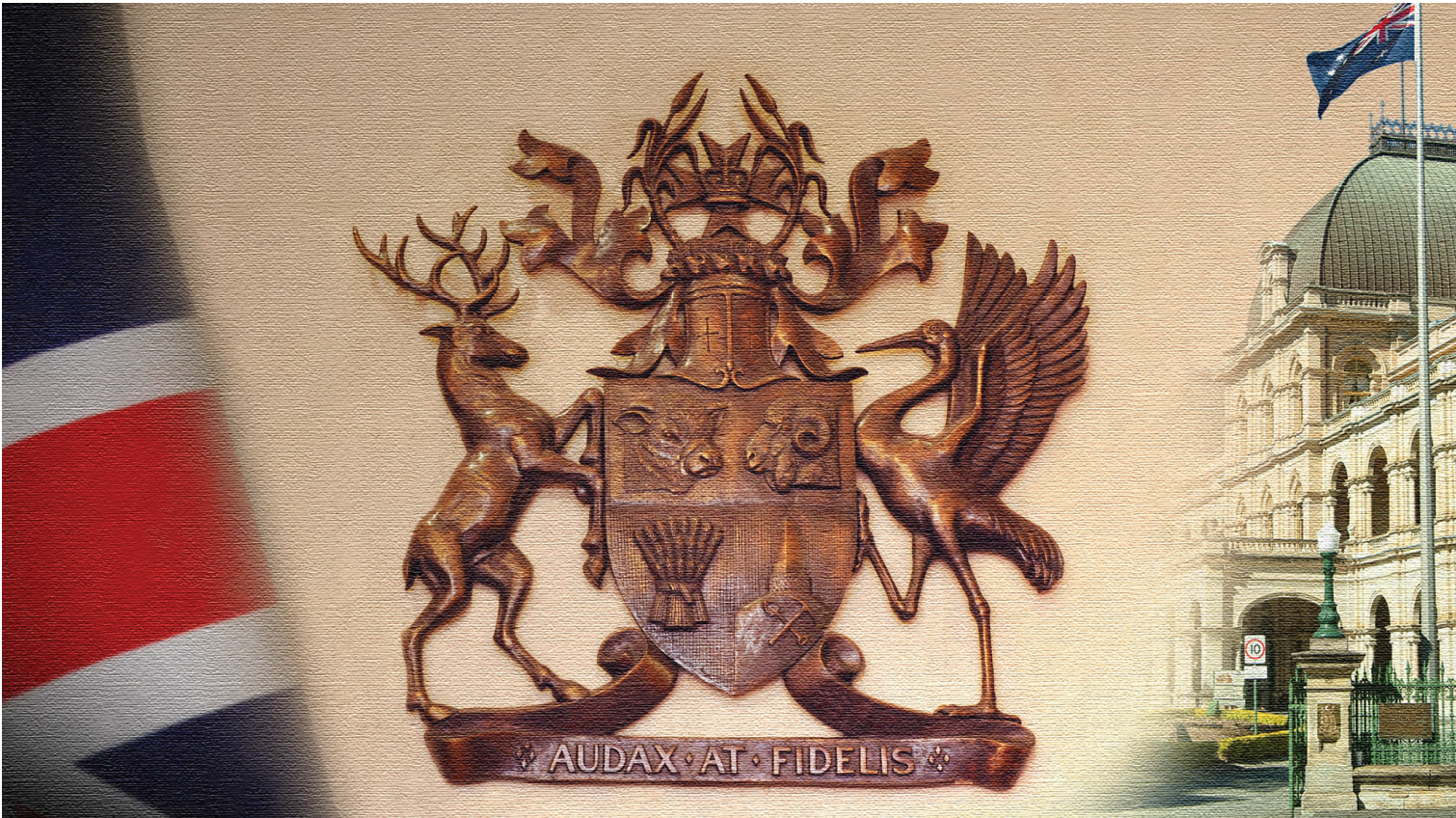


Auditor-General of Queensland



Performance Management Systems audit

Report to Parliament No. 7 for 2011
National Partnership Agreement for Natural
Disaster Reconstruction and Recovery

Auditor-General of Queensland

Performance Management Systems audit

Report to Parliament No. 7 for 2011

National Partnership Agreement for Natural
Disaster Reconstruction and Recovery

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ISSN 1834-1128

Publications are available at www.qao.qld.gov.au or by phone on 07 3149 6000.

Auditor-General of Queensland

September 2011

The Honourable R J Mickel MP
Speaker of the Legislative Assembly
Parliament House
BRISBANE QLD 4000

Dear Mr Speaker

This report is prepared under Part 3 Division 3 of the *Auditor-General Act 2009*, and is titled National Partnership Agreement for Natural Disaster Reconstruction and Recovery. It is number seven in the series of Auditor-General Reports to Parliament for 2011.

In accordance with s.67 of the Act, would you please arrange for the report to be tabled in the Legislative Assembly.

Yours sincerely



Glenn Poole
Auditor-General



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Executive summary

Audit overview

The National Partnership Agreement for Natural Disaster Reconstruction and Recovery (the Agreement) was signed on 24 February 2011. The Agreement responds to significant damage sustained throughout Queensland and contributes to the reconstruction and recovery of communities affected by the natural disasters.¹

The damage bill is estimated at \$6.8 billion.² To address the immense task of rebuilding Queensland, the State Government created a statutory body, the Queensland Reconstruction Authority (the Authority), to coordinate and oversee recovery and reconstruction efforts statewide.

