred in early 2015 when up to 90% of the Bellinger River snapping turtle population died within a period of six weeks following an outbreak of a virus. In 2015, DCCEEW delivered an initial emergency response, including supporting the relocation of 16 turtles to Taronga Zoo for a captive breeding program. Ongoing management actions for the Bellinger River snapping turtle under Saving our Species has continued since 2015. The conservation strategy for the Bellinger River snapping turtle was endorsed in 2018. In April 2024, DCCEEW released 97 zoo-bred turtles into the Bellinger River. However, there is no cure for the Bellinger River virus and conservation actions are focused on captive breeding, habitat restoration and research.

DCCEEW's Saving our Species program is limited in its ability to respond to large-scale unexpected events or emergent threats. DCCEEW has an annual budget review process that enables program funds to be redirected or reallocated to respond to emerging threats or changing environments. For example, in 2021–22 DCCEEW reallocated funding to deliver additional actions to respond to the impacts of myrtle rust on native guava.

DCCEEW also has annual funding for short-term projects and an emergency fund (\$250,000 per year) to deliver immediate responses on a small scale, or to support newly listed species with short-term management. However, this funding is not intended or resourced to develop and implement a longer-term management plan, or to deal with large-scale emergent threats. The short-term funding pool is intended for projects that can be completed within one year, such as a once-off intensive intervention or research. Large-scale emergency events, such as the 2019–20 bushfires or the spread of an invasive species, require a multi-agency coordinated response.

The emergency fund is not carried forward each financial year, and unspent funds are reallocated or used as a stop-gap measure to fund other projects. This was the case between 2019–20 and 2021–22, when the emergency fund was not used for any emergency responses, but was used to manage budget over-allocations for planned program expenditure.

Gaps in core planning and risk management frameworks create risks to program delivery

There are gaps in DCCEEW's planning and risk management systems for Saving our Species. This creates risks to program governance and oversight, including the program's ability to identify and respond to emerging risks, and report on the impact of its investments.

Key gaps include delays in developing a business implementation plan and program-level performance framework. DCCEEW did not finalise a business implementation plan for the 2021–26 program funding until April 2024. The Saving our Species Program Control Group monitored the development of the business implementation plan and noted that it was overdue in April 2023. The lack of a business plan for the first half of the program funding represented a key delivery risk for program outcomes. Additionally, the 2022 Saving our Species Measurement, Evaluation and Learning Framework notes that performance metrics or a framework to assess program-level performance were under development. DCCEEW has not provided evidence of this work, though some targets have been included in the 2021–26 business implementation plan. Reporting on program-level outcomes is required under the BC Act.

There are gaps in DCCEEW's risk management frameworks for Saving our Species, including an outdated program dependency register and lack of business continuity planning. A risk and dependency working group created a dependency register in 2019 in response to recommendations made by an internal audit. This register was not maintained from 2021 until September 2023, during the development of the business implementation plan.

Saving our Species has significant and complex internal and external program dependencies, including a reliance on general departmental resources (discussed in Section 2.2), in-kind contributions from other entities, and access to private land. Inadequate systems to manage these dependencies is a significant risk to program delivery. Further, DCCEEW does not have a business continuity plan for Saving our Species to respond to large-scale emergencies like the 2019–20 bushfires. DCCEEW has an emergency fund to provide short-term urgent management responses at the project level (as discussed above). However, this is insufficient to address the increasing delivery risks to the program from natural disasters and climate change.

As Saving our Species has been in place since 2013 with consistent objectives and approaches, these deficiencies in core program documentation create critical gaps in the oversight provided by existing program governance structures. Ongoing program delivery requires concerted effort to ensure these gaps are addressed for the remainder of the current program iteration (2021–26), and that program governance is strengthened to improve oversight of program planning systems in the future.

4.3 Planning and prioritisation

Saving our Species has not adequately documented its rationale for the allocation of funding at a program level

Under Section 4.36(1)(b) of the BC Act, the Biodiversity Conservation Program is required to have a framework to guide the setting of priorities for implementing the strategies. DCCEEW has set the priority levels at the management stream level, but has not adequately documented the process or decision to arrive at these priority levels. DCCEEW has also not adequately documented its rationale for determining the proportion of funding to be allocated to each management stream. This means there are gaps in the framework required under the BC Act, which limits the transparency of program-level decision-making.

The 2016 Saving our Species implementation plan set out a priority level for each of the management streams, which is still being used to guide investment decisions during the 2021–26 program (see Exhibit 20). DCCEEW applies a risk-based approach to allocate species into management streams. For example, species likely to respond to management interventions are allocated to high-priority management streams such as site-managed and landscape-managed. Threatened species that have relatively stable populations, or that are considered at a lower risk of decline, are allocated to the keep watch management stream, which is a low priority for funding.

Priority levels were guided by the likelihood of success of interventions within each stream, and the availability of data to demonstrate outcomes. For example, the site-managed stream was considered a high priority because a species is allocated to that stream when there is sufficient information to identify threats causing local population decline, and to define priority sites that can be managed to address those threats.

Exhibit 20: Saving our Species management stream prioritisation and budgets

Management stream	Priority*	2021–26 budget (amount, % of total budget)	2016–21 budget (amount, % of total budget)
Iconic	Highest	\$5,159,500 (7%)	\$9,100,000 (9%)
Site-managed	High	\$25,367,585 (32%)	\$24,500,000 (24%)
Landscape-managed	High	\$2,395,013 (3%)	\$8,700,000 (9%)
Threatened ecological communities	High	\$2,585,600 (3%)	\$8,500,000 (8.5%)
Data-deficient species	Medium	\$50,000 (<1%)	\$600,000 (<1%)
Key threatening processes	Medium	\$1,300,000 (1%)	\$3,200,000 (3%)
Short-term projects / monitoring (keep watch stream, also open to other streams)	Low	\$1,150,000 (1%)	\$0 (0%)
Partnership species	Low	\$663,080 (<1%)	\$1,300,000 (1%)
Populations	Low	\$120,000 (<1%)	\$0 (0%)
Co-investment grants	Unclear	\$2,400,000 (3%)	N/A**
Total management streams funding		\$40,990,778	\$55,900,000
Other program expenditure (further detail on 2021–26 in Exhibit 21)		\$38,372,022 (48%)	\$44,100,000 (44%)
Total program funding		\$79,362,800	\$100,000,000

* Priority levels were determined in 2016; there has not been any recent documentation of review or changes to these priority levels.

** \$2.5 million was reallocated to the co-investment stream in 2018 after the initial budget process for 2016–21.

Source: Saving our Species business implementation plans 2021–26 and 2016–21.

DCCEEW has not documented a rationale for the associated proportions of funding between streams, including between streams with the same priority level. For example, the site-managed stream is considered high priority, and accounts for around half of all listed species and 32% of the total program budget. In contrast, threatened ecological communities are also considered a high priority for funding, and the stream was allocated three per cent of program funding despite accounting for around nine per cent of total listings. This is a reduction from nine per cent of program funding allocated to this stream in 2016–21.

The landscape-managed stream is considered high priority for funding and accounts for around nine per cent of total listings, however the proportion of total funding declined in the second program tranche, from nine per cent in 2016–21 to three per cent in 2021–26. Additional commitments under the ‘co-investment grants’ stream bring the total focus on landscape species to around six per cent of the total program budget in 2021–26. The co-investment stream was first introduced in 2018 with a commitment of \$2.5 million for projects that focused on landscape-managed species and threatened ecological communities.

Under the co-investment grants stream, Saving our Species committed \$1.75 million of the \$2.4 million budgeted for the program in 2021–26. DCCEEW has partnered with five organisations as grantees for 2022–26. External project partners have committed to funding another \$2 million over the same period. These grants have been administered through a process of expression of interest and formal grant funding agreements. However, DCCEEW has not documented a rationale for the creation of this stream or the selected funding model, as an additional avenue for funding landscape-managed species.

DCCEEW has adopted a strategy of routinely over-allocating its program budgets, with the Saving our Species 2021–26 budget over-allocated by \$4 million (Exhibit 21). DCCEEW advised that it manages risks associated with budget over-allocation on the assumption that there will be program underspends where project delivery is delayed, for example, when conservation actions are postponed due to poor weather. The program's emergency fund has also been used to manage over-allocations. Budget over-allocation creates risks to the availability of funding to deliver agreed projects, and increases the reliance on departmental resourcing to meet funding shortfalls.

Exhibit 21: Saving our Species budget 2021–26

Budget item	2021–26 budget (amount, % of total budget)
Program operational costs, including management streams and other operational costs (project vehicles, project staff costs, strategic projects (e.g. seed banking), emergency fund)	\$40,990,778 (51%) \$3,590,000 (4%)
Program staff	\$16,009,394 (20%)
On-ground management sub-total	\$60,590,172 (76%)
Science and research	\$3,324,925 (4%)
Partnerships and communication	\$6,225,467 (8%)
Program management	\$9,222,236 (12%)
Total	\$79,362,800 (allocated \$75,000,000)

Source: Saving our Species budget 2021–26.

DCCEEW has developed tools to rank some projects for funding, and has a robust process to determine the minimum investment for the highest number of species

The legislative objectives of the Biodiversity Conservation Program are to maximise the number of threatened species that are secure in the wild in New South Wales and to control key threats facing threatened plants and animals. DCCEEW has designed Saving our Species to deliver this objective by identifying the minimum number of actions at the minimum number of sites required to prevent extinction, and prioritising these to secure the maximum number of species.

DCCEEW has collaborated with research partners to develop a robust process of prioritisation, including developing specialised decision support tools to rank potential projects for funding, and to inform decisions on which projects will be resourced (Exhibit 22). These tools were developed to identify projects for potential funding that enable the highest number of species to receive funding within the budget, while also considering factors such as extinction risk level, benefit to multiple species and genetic diversity. In addition to these tools, DCCEEW uses a process where staff provide input to refine the final project rankings.

Project prioritisation is completed in five-year cycles, with the most recent process occurring in 2021 for the 2021–26 period. Decisions around the level of funding allocated to these projects occur annually. Project allocations for the 2021–26 period showed a high level of alignment with the prioritisation output of these tools. DCCEEW used the prioritisation process to determine funding for species from the iconic, site-managed and partnership management streams, and threatened ecological communities, which accounted for 82% of the program budget for 2021–26.

Around 20% of species were in management streams that were not included in the prioritisation process. This includes species from landscape-managed, key threatening processes, data-deficient and keep watch streams. Decisions on funding for these management streams are made through separate processes.