This audit assessed whether the State of Queensland has systems in place to ensure it is fulfilling its role and complying with the requirements as outlined in the Agreement.

I considered it beneficial to conduct a Performance Management Systems audit within the 'recovery phase,' the first six months of operation of the Authority. My aim was to provide a level of assurance to the Queensland Parliament and public about the State's systems in place to deliver the funding and services to the community as provided for in the Agreement. The Commonwealth Government also has significant interest in ensuring that its funding contribution is effectively utilised.

The Authority's operational phases are illustrated in the Figure A below.

Figure A – Operational phases



Source: Queensland Reconstruction Authority, June Monthly Report, page 8.

The timing of the audit provides an independent assessment of developing policies and procedures and ensures early identification of any system weaknesses. System improvements or enhancements can therefore be made as the Authority moves into the next phases of reconstruction and transition.

The disadvantage of an early audit is that systems are still being developed and put into place. This does not always allow for tested conclusions against maturing processes, and therefore further audit activity will be undertaken at a later stage.

¹ Natural disasters eligible for relief measures under Natural Disaster Relief and Recovery Arrangements are; Queensland Flooding and Tropical Cyclones Tasha and Anthony, November 2010 to February 2011, Severe Tropical Cyclone Yasi on 2 February 2011, Queensland Monsoonal Flooding Event on 28 February 2011 and South-West Flooding, April 2011.

² Queensland Reconstruction Authority, *Queensland State Budget 2011-12, Operation Queenslander – Rebuilding Queensland after the natural disasters of the summer of 2010-11*, June 2011, page 2.

Audit conclusion

Overall, I found that the Authority has designed and implemented appropriate systems and processes to address the requirements of the Agreement.

The urgency and tight timeframes for establishing the Authority and the expected large number of individual project submissions, meant that prompt action and some ingenuity had to be applied. The Authority has been able to rapidly set up its functions through a variety of means, including the use of established policies and procedures from organisations with similar functions.

I found a positive and motivated workforce in the Authority with the skills and experience to provide a high quality assessment of the submissions received from local governments, state departments and agencies.

Key findings

Governance

Overall, the governance arrangements directing the operations of the Authority and the Queensland Reconstruction Board are well-grounded in legislation and the Agreement. The Authority has been able to rapidly activate its functions through a variety of means, including the use of established policies and procedures from organisations with like functions, such as the Department of the Premier and Cabinet and Emergency Management Queensland. The early establishment of these policies, together with a suite of documents outlining roles and responsibilities, has provided a solid base and comprehensive source of information to guide staff. The Agreement requires good, open lines of communication and information sharing. This is achieved through the established governance arrangements.

Planning

The extent of the 2010-11 disaster events required a planning effort that combined a range of skills, from planners to engineers. The application of the Military Appreciation Process used in various international disaster recovery efforts allowed an expedient planning process to be developed. This process is discussed further in case study 2A in Section 2 of this report. In addition, the Authority has drawn on expertise from all levels of government to create a matrix of skills and plans that drive the organisation strategically and operationally. To date, the Authority has met key planned milestones while continually improving processes where gaps or roadblocks appear.

Administering funding

Generally, the draft policies and procedures developed by the Authority are adequate and provide good guidance to the officers responsible for processing applications under the Natural Disaster Relief and Recovery Arrangements Determination 2011 (the Determination). The use of highly experienced and skilled officers to process applications ensures a high quality of assessment of applications against the Determination. Value for money documents, available at the time of the audit, appear logical and sufficient to guide officers in a consistent manner for processing

submissions. A suite of checklists, flowcharts, and templates support the policies and procedures. Each stage of the application process is assessed and monitored with adequate sign-off authority prior to the application proceeding to the next stage.

Advance funding of \$894.3m (excluding GST) has been paid to local governments and state departments over ten tranches to assist with emergent works. Against the advance funding issued to 30 June 2011, entities have made 358 applications valued at \$433.3m. This equated to around 6.4% of the State's total estimated repair bill of \$6.8billion.

The Queensland Natural Disaster Recovery Work Plan, which is required to be completed under the Agreement and attached as a Schedule to the Agreement,³ was still outstanding at the time of the audit. Significant work has been undertaken by the Authority in the preparation of the draft Work Plan as outlined in section 2.2.2.

It appears that the level of detail sought by the Commonwealth Department for the claims by individual public sector entities for their projects has evolved from that envisaged at the time of the signing of the Agreement. Negotiations on the content of the Work Plan have delayed its completion.

Building resilience

Building resilience into the rebuilt communities is another critical component of the Agreement. The Authority is responding to the community's needs through good planning and the application of relevant expertise. The diversity of activities, required to cover all aspects of the disasters, has been well-managed. This has been acknowledged by the International Bank for Reconstruction and Development, a part of the World Bank Group, and is discussed further in case study 2B in Section 2 of this report.

Reporting performance

Monitoring and reporting of performance is a key part of the governance of the Authority. The requirements for monitoring and reporting are articulated in all key documents, and embedded in their processes and procedures. The Authority has adopted a centralised reporting structure, which is documented in a reporting framework. Their reporting systems are adequate for their internal and external needs, and are being continually developed to take into account the changing information needs of the Authority and key stakeholders.

Recommendations

I have made some recommendations to assist the Authority further develop its systems, policies and procedures. The Authority applies a process of continuous improvement and has provided me with assurance that these recommendations will be quickly implemented.