For example, funding for projects in the landscape management stream was determined through a process of staff submitting funding proposals that go through an internal review process. This is because conservation strategies for landscape-managed species identify broad priority areas and an action toolbox for key threats, rather than specific sites for management. There has been ambiguity in the amount of area that needs to be managed for landscape species in order to meet the Saving our Species objective to be secure in the wild.

A short-term funding stream of \$1.15 million has been included in the 2021–26 budget, which has an annual funding round of \$230,000 per year. This funding is open to all management streams, including for keep watch and data-deficient species, though no funding was allocated to those streams in 2022–23 or 2023–24. Project priorities within the short-term funding stream have changed over time. In 2021–22, short-term projects were focused on wrapping up projects that were funded in 2016–21 but did not receive renewed funding in the 2021–26 program.

Exhibit 22. Prioritisation tools used in Saving our Species

DCCEEW has developed a number of tools that are used as part of a complex process of prioritising projects for potential funding. These tools are used in a complementary manner to inform the overall program priorities for a given funding period. A project prioritisation governance group considers the output from this process to determine a priority list of projects for funding, which is then provided to the Saving our Species Board for endorsement.

The conservation hotspots tool was developed in collaboration with CSIRO and ranked 682 threatened species and ecological communities for funding for the 2021–26 program. The program made recommendations based on two potential scenarios:

1. Fund as many species and ecological communities as possible under a given budget, and
2. Fund as many species and ecological communities as possible, but with additional importance given to critically endangered and endangered species. The tool was also designed to look for opportunities for cost sharing across projects, such as where two species co-occur and require the same conservation action. Species from the iconic, site-managed, threatened ecological community and partnership management streams were included. Other management streams including key threatening processes, data-deficient and keep watch were not included in the prioritisation process. According to DCCEEW, landscape-managed species with current management sites were included in the tool to find opportunities for complementary actions with other projects.

DiversiPhy was developed in collaboration with the University of New South Wales and Macquarie University to support the prioritisation of species with unique genetic diversity (phylogenetic diversity). For example, species like the Wollemi Pine that have few close relatives and have higher significance in evolutionary history. DiversiPhy was used to compare the ranked lists developed by the Conservation Hotspots tool and through the ground-truthing process for the 2021–26 program.

Ground-truthing was a process for staff to contribute expert knowledge on species and ecological communities. The first round of ground-truthing focused on the species and ecological communities not prioritised by the conservation hotspots tool. A second round of ground-truthing was opened to include comment on any additional species and ecological communities. Submissions from DCCEEW staff for 331 species were evaluated according to conservation benefit, functional importance, phylogenetic diversity, community value and importance to First Nations people.

Proposal assessment is used to determine allocations for the landscape and key threatening process management streams, as well as short-term and monitoring projects. The proposals are scored against criteria on the alignment of the project with Saving our Species objectives, the likelihood of success (feasibility) and cost-effectiveness. Panel members score proposals and rank them overall. The ranked projects are then funded up to the available budget.

The Project Prioritisation Protocol was developed in collaboration with University of Queensland to rank 368 species according to the benefit, likelihood of success and cost. This tool was used under previous processes to guide the allocation of funding for species in site-managed streams in 2016–21.

Source: Saving our Species prioritisation tools.

DCCEEW has work underway to address known gaps in its approach to species that require a widespread management approach

DCCEEW has not prioritised widespread species and ecological communities in Saving our Species program design, though its focus on these groups has increased over time. Species are considered widespread if they are 'widely distributed, highly mobile or dispersed and best recovered by managing threats associated with habitat loss or degradation at a landscape scale'.

There are around 250 species in widespread management streams, including the landscape and partnership (widespread) management streams, and around 70% (78) of threatened ecological communities are also considered widespread. According to DCCEEW, landscape species have been a challenge for Saving our Species because dispersed populations have made it difficult to apply the program's site-specific funding and reporting model. Species in these groups are not included in reporting against the program's key performance measures, because the measures are designed to assess site-specific outcomes.

DCCEEW has not identified priority management sites in conservation strategies for widespread species and ecological communities. Landscape-managed species are prioritised for investment through a process that relies on the species project coordinator or external partner to identify management sites and to develop a proposal for funding of conservation actions. DCCEEW has advised that Saving our Species commenced a pilot program in 2021 to enable a one-year period for landscape projects to be scoped and to establish partnerships for delivery.

DCCEEW is currently reviewing the Saving our Species landscape management framework (developed in 2015), and updating guidance to improve the development and delivery of conservation strategies for widespread species. For example, DCCEEW is conducting analysis to determine how many widespread species could benefit from site-based on-ground management actions (and thus better fit within the Saving our Species funding and reporting model), compared to those that have primary threats relating to land clearing or loss of habitat. This work aims to develop a method to identify potential priority sites and management actions for widespread species, and to align these with the Saving our Species program objectives and reporting.

There are opportunities for DCCEEW to strengthen partnerships to expand its work on privately owned land in line with its cross-tenure intent

Saving our Species was designed to deliver conservation management actions at priority sites across different land tenures, including both public land such as national parks, Crown land, reserves, and privately-owned or freehold land. According to DCCEEW, a 'cross-tenure approach is essential for threatened species conservation' because at least one-quarter of threatened species are primarily located on freehold land. A cross-tenure approach enables conservation actions to target threatened species and ecological communities where they occur.