³ National Partnership Agreement for Natural Disaster Reconstruction and Recovery, Schedule B Queensland Specific Governance Arrangements for Reconstruction and Recovery, s.B3(b.).

It is recommended that the Queensland Reconstruction Authority:

1. Review and approve the draft organisational policies and procedures, in the areas of human resources, finance, communications and information technology.
2. Develop and implement policies and procedures to ensure the adequate management and security of public records in accordance with the *Public Records Act 2009*.
3. Clarify and communicate the roles of the Lines of Reconstruction sub-committees to the Chairs of each committee.
4. Agree on and finalise the work plan and attach it as a Schedule to the Agreement as required in section 15 of the Agreement.
5. Finalise the value for money policies and procedures, particularly those that take into account the role and responsibilities of the external service providers.
6. Consider extending the suite of internal performance indicators being used as the Authority matures.

Agency response

The Chief Executive Officer of the Queensland Reconstruction Authority provided the following response on 8 September 2011:

The Queensland Reconstruction Authority (the Authority) takes seriously its duty to effectively and efficiently discharge its responsibilities to both the Federal Government and the people of Queensland under the National Partnership Agreement (the Agreement). I would like to thank you for the opportunity to respond to your audit report.

It is pleasing to note that the audit found that the Authority has designed and implemented appropriate systems and process to address the requirement of the Agreement. The Authority has made great achievements in the short timeframe since its establishment in February 2011 and this is due mainly to the input of staff, from a wide variety of organizations. As Chief Executive Officer it is very satisfying that the audit found a positive and motivated workforce in the Authority with the skills and experience to provide a high quality assessment of the submissions received.

In terms of the audit's recommendations, I provide the following update:

1. **Review and approve draft organisational policies and procedures, in the areas of human resources, finance, communications and information technology**

The Authority has approved the draft policies and procedures and undertaken a review of any additional policies and procedures which we may require.

2. **Develop and implement policies and procedures to ensure the adequate management and security of public records in accordance with the *Public Records Act 2009***

The Authority's Records Manager commenced on 19 July 2011 and has developed a Records Management policy.

3. Clarify and communicate the roles of the Lines of Reconstruction sub-committees to the Chairs of each committee

I have written to the Chairs of the relevant sub-committees and requested that they ensure that their roles as set out in their Terms of Reference are similar to those in the Authority's State and Implementation Plans.

4. Agree on and finalise the work plan and attach it as a Schedule to the Agreement as required in section 15 of the Agreement

The Authority has been waiting on the Minister for Regional Australia, Regional Development and Local Government's approval of the final draft wording for the Natural Disaster Recovery Work Plan. We received official correspondence on 5 September 2011 that the Minister approved the wording for the Work Plan.

5. Finalise the value for money policies and procedures, particularly those that take into account the role and responsibilities of the external service providers

The policies and procedures have been finalised.

6. Consider extending the suite of internal performance indicators being used as the Authority matures

The Authority has developed a number of performance indicators for both internal and external reporting purposes. We have a dedicated reporting section that continually improves our reporting indicators as the information we have expands and matures.

I look forward to working with QAO throughout the next two years to ensure that the Authority continues to have the process and procedures in place to effectively and efficiently discharge its responsibilities to both the Federal Government and the people of Queensland.

1 | Audit outline

1.1 Background

The summer of 2010-11 saw unprecedented devastation throughout Queensland following a series of cyclones and flooding events. By 11 March 2011, all of Queensland's 73 local government areas were declared affected by the natural disaster events.

In response to the scale of devastation caused, the Commonwealth Government committed \$2.05 billion of advance funding to assist initial recovery efforts. This commitment is a provision of the National Partnership Agreement for Natural Disaster Reconstruction and Recovery (the Agreement) signed by the State and Commonwealth Governments.

The Agreement is based on existing Natural Disaster Relief and Recovery Arrangements (NDRRA) and is designed to further strengthen and complement the NDRRA governance and accountability provisions through:

- Pre-determined objectives and outcomes.
- Collaborative governance arrangements between the Commonwealth and State.
- Clarification of each government's roles and responsibilities.
- Monitoring, reporting and auditing arrangements.

The Agreement stipulates the arrangements between both governments in relation to financial assistance for recovery and reconstruction efforts. Under the Agreement and NDRRA, the Commonwealth Government funds up to 75 per cent of eligible costs⁴ through grant and loan assistance to disaster affected community members, small businesses, primary producers, local governments, state departments and agencies.

To address the immense task of rebuilding Queensland, the State Government created a statutory body, the Queensland Reconstruction Authority (the Authority), to coordinate and oversee recovery and reconstruction efforts statewide. A snapshot of the Authority is included in Appendix 3.9.

The Authority was established under the *Queensland Reconstruction Authority Act 2011* (the Act) which was passed by the Queensland Parliament on 21 February 2011. The Authority will exist for the duration of the Act, which is to expire 2 years from the Act's assent.

A key function of the Authority is to prioritise community infrastructure and services needed for the protection, rebuilding and recovery of affected communities.⁵

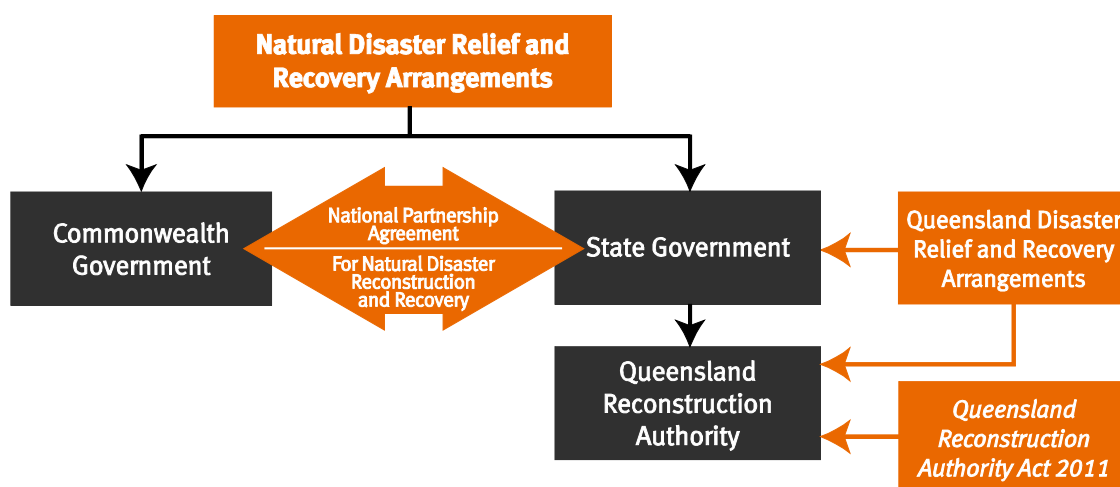
The Authority is also responsible for administering the requirements of the NDRRA, Queensland Disaster Relief and Recovery Arrangements and Queensland specific governance arrangements for reconstruction and recovery.

⁴ Premier and Minister for Reconstruction, Ministerial Media Statement: *Operation Queenlander – \$6.8 Billion to build it back better*, 14 June 2011.

⁵ *Queensland Reconstruction Authority Act 2011*, s.10 (1)(a).

Figure 1A outlines the relationships between key stakeholders and agreements.

Figure 1A – Key stakeholders and agreements



1.2 Audit objective

The objective of the audit was to determine whether the State of Queensland has systems in place to fulfil its roles and responsibilities under the National Partnership Agreement for Natural Disaster Reconstruction and Recovery, for the reconstruction and recovery of communities affected by the declared natural disaster events of 2010-11.

1.3 Scope

The scope of this audit was confined to the Agreement which stipulates the terms and conditions relating to Commonwealth funding. It is noted that as the appointed body for directing the rebuilding of Queensland's essential public assets, the Authority has been tasked with ensuring the conditions of the Agreement are met. This includes a number of roles and responsibilities that the State is directly accountable for, specifically:

- Developing the Schedules to the Agreement in consultation with the Commonwealth.
- Providing relevant information and documentation to the Commonwealth necessary to track the use of NDRRA funding from its source to the point of final expenditure and/or final recipient.
- Delivering on outcomes and outputs assigned to the State for implementation.
- Monitoring and assessing performance in the delivery of activities under the Agreement.⁶

⁶ National Partnership Agreement for Natural Disaster Reconstruction and Recovery, s.21, page 5.

Audit field work was conducted during 'Phase One: recovery,' the first phase of Operation Queensland, the Authority's strategic roadmap (refer Appendix 3.12). This phase spanned from January to June 2011 and saw the establishment of the Authority and the transition from immediate post-disaster response operations to short-term recovery operations.⁷

1.4 Exclusions

The audit did not look at the systems within government departments nor local governments that are recipients of NDRRA funding. The audit excluded all non-NDRRA assistance schemes, such as the Premier's Disaster Relief Appeal which is limited to making payments to eligible individuals affected by the natural disasters.

⁷ Queensland Reconstruction Authority, *Operation Queensland, The State Community, Economic and Environmental Recovery and Reconstruction Plan 2011–2013*, March 2011, page 15.

2 | Audit findings

Summary

Background

This audit examined the Queensland Reconstruction Authority's (the Authority):

- Governance and reporting frameworks.
- Systems for planning the rebuilding effort and administering funding to eligible recipients.
- Mechanisms for providing support to severely affected communities and local economies, and assisting communities to be more resilient for future disasters.

The findings of these areas are presented throughout this section, along with identified recommendations.

Key findings

- The Authority had good governance arrangements that met the prescribed requirements set out in state legislation and the National Partnership Agreement for Natural Disaster Reconstruction and Recovery (the Agreement).
- The Authority responded swiftly to rebuilding Queensland by adopting the Military Appreciation Process (MAP) to plan statewide recovery and reconstruction tasks.
- The rebuilding effort is guided by a set of plans which provide adequate strategic and operational direction.
- Effective processes for assessing funding submissions' compliance with Natural Disaster Relief and Recovery Arrangements (NDRRA) are in place and are based on established systems used by Emergency Management Queensland. A team of experienced staff accustomed to this system perform the processing.
- The Authority has established funding agreements with local governments and state departments, which outline the terms and conditions and form the basis of the calculation for advanced funding.
- The Authority has adopted a Value for Money Strategy with value for money principles (VfM principles) built into policies and procedures and other strategic documents. Part of the value for money assessment (VfM assessment) function will be outsourced.
- The monitoring and reporting requirements of the Agreement are met through an adequate reporting framework. The Authority continues to develop its suite of reports and performance measures.

2.1 Governance

2.1.1 Policies and procedures

The *Queensland Reconstruction Act 2011* (the Act) requires the Chief Executive Officer, as Accountable Officer, to ensure the Authority performs its functions effectively and efficiently, and outlines the governance requirements for the entity.