Saving our Species site selection (which occurs during the development of the conservation strategy) is intended to be 'tenure blind' and is based on factors such as the importance of a particular location to the security of the species, and the threats at that location. The selected site boundaries may be entirely on public or private land, or on a mix of both. However, the Saving our Species technical report states that the 'feasibility of management' should be considered in the selection of management sites and 'sites on public land will be more feasible and less costly to secure than those on private land'. Furthermore, sites on national park estate are afforded more regulatory protections under the *National Parks and Wildlife Act 1974*, and may also benefit from the National Parks and Wildlife Service's general land management activities. As a result, a higher number of priority sites are located in the national park estate (64%), with relatively fewer (around 17%) located wholly or partly on privately owned land.

The Biodiversity Conservation Trust delivers private land conservation programs and supports landholders to conserve biodiversity. The Biodiversity Conservation Trust has reported that its programs are aligned with threatened species programs such as Saving our Species and the NSW Koala Strategy. According to Saving our Species data, there are around 600 priority sites that overlap with a Biodiversity Conservation Trust land conservation agreement. There are opportunities for DCCEEW to work more strategically with the Biodiversity Conservation Trust, for example, in relation to the delivery of its biodiversity conservation investment strategy, and the delivery of the Biodiversity Conservation Trust's conservation management program which provides landholders with support to manage land in accordance with conservation agreements.

DCCEEW has made recent efforts to increase coordination between the work of the Biodiversity Conservation Trust and Saving our Species. For example, a Memorandum of Understanding between the entities was signed in April 2024. This arrangement is designed to facilitate the funding and delivery of conservation actions for priority species to meet the Biodiversity Conservation Trust's offset obligations. There are opportunities to expand DCCEEW's strategic engagement with the Biodiversity Conservation Trust to strengthen regional alignment between Saving our Species priority sites and investment priorities for conservation agreements.

Section two

Appendices

Appendix one – Response from agency

Response from Department of Climate Change, Energy, the Environment and Water



Department of Climate Change, Energy, the Environment and Water

R014-514572727-4259
ED24/94

Mr Bola Oyetunji
Auditor-General for New South Wales
GPO Box 12
SYDNEY NSW 2001

By email: mail@audit.nsw.gov.au;

Dear Mr Oyetunji

Thank you for the opportunity to respond to the Performance Audit – Threatened Species and ecological communities.

I welcome the report's findings and recommendations. The audit recommendations will contribute to improving the Department of Climate Change, Energy, the Environment and Water's performance in delivering outcomes to support threatened species and ecological communities.

Enclosed is a copy of the department's response to the report's recommendations. The department is supportive of all recommendations.

On 17 July 2024, the NSW Government released the NSW Plan for Nature, which is the response to the statutory reviews of the *Biodiversity Conservation Act 2016* and the *Local Land Services Act 2013*. The NSW Plan for Nature recognises that additional effort must be directed into proactive landscape-scale biodiversity protection, restoration and management. Timeframes for specific actions within the NSW Plan for Nature are being determined. As such, recommendations three to five may not be delivered by the specified timeframes.

I thank the audit team for the significant work they have undertaken and their professional and collaborative approach to working with the department. If you have any further questions, please contact Ms Mia Garrido, Executive Director, Office of the Secretary, on _____ or at _____

Yours sincerely

A handwritten signature in black ink, appearing to read 'Anthony Lean'.

Anthony Lean
Secretary

13 August 2024

Enclosure

cc: The Hon Penny Sharpe MLC
The Hon Daniel Mookhey MLC

Audit recommendations: Department of Climate Change, Energy, the Environment and Water response

Recommendation	Response	Further information
<p>By February 2025, to address gaps in the Saving our Species program, the Department of Climate Change, Energy, Environment and Water should:</p> <p>1. ensure compliance with legislation relating to:</p> <ul style="list-style-type: none"> a) public reporting on the five-year review of the outcomes and effectiveness of Saving our Species b) development of a program-level framework to document the rationale and priorities for implementing Saving our Species strategies and allocating funding across all management streams c) development of Saving our Species conservation strategies within two years of listing of threatened species or ecological communities. 	Support	<p>The Department of Climate Change, Energy, the Environment and Water (DCCEEW) has been working to address gaps in the Saving our Species program and ensure compliance with legislative requirements under the <i>Biodiversity Conservation Act 2016</i>.</p> <p>The five-year review of the program will be published on DCCEEW's website in 2024. This review report should be read in conjunction with the independent review report of the <i>Biodiversity Conservation Act 2016</i> and the NSW Government's response to that report, NSW Plan for Nature. Both documents recommend improvements to the program.</p> <p>The 'Saving our Species: a framework for setting priorities' is now published on DCCEEW's website. This report fulfils the program's legislative requirements under section 4.36(1)(b) of the <i>Biodiversity Conservation Act 2016</i>. This requirement was previously met through the Saving our Species Technical report and management stream frameworks.</p> <p>DCCEEW is working to finalise Saving our Species conservation strategies for all listed entities. As at July 2024, strategies have been adopted for 1058 entities, including 128 strategies adopted in July from public exhibitions in April and May 2024. DCCEEW is transitioning some strategies made under the <i>Threatened Species Conservation Act 1995</i> and the remaining 32 Priorities Action Statement strategies are planned to be adopted before February 2025.</p>
<p>By February 2025, to address gaps in the Saving our Species program, the Department of Climate Change, Energy, Environment and Water should:</p>	Support	<p>Core Saving our Species program documentation such as the 'Saving our Species Implementation Plan 2021-2026' and the 'Saving our Species: a framework for setting priorities' are now finalised and being implemented.</p> <p>DCCEEW will develop a program business continuity plan, including consideration of climate-related risks. Considerable work is underway</p>