In addition, the following State legislation defines governance requirements for public sector agencies:

- The *Financial Accountability Act 2009* sets out the principles in relation to financial management.
- The *Financial and Performance Management Standard 2009* provides detailed governance policy. The Standard relates to agencies' financial management, internal controls, risk management strategies, operational planning, user charging, resource management and annual reports.
- The *Statutory Bodies Financial Arrangements Act 1982* as it applies to statutory bodies.

What we found

Although the Authority was only established in February 2011, it has quickly developed a suite of administrative policies and procedures based on Department of the Premier and Cabinet's policies and procedures. This has proved the most expedient way to establish the Authority, which has a limited life of two years from the date of passing of the Act (21 February 2011).

The Department of the Premier and Cabinet's policies and procedures have been amended to reflect the nature of the Authority. The majority of the administrative policies and procedures are well advanced in the human resource, finance, information technology and communications areas.

The Authority has well-developed operational policies and procedures. These are comprehensive and provide a platform for new and existing staff to utilise in their day to day activity. The policies and procedures demonstrate all the key features of well-designed processes, even at this early stage of the Authority's development. However, the records management policy was not as advanced. It is acknowledged that, at such an early stage of the Authority's development, it may not constitute a high risk. With the expected inflow of applications, this risk could escalate quickly.

In the funding area, the policies and procedures have been drawn from well-established processes used by Emergency Management Queensland which normally administers applications for disaster relief and assistance. This has assisted the Authority to respond quickly to early applications lodged by local governments, for example funding of Counter Disaster Operations and Emergent Works which are activities undertaken immediately after the occurrence of the natural disasters. Refer to Appendix 3.10 for a description of funding categories.

At the time of the audit, most policies and procedures were approaching the final draft stage. Audit observed the draft documents were being used in the conduct of day to day activity, with officers providing feedback to policy writers who then incorporated improvements. The adoption of established policies and procedures reflect a considered and robust approach to efficiently establishing a sound governance framework.

Recommendation

Audit recommends that the Authority:

- 1. Review and approve the draft organisational policies and procedures in the areas of human resources, finance, communications and information technology.**
- 2. Develop and implement policies and procedures to ensure the adequate management and security of public records in accordance with the *Public Records Act 2009*.**

2.1.2 Roles and responsibilities

The Agreement and its schedules, define the roles and responsibilities of the Commonwealth and State Governments, shared responsibilities, expected outcomes and outputs, and reporting arrangements.

The Act prescribes the requirements for the Authority including establishment of the entity, its powers and functions. The Act also outlines proceedings of the Queensland Reconstruction Board (the Board) and discusses key issues such as reporting and disclosure of conflict of interest requirements. The Act confers additional powers on the Authority, such as declaring projects, reconstruction areas and critical infrastructure projects.

What we found

The Authority's key documents meet the requirements of the Agreement and the Act. The Authority has well-developed documentation that outlines the roles and responsibilities for key working units and personnel including organisational charts and principles that guide each unit.

These documents are readily available to staff on the Authority's intranet which was established early in the Authority's planning phase.

Audit noted that, even in the early stages of the Authority, position descriptions for most staff were available, clearly outlining the roles and responsibilities and lines of authority for communicating and reporting purposes.

2.1.3 Communication and external reporting lines

The Agreement emphasises communication between all tiers of government. It requires two Commonwealth representatives to be appointed to the Board of the Authority to ensure good coordination across all tiers of government.⁸ The Agreement also focuses on and outlines the reporting requirements to ensure that relevant information reaches the parties who rely on the data for decision-making.

⁸ National Partnership Agreement for Natural Disaster Reconstruction and Recovery, Schedule B Queensland Specific Governance Arrangements for Reconstruction and Recovery, s.B(4), page 14.

What we found

The Authority maintains a strong emphasis on sharing information and keeping all relevant stakeholders informed. Audit noted that the importance of clear communication and open reporting lines is highlighted in key Authority documents such as policies and procedures.

The early establishment of the reporting framework (Section 2.5), aided in keeping key stakeholders informed of the progress of the Authority in meeting the objectives of the Agreement.

2.2 Planning

2.2.1 State planning

The Agreement identifies the need to ensure that a strategic approach is taken to reconstruction and recovery efforts, incorporating the principles of local input, and leverage of effort across all three tiers of government and the private and not-for-profit sectors.⁹ It also articulates the public's expectation of a higher standard of transparency and assurance that funds are being used appropriately, given the large quantum of Commonwealth funding involved.¹⁰

The Act requires the Authority to properly plan, prepare, coordinate and control development for the protection, rebuilding and recovery of affected communities.¹¹

The Authority's plans, the State Plan and Implementation Plan (refer to the Glossary section of this report), define an advisory role for six sub-committees based on lines of reconstruction activities. The plans further outline how they interact with the Authority. More details on the sub-committee's primary responsibilities are provided in Appendix 3.11.

What we found

Historically, when natural disasters occur in Queensland, assistance is provided to affected areas through the State's disaster management framework which involves all tiers of government working collaboratively. The peak body for overseeing these arrangements is the State Disaster Management Group (SDMG).

In January 2011, prior to the Government's decision to create the Authority, the Premier announced a Queensland Flood Taskforce, headed by Major General Mick Slater, would lead the flood recovery efforts. The taskforce was to be supported by a sub-committee structure already established by the SDMG, where the sub-committees, focusing on reconstruction activities and led by Directors-General of key service-providing departments, would liaise with the community on important issues, and advise the taskforce about priorities and actions needed to rebuild Queensland's damaged areas.

⁹ National Partnership Agreement for Natural Disaster Reconstruction and Recovery, s.3, page 2.

¹⁰ National Partnership Agreement for Natural Disaster Reconstruction and Recovery, s.26, page 6.

¹¹ *Queensland Reconstruction Authority Act 2011*, s.18 (1)(b).

After this announcement by the Premier, several other severe weather disasters occurred. This caused the Government to rethink its strategy and the Authority was formed. The six Line of Reconstruction sub-committees sit outside the Authority's governance framework, but are included in the planning and reporting processes to form a consolidated approach to assisting in rebuilding Queensland. While some aspects of the sub-committees' involvement with the Authority were clearly defined, their role and reporting hierarchy was ambiguous.

After the Authority's formation, a strategic approach to planning, including the activities of the existing sub-committees was developed. In plans and strategies that drive the organisation under a model called *Operation Queensland*, a strategic road map synchronises the statewide effort, resources and priorities and guides short-term and long-term reconstruction work.¹² It consists of:

- *Operation Queensland, The State Community, Economic and Environmental Recovery and Reconstruction Plan 2011–2013*, (State Plan).
- *Operation Queensland: The Community, Economic and Environmental Recovery and Reconstruction Implementation Plan 2011-2013* (Implementation Plan).

These plans although developed in a short time span, are comprehensive and informative. The plans are built around the Military Appreciation Process, discussed in the case study 2A.

The State Plan is supported by the Implementation Plan and subsidiary frameworks which provide the Authority with guidance needed to effectively operate. These include the Value for Money Framework, Risk Management Plan, Standard Operating Manual and Reporting Framework. Each component is informative and provides adequate guidance to officers in the processes required.

Overall, both the strategic and operational plans provide a solid base to guide the Authority. The requirements of both the Agreement and the Act give sufficient direction to drive the organisation.

¹² Queensland Reconstruction Authority, *Operation Queensland, The State Community, Economic and Environmental Recovery and Reconstruction Plan 2011–2013*, March 2011, Message from the Major General.

Case study 2A

Planning the disaster recovery – Military Appreciation Process (MAP)

MAP is an assumption-based model used in military operations for strategic planning by the Australian Army. Comparable methods are also used by North Atlantic Treaty Organization (NATO) and western military forces including the United States and British Armed Forces.

As an assumption-based planning tool the MAP enables continued planning when information is limited or facts are unknown. Requests for information are sought during the process to reduce assumptions, thereby minimising the disruption and enabling planning to move forward. The process emphasises continual evaluation and verification of assumptions. This control mechanism allows the process to continue during uncertainty. The MAP develops multiple courses of action which are analysed to determine the optimum means to be employed.

A common feature of MAP is the establishment of a core planning group which consists of diverse specialist experts, coordinated under the direction of the lead planner. The model is designed to assist the core planning group, to “apply thoroughness, clarity, sound judgement, logic, and professional knowledge, in potentially stressful situations, to reach a decision...”.¹³

Steps to reach a decision include:

- Preliminary scoping (where senior management’s intent or desired outcome is determined).
- Mission analysis.
- Course of action development.
- Course of action analysis.
- Decision and execution.

The MAP involves a continuous cycle of collegiate planning and back briefing. The regular briefing sessions ensure that senior staff are kept well informed of the status of planning. These sessions also provide for the sharing of information between the senior staff and planners and are an opportunity for staff to obtain direction in a timely manner.

Another key component of the model is the transferability of process expertise from specialists to the layperson. Situational training quickly builds strong problem analysis skills in the layperson through a continual cycle of requesting information, acting on that information, and back-briefing senior management, thereby confirming assumptions and moving onto the next phase of action.

MAP has the ability to incorporate diverse factors and develop comprehensive plans, largely due to its structured nature. It is also flexible according to the particular situation and the leader’s preferences. Most importantly, it is effective in providing strategic direction and coordinating multiple stakeholders to achieve a common purpose.

Why is this better practice?

While individual state departments utilise planning models for their daily activities, the complexity of disaster events required a model that could cope with a timely and consolidated whole of state approach to reconstruction. The model needed to bring all departments together under one plan, to be flexible enough to cater to the requirements of three levels of government (federal, state and local), and to be able to deal with the complexity and range of disaster situations across Queensland.

Audit found MAP to be a well suited model for planning the statewide recovery and reconstruction effort. MAP is a proven model used by the Australian Army for strategic planning during complex situations.

The flexibility of the model catered for the unprecedented disaster situation including the scale of destruction and large number of stakeholders. MAP achieved a swift and coordinated response across whole-of-government. The implementation of MAP was administered effectively by Major General Slater who was supported by a number of military staff accustomed to the model.

Similar to a military’s core planning group, the Authority’s group consisted of diverse specialist areas coordinated under the direction of Major General Slater. Major General Slater, Directors-General and other key staff were regularly briefed on important matters, therefore enabling timely decision making and development of the State and Implementation Plans.

The Authority has conducted preliminary planning for the transition of long-term recovery and reconstruction responsibilities to state departments and agencies by providing MAP training to key public servants across whole of government. The decision making tool will equip public servants with the necessary skills to ensure rebuilding efforts remain on track and any issues are mitigated and addressed in a timely manner.