Recommendation	Response	Further information
<p>2. strengthen Saving our Species program governance and oversight to:</p> <ul style="list-style-type: none"> a) ensure that core program documentation is prepared, finalised and implemented in a timely manner b) ensure identified gaps in program risk management are addressed with respect to climate-related risks and developing a program business continuity plan c) resolve program interdependency risks and improve alignment between DCCEEW programs. 		<p>that will inform the integration of climate-related risk into threatened species recovery planning. The impacts of climate change on species and ecosystems will also be considered in developing a new NSW Nature Strategy.</p> <p>DCCEEW recognises the need to address program interdependencies and is working to improve alignment of DCCEEW threatened species programs, including alignment of programs across different land tenures to achieve long-term, sustainable nature repair.</p>
<p>By February 2025, to address gaps in the Saving our Species program, the Department of Climate Change, Energy, Environment and Water should:</p> <p>3. develop a plan for Saving our Species to address risks associated with incomplete or out of date conservation strategies, as well as identifying trigger points for species not under management or those exposed to new threats.</p>	Support	<p>By February 2025, DCCEEW will complete conservation strategies for all entities listed prior to February 2023. This includes updating 32 strategies made under the previous legislation.</p> <p>DCCEEW recognises the need to strengthen processes to identify trigger points for assessing the need for a conservation strategy or review to address new threats. Under the NSW Plan for Nature, DCCEEW will improve reporting on the status and trajectory of listed entities. This reporting will help inform conservation planning.</p> <p>The NSW Government has set an ambitious agenda to significantly improve environmental outcomes for the benefit of current and future generations. Timeframes for specific actions within the NSW Plan for Nature are being determined. As such, the recommendation is supported but it may not be delivered by February 2025.</p>
<p>By August 2025, to improve departmental coordination for the delivery of threatened species outcomes, the Department of</p>	Support	<p>DCCEEW recognises the need to support coordination and alignment of threatened species efforts across DCCEEW and the NSW Government as a whole.</p>

Recommendation	Response	Further information
<p>Climate Change, Energy, Environment and Water should:</p> <p>4. develop and start to implement a long-term framework seeking to coordinate and align threatened species efforts across DCCEEW. This framework should:</p> <ul style="list-style-type: none"> a. formalise a shared goal and principles of alignment across programs, and articulate the role of each program/activity in relation to an overall goal b. establish and formalise associated governance to deliver the framework c. establish data governance and performance frameworks to support consolidation of data and performance information across programs d. evaluate options for information sharing to collate relevant actions and priorities of other entities delivering threatened species activities. <p>5. expand activities to improve coordination of DCCEEW's programs with other parts of government delivering activities that impact on outcomes for threatened species and ecological communities.</p>		<p>As part of the DCCEEW Strategic Plan, DCCEEW will shortly commence work to explore the feasibility of a landscape-based investment framework to protect and restore biodiversity.</p> <p>Under the NSW Plan for Nature, key priorities include developing and implementing a NSW Nature Strategy, improving species and ecosystem programs, and improving and upgrading biodiversity data gathering and management.</p> <p>The implementation of the NSW Plan for Nature will include processes to improve collaboration and alignment, governance, and information and data sharing.</p> <p>As part of this process, DCCEEW will strengthen formal coordination with other parts of government delivering activities that impact on outcomes for threatened species and ecological communities. As noted above, timeframes for specific actions within the NSW Plan for Nature are being determined. As such, the recommendations are supported but they may not be delivered by August 2025.</p>

Appendix two – Legislative and regulatory provisions relevant to threatened species

Legislation or regulation	DCCEEW functions relevant to threatened species
Core functions	
<i>Biodiversity Conservation Act 2016</i>	<p>The BC Act establishes the Threatened Species Scientific Committee responsible for listing of threatened species and ecological communities, extinct species and ecological communities, and key threatening processes (Part 4, Division 7). DCCEEW provides administrative support to the Committee.</p> <p>DCCEEW has responsibility for the Biodiversity Conservation Program (known as Saving our Species) which aims to maximise the security of threatened species and ecological communities in the wild (Part 4, Division 6).</p> <p>The Minister may declare any area in the State to be an area of outstanding biodiversity value (Part 3). DCCEEW supports the Minister to exercise this function.</p> <p>The BC Act establishes the Biodiversity Conservation Offsets Scheme, administered by DCCEEW, and the Biodiversity Conservation Investment Strategy, prepared by DCCEEW on behalf of the Minister (Part 5). It also establishes the Biodiversity Conservation Trust as a separate statutory body to deliver private land conservation.</p> <p>DCCEEW must provide development applicants with its requirements for a threatened species impact statement (following development of a biodiversity development assessment report), where the proposed development activities are likely to affect threatened species (Section 7.20).</p>
<i>National Parks and Wildlife Act 1974</i>	<p>The National Parks and Wildlife Service has the responsibility to carry out works and activities including the conservation and protection of wildlife (including threatened species, populations and ecological communities, and their habitats) (Part 2, Section 12).</p> <p>The Minister may obtain land for reservation for conservation of threatened species, populations or ecological communities, or their habitats (Part 11, Section 145). The National Parks and Wildlife Service leads a land acquisition program to establish new parks and add to the existing reserves.</p> <p>The Minister may declare land reserved under this Act as an asset of intergenerational significance if it has environmental or cultural values of intergenerational significance (Part 12A). DCCEEW supports the Minister to exercise this function.</p>
<i>Environmental Trust Act 1998</i>	<p>This Act establishes the NSW Environmental Trust, a grant funding body chaired by the Minister for the Environment. DCCEEW supports the administration of NSW Environmental Trust grant programs and funding.</p>
<i>Marine Estate Management Act, 2014</i>	<p>This Act establishes the Marine Estate Management Authority, comprising four NSW Government agencies including DCCEEW with responsibility for managing the marine estate. The Authority is delivering the Marine Estate Management Strategy 2018–2028, and DCCEEW has responsibility for delivering Initiative five which relates to impacts on threatened species.</p>