¹³ Lieutenant Colonel Rupert Hoskin, *The Ghost in the Machine, Better Application of Human Factors to enhance the Military Appreciation Process*, 2009, page 1.

2.2.2 Funding guidance and planning

The Agreement requires the State of Queensland:

- Prepare a Natural Disaster Recovery Work Plan (work plan) which will identify a set of specific projects to assist with reconstruction and/or recovery in the State.¹⁴
- Provide relevant information and documentation necessary to track NDRRA funding from its source to final recipient.¹⁵

Audit expected to find systems in place to be able to determine and advise applicants of the eligibility of submissions received against the Commonwealth Government's Natural Disaster Relief and Recovery Arrangements Determination 2011 (the Determination) and then to be able to trace progress to completion and payment for each individual eligible project as identified in the work plan.

What we found

To date, the Authority has produced a listing of the anticipated cost of damage initially submitted by each local government and affected state departments, which formed the basis of the work plan. The Agreement requires the Authority to 'develop and implement Queensland's Natural Disaster Recovery Work Plan, identifying specific projects, which will be attached as a Schedule to the Agreement'.¹⁶ This requires the Authority to collate significant details on individual projects identified by each local authority and affected state department for all of the qualifying disaster events.

While the Agreement was signed on 24 February 2011, several of the 2011 disasters occurred after that date. Although the Agreement requires a work plan to be prepared and agreed between the Commonwealth and State Governments, neither party could have predicted the scale of damage that would occur. In March 2011, the Authority commenced collating damage estimates from affected state departments and local governments. Those requiring assistance continued to grow until all 73 local government authorities were affected by the disaster events.

It became apparent to the Authority that the type of detail to be included in the Work Plan, as outlined in the standard form of the Commonwealth Agreement early in the process was either too detailed or not available for inclusion in the work plan as some local governments had not yet furnished estimates to the Authority. Based on data provided to them, the Authority has developed a work plan that includes the following:

- Estimated budget for 2011/12.
- NDRRA grant releases (advanced funding).
- Actual submissions received dissected by funding category type.
- Status of applications received.
- NDRRA current budget estimates by funding category type.
- NDRRA current budget by asset class.

¹⁴ National Partnership Agreement for Natural Disaster Reconstruction and Recovery, s.15, page 4.

¹⁵ National Partnership Agreement for Natural Disaster Reconstruction and Recovery, s.21(b), page 5.

¹⁶ National Partnership Agreement for Natural Disaster Reconstruction and Recovery, Schedule B Queensland Specific Governance Arrangements for Reconstruction and Recovery, s.B3(b).

The Authority has undertaken negotiations with the Commonwealth Government to secure a more appropriate level of reporting for the scale of natural disaster events in Queensland.

With regard to the Authority's system to track NDRRA funding from source to final recipient, Audit found the Project Control Branch, responsible for the processing of submissions, has developed an extensive suite of policies and procedures. These documents guide officers in the consistent application of the NDRRA requirements, and are supported by an information system that tracks individual eligible applications from approval through to final payment. The process is supported by relevant documentation and assessment at each critical stage of the approval-to-payment stage. In addition, the Authority has negotiated the secondment of experienced officers from Emergency Management Queensland and other key departments to lead and manage the application process, particularly with regard to the eligibility of applications under the Determination.

These officers have a sound understanding and knowledge of processing applications against the Determination. The use of these officers has allowed the Authority to determine initial eligibility of applications efficiently and effectively.

To further assist local governments and state departments in the application process, the Authority has:

- Produced a Submission Guide and templates.
- Made all guidance documents publicly available on its website.
- Held regional workshops for local governments to facilitate an understanding of the process and assist in application submission.

The funding process is well structured and offers guidance to applicants in how to develop their submissions.

2.2.3 Planning for resilience and community support

As required by the Agreement, the Authority must contribute to:

- The support for the recovery of communities and local economies severely affected by the declared natural disasters.¹⁷
- Assisting communities to be more resilient for future disasters.¹⁸

To facilitate the requirements of the Agreement, the Authority is supported with legislative powers that permit the rebuilding and restoration processes to be fast tracked for severely affected areas.¹⁹

¹⁷ National Partnership Agreement for Natural Disaster Reconstruction and Recovery, s.14(c), page 4.

¹⁸ National Partnership Agreement for Natural Disaster Reconstruction and Recovery, s.14(d), page 4.

¹⁹ *Queensland Reconstruction Authority Act 2011*, parts 4-8.

What we found

Audit found that the Authority centres its planning for recovery and reconstruction on people as the highest priority. The Authority provides support to communities by encouraging local input into the planning process. It liaises with local governments and external bodies through a variety of avenues, such as the sub-committees to assist in developing priorities and opportunities throughout the reconstruction effort.

Part of the planning process is that local governments may develop local plans in consultation with their communities. The Authority assists with advice and direction to aid the local governments in preparing and implementing their plans.

The State Plan outlines the concept of the 'lines of reconstruction', a network of key government and non-government organisations working together to focus on six key areas of reconstruction through a sub-committee model.

The sub-committees play a role in building resilience and resolving community needs. The six Lines of Reconstruction sub-committees are:

- Human and Social sub-committee.
- Economic sub-committee.
- Environment sub-committee.
- Building Recovery sub-committee.
- Roads and Transport sub-committee.
- Community Liaison and Communication sub-committee.