Legislation or regulation

DCCEEW functions relevant to threatened species

Regulatory functions

Biodiversity Conservation Act 2016

DCCEEW may grant a biodiversity conservation licence that authorises acts that would otherwise constitute an offence (including impact on animals or plants that are of a threatened species or threatened ecological community) (Part 2).

DCCEEW has regulatory compliance mechanisms including stop work orders, interim protection orders, remediation orders and directions relating to protected animals and threatened species to respond to contraventions of the BC Act and native vegetation legislation (Part 11).

DCCEEW has responsibility for a program for the collection, monitoring and assessment of information on the status and trends of biodiversity (Part 14).

Biodiversity Conservation Regulation 2017

The Minister may enter into a joint management agreement with other public authorities for the management or control of any action that is jeopardising the survival of a threatened species or threatened ecological community (Division 2.2, Section 2.25). DCCEEW supports the Minister to exercise this function.

National Parks and Wildlife Regulation 2019

The Secretary of DCCEEW must ensure that conservation activities for land declared an Asset of Intergenerational Significance are carried out in accordance with the approved conservation action plan (Part 7A, Section 78G).

Advisory functions

Environmental Planning and Assessment Act 1979

DCCEEW must be consulted before an environmental planning instrument is made that may adversely impact critical habitat, threatened species, populations or ecological communities, or their habitats (*Environmental Planning and Assessment Act 1979*, Section 3.25).

Crown Land Management Act, 2016

DCCEEW must provide advice on applications to remove conservation restrictions on former Crown lands that are in close proximity to national parks or wilderness reserves, under the *Crown Land Management Act 2016* (Section 5.57 (6)).

Climate Change (net zero future) Act 2023

DCCEEW has responsibility for delivering climate change strategies and plans. The Climate Change Act specifies that action to address climate change should take into account the need to reduce the risk climate change poses to the survival of all species and actions should consider the impact on animals (Part 2, Section 8).

Source: Audit Office of New South Wales analysis.

Appendix three – Programs and activities relevant to threatened species

Targets and reporting mechanisms for threatened species programs

Program	Targets	Reporting mechanisms
Saving our Species	<p>Number of threatened species and ecological communities under effective management.</p> <p>Number of threatened species and ecological communities on track to be secure in the wild.</p>	<p>State outcome indicators – quarterly.</p> <p>Annual program report – not published since 2021–22.</p>
National Parks and Wildlife Service's Threatened Species Framework	<p>Number of species with stable or improving populations on park.</p> <p>Number of species for which there is effective implementation of conservation action plan actions.</p> <p>Number of feral predator free areas established and maintained.</p> <p>Number of reintroduced species listed as extinct in New South Wales.</p> <p>Removal of species from the threatened species list.</p>	<p>Annual program report – not yet published.</p> <p>The first report from the National Parks and Wildlife Service's associated Ecological Health Performance Scorecard program was published in July 2024.</p>
NSW Koala strategy	<p>Koala habitat conserved and protected.</p> <p>Improving the safety and health of koalas.</p> <p>Supporting local communities to conserve koalas.</p> <p>Building knowledge of koalas.</p>	<p>Annual program report.</p>
Marine Estate Management Strategy	<p>No targets but has identified actions and deliverables.</p>	<p>Tri-annual reporting of deliverables– to Marine Estate Management Authority.</p> <p>Annual program report.</p>
Biodiversity Conservation Trust	<p>Number of hectares managed for conservation (private land).</p> <p>Number of under-represented landscapes protected.</p>	<p>State outcome indicators – quarterly.</p> <p>Annual program report.</p>
NSW Environmental Trust grants	<p>No targets but has identified priorities for funding.</p>	<p>Entity annual report lists grants awarded.</p> <p>Evaluations of major projects published on website.</p> <p>No public reporting on other grants outcomes.</p>
Areas of Outstanding Biodiversity Value	<p>None specified.</p>	<p>None.</p>

Source: Audit Office of New South Wales analysis.

Appendix four – Comparison of statutory provisions for the conservation of threatened species

Legislative provisions	Biodiversity Conservation Program (Saving our Species)	Areas of Outstanding Biodiversity Value	Assets of Intergenerational Significance
Objective	<p>The program's objectives are:</p> <ul style="list-style-type: none"> to maximise the long-term security of threatened species and threatened ecological communities in nature to minimise the impacts of key threatening processes on biodiversity and ecological integrity. 	<p>An area may be declared if the Minister is of the opinion that the area is important at a state, national or global scale and makes a significant contribution to multiple species or at least one threatened species or ecological community, irreplaceable biological distinctiveness, ecological processes or ecological integrity, outstanding ecological value for education or scientific research.</p>	<p>The Minister may declare land that is reserved as an environmental or cultural asset of intergenerational significance.</p>
Conservation requirements	<p>The program is to consist of:</p> <ul style="list-style-type: none"> strategies to achieve the objectives of the program in relation to each threatened species and threatened ecological community a process for monitoring and reporting on overall outcomes and effectiveness of the program strategies to minimise the impacts of key threatening processes may be included but are not required. 	<p>The Minister to take reasonable steps to enter into a private land conservation agreement.</p>	<p>The Secretary must prepare a conservation action plan for declared land, which must include:</p> <ul style="list-style-type: none"> the values of the land and the key risks to the environmental and cultural values conservation actions required to control, abate or mitigate the key risks and maintain, remediate or restore the values of the land the requirements for measuring and reporting on the health and condition of the values of the land.

Legislative provisions	Biodiversity Conservation Program (Saving our Species)	Areas of Outstanding Biodiversity Value	Assets of Intergenerational Significance
Enforcement	None specified.	Fines apply for prohibited activities.	<p>A person must not interfere with, harm or disturb an environmental or cultural value of land that is declared land.</p> <p>The Secretary must ensure the conservation activities for declared land are carried out in accordance with the conservation action plan.</p>

Source: Audit Office of New South Wales analysis of *Biodiversity Conservation Act 2016* and *National Parks and Wildlife Act 1974*.

Appendix five – About the audit

Audit objective

This audit assessed whether the Department of Climate Change, Energy, the Environment and Water has effectively delivered outcomes to support threatened species and ecological communities across New South Wales.

For the purpose of this audit, ‘threatened species and ecological communities’ includes those listed under Schedules 1 and 2 of the *Biodiversity Conservation Act 2016*.

Audit criteria

We addressed the audit objective by assessing whether DCCEEW has:

1. implemented an effective long-term plan to deliver positive outcomes for threatened species and ecological communities.
2. delivered a statutory Biodiversity Conservation Program that contributes to positive outcomes for threatened species and ecological communities.

Audit scope and focus

In assessing the criteria, we checked the following aspects:

1. Has DCCEEW implemented an effective long-term plan to deliver positive outcomes for threatened species and ecological communities?
 - a) DCCEEW has developed a long-term plan with clear objectives and outcomes for its approach, defined roles and responsibilities and integrated with other government priorities for threatened species and ecological communities.
 - b) DCCEEW has analysed and provided advice to government on the resources required to achieve expected outcomes and maximise impact of its approach.
 - c) DCCEEW coordinates its approach with other activities across the department and across government that impact on the delivery of outcomes.
 - d) DCCEEW coordinates with communities and other stakeholders to plan its activities.
 - e) DCCEEW evaluates and reports on the progress of its activities and approach and uses this to inform long-term strategic planning.
2. Has DCCEEW delivered a statutory Biodiversity Conservation Program that contributes to positive outcomes for threatened species and ecological communities?
 - a) DCCEEW develops and implements its program plans and delivery arrangements consistent with identified priorities.
 - b) DCCEEW monitors and reports on the contribution of this program to threatened species outcomes at a statewide level.
 - c) DCCEEW has mechanisms to respond to program risks, opportunities and dependencies.
 - d) DCCEEW has implemented arrangements to maximise impact between this program and related activities.

This audit focused on the planning and coordination of biodiversity conservation activities to deliver positive outcomes for threatened species and ecological communities at risk of extinction.

Audit exclusions

The audit did not examine:

- The common assessment method and listing criteria used to determine if a species or ecological community is threatened under the *Biodiversity Conservation Act 2016*.
- The compliance and enforcement powers under the *Biodiversity Conservation Act 2016*.
- The design of the Biodiversity Offsets Scheme.
- The operating merits of planning instruments such as the State Environment Planning Policy (Biodiversity and Conservation) 2021 and biodiversity assessment and approval under the *Environmental Planning and Assessment Act 1979*.
- The merits of policy decisions regarding land clearing and regulation of native forestry.
- Conservation programs for threatened fish and marine plans protected under the *Fisheries Management Act 1994*, except to consider relevant governance or coordination with terrestrial threatened species activities.
- Threat abatement strategies of the Department of Primary Industries, except to consider relevant governance or coordination with terrestrial threatened species activities.
- The threatened species recovery activities of Local Land Services under the Commonwealth's Natural Heritage Trust funding program, except to consider relevant governance or coordination with DCCEE's threatened species activities.

The audit did not question the merits of government policy objectives.

Audit approach

Our procedures included:

1. Interviewing:
 - Relevant Department of Climate Change, Energy, the Environment and Water staff.
 - Staff from state government entities that are responsible for managing key threats and delivering conservation actions.
 - Sector stakeholders and subject matter experts.
2. Examining a range of documents held by the Department, including documents about:
 - a) Strategic planning
 - b) Governance and reporting arrangements
 - c) Resourcing allocations, budgets and business cases
 - d) Risk and dependency management
 - e) Communications and engagement activities
 - f) Case studies
 - g) Stakeholder submissions.
3. Examining data from the Saving our Species database.

The audit approach was complemented by quality assurance processes within the Audit Office of New South Wales to ensure compliance with professional standards.

Audit methodology

Our performance audit methodology is designed to satisfy Australian Auditing Standard ASAE 3500 Performance Engagements and other professional standards. The standards require the audit team to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance and draw a conclusion on the audit objective. Our processes have also been designed to comply with requirements specified in the *Government Sector Audit Act 1983* and the *Local Government Act 1993*.

Acknowledgements

We gratefully acknowledge the cooperation and assistance provided by the Department of Climate Change, Energy, Environment and Water. In particular, we wish to thank the audit liaison officers, and the staff from DCCEEW who participated in audit interviews and provided materials relevant to the audit. We are also grateful to the range of stakeholders who contributed time and expertise to the audit.

Audit cost

The estimated cost of the audit is approximately \$555,000.

Appendix six – Performance auditing

What are performance audits?

Performance audits assess whether the activities of State or local government entities are being carried out effectively, economically, efficiently and in compliance with relevant laws.

The activities examined by a performance audit may include a government program, all or part of an audited entity, or more than one entity. They can also consider particular issues which affect the whole public sector and/or the whole local government sector. They cannot question the merits of government policy objectives.

The Auditor-General's mandate to undertake audits is set out in the *Government Sector Audit Act 1983* for state government entities, and in the *Local Government Act 1993* for local government entities. This mandate includes audit of non-government sector entities where these entities have received money or other resources, (whether directly or indirectly) from or on behalf of a government entity for a particular purpose (follow-the-dollar).

Why do we conduct performance audits?

Performance audits provide independent assurance to the NSW Parliament and the public.

Through their recommendations, performance audits seek to improve the value for money the community receives from government services.

Performance audits are selected at the discretion of the Auditor-General who seeks input from parliamentarians, State and local government entities, other interested stakeholders and Audit Office research.

How are performance audits selected?

When selecting and scoping topics, we aim to choose topics that reflect the interests of parliament in holding the government to account. Performance audits are selected at the discretion of the Auditor-General based on our own research, suggestions from the public, and consultation with parliamentarians, agency heads and key government stakeholders. Our three-year performance audit program is published on the website and is reviewed annually to ensure it continues to address significant issues of interest to parliament, aligns with government priorities, and reflects contemporary thinking on public sector management. Our program is sufficiently flexible to allow us to respond readily to any emerging issues.

What happens during the phases of a performance audit?

Performance audits have three key phases: planning, fieldwork and report writing.

During the planning phase, the audit team develops an understanding of the audit topic and responsible entities and defines the objective and scope of the audit.

The planning phase also identifies the audit criteria. These are standards of performance against which the audited entity, program or activities are assessed. Criteria may be based on relevant legislation, internal policies and procedures, industry standards, best practice, government targets, benchmarks or published guidelines.

During the fieldwork phase, audit teams will require access to books, records, or any documentation that are deemed necessary in the conduct of the audit, including confidential information which is either Cabinet information within the meaning of the *Government Information (Public Access) Act 2009*, or information that could be subject to a claim of privilege by the State or a public official in a court of law. Confidential information will not be disclosed, unless authorised by the Auditor-General.

At the completion of fieldwork, the audit team meets with management representatives to discuss all significant matters arising out of the audit. Following this, a draft performance audit report is prepared.

The audit team then meets with management representatives to check that facts presented in the draft report are accurate and to seek input in developing practical recommendations on areas of improvement.

A final report is then provided to the accountable authority of the audited entity(ies) who will be invited to formally respond to the report. If the audit includes a follow-the-dollar component, the final report will also be provided to the governing body of the relevant entity. The report presented to the NSW Parliament includes any response from the accountable authority of the audited entity. The relevant Minister and the Treasurer are also provided with a copy of the final report for State Government entities. For local government entities, the Secretary of the Department of Planning and Environment, the Minister for Local Government and other responsible Ministers will also be provided with a copy of the report. In performance audits that involve multiple entities, there may be responses from more than one audited entity or from a nominated coordinating entity.

Who checks to see if recommendations have been implemented?

After the report is presented to the NSW Parliament, it is usual for the entity's Audit and Risk Committee / Audit Risk and Improvement Committee to monitor progress with the implementation of recommendations.

In addition, it is the practice of NSW Parliament's Public Accounts Committee to conduct reviews or hold inquiries into matters raised in performance audit reports. The reviews and inquiries are usually held 12 months after the report received by the NSW Parliament. These reports are available on the NSW Parliament website.

Who audits the auditors?

Our performance audits are subject to internal and external quality reviews against relevant Australian standards.

The Public Accounts Committee appoints an independent reviewer to report on compliance with auditing practices and standards every four years. The reviewer's report is presented to the NSW Parliament and available on its website.

Periodic peer reviews by other Audit Offices test our activities against relevant standards and better practice.

Each audit is subject to internal review prior to its release.

Who pays for performance audits?

No fee is charged to entities for performance audits. Our performance audit services are funded by the NSW Parliament.

Further information and copies of reports

For further information, including copies of performance audit reports and a list of audits currently in-progress, please see our website www.audit.nsw.gov.au or contact us on 9275 7100.

OUR VISION

Our insights inform and challenge government to improve outcomes for citizens.

OUR PURPOSE

To help Parliament hold government accountable for its use of public resources.

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