Each sub-committee is chaired by the Director-General of the government department responsible for the delivery of the related services to communities. While their role to the Authority is advisory, the benefits of planning and reporting through the Authority's structure allows the public to see what is happening or planned on a statewide basis for all recovery and reconstruction activities regardless of the funding basis. Their role is explained in Appendix 3.11.

The support function and the actions taken to build resilience into communities are well-supported within the Authority, and while these functions may not have the high public profile of the funding arrangements, they are critical to the rebuilding of Queensland.

Recommendation

Audit recommends the Authority:

- 3. Clarify and communicate the roles of the sub-committees to the Chairs of each committee.**
- 4. Agree on and finalise the work plan and attach it as a Schedule to the Agreement as required in section 15 of the Agreement.**

2.3 Administering funding

2.3.1 Advance funding

As outlined in Section 2.2.2, the State is required to prepare a work plan that identifies reconstruction and recovery projects. They also must be able to provide information and documentation to track funding through the application process.

The 2011 disaster response included a new process for delivering advance funding to communities and providing local governments with start up capital to fund emergency projects. Audit expected to find systems for administering the advance payments to eligible recipients.

What we found

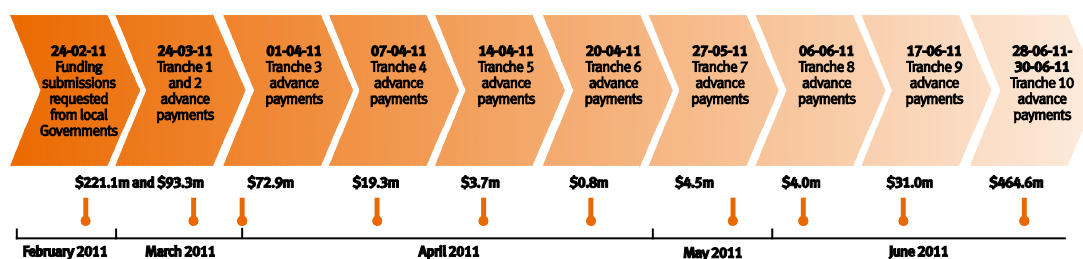
To access funding, local governments and state departments had to initially determine, at a high level, the cost of recovery and reconstruction work required. This allowed the Authority to determine the total anticipated cost at the statewide level.

To formalise the funding arrangements, the Authority developed a Funding Agreement that outlines each party's responsibilities and obligations throughout the process, from application to progress reporting on approved projects.

A portion of that damage estimate (approximately 18 per cent) was provided as an advance payment to local governments to undertake emergency projects once the signed Funding Agreement had been received by the Authority.

Advance funding of \$894.3m (excluding GST) has been paid to local governments and state department over ten tranches to assist with emergent works (refer to Figure 2A). Against the advance funding issued to 30 June 2011, entities have made 358 applications valued at \$433.3m. This equated to around 6.4% of the State's total estimated repair bill of \$6.8billion.

Figure 2A – Advance payments to local governments and state departments



Source: Queensland Reconstruction Authority, as at 30 June 2011.

2.3.2 Compliance with Natural Disaster Reconstruction and Recovery Agreement Determination 2011

The Agreement requires the State to have systems in place to track the use of the NDRRA funding to the point of final expenditure. The criteria for assessing eligible expenditure are contained in the Determination.

What we found

Audit found that the Authority has effective mechanisms for ensuring submissions are compliant with NDRRA requirements. It has established a Project Control Branch to oversee the processing of submissions for NDRRA funding.

The Project Control Branch is supported by well-developed policies and procedures including checklists, templates and flow charts. The application of the policies ensures consistency in the processing and assessing of submissions. The processing and project management approach mentioned above is based on the Emergency Management Queensland model. In testing undertaken, audit noted officers were assessing compliance with the Determination. There was evidence of clarification being sought from applicants where necessary. Audit also noted that some costs included in submissions had been assessed, deemed ineligible and excluded from approved costs. Experienced officers also ensure that the applications are applied for under the correct category and are appropriately approved.

At the time of the audit, 358 submissions had been received. The Authority is expecting several thousand applications over the two year application window.

2.3.3 Value for money

As highlighted in the Agreement, ‘...given the large quantum of Commonwealth funding involved, the public is likely to expect an even higher standard of transparency and assurance that funds are being used appropriately...’.²⁰

In addition, State legislation and policies such as the *Financial Accountability Act 2009*, the *Local Government Act 2009* and their Standards and Regulations, and the State Procurement Policy all embody the value for money (VfM) concept, and require public sector entities to apply this concept to all aspects of purchasing and procurement.

What we found

The Authority has developed a Value for Money Strategy in response to the requirements of the Agreement and State legislative and policy requirements. The value for money concept is integral to State Government procurement policies. It is imbedded in policy and reference documents at all levels of government. This ensures that, where large-scale economic activity occurs, there is an assumption that value for money will be sought and achieved.

²⁰ National Partnership Agreement for Natural Disaster Reconstruction and Recovery, s.26, page 6.

Two levels of VfM assessment occurs:

- VfM Readiness (Delivery Agent Risk) – each applicant or delivery agent is assessed for their ability to deliver the reconstruction projects. The assessment is based on a number of factors, including their ability to deliver the project with current resources, in the timeframe and within the stated budget. Further, questions apply to this assessment such as:
 - Complexity.
 - Scale.
 - Urgency.
 - Level of competitive tension.

Based on these questions, the council or state department is then risk assessed on the following basis:

- Project VfM (Project Risk level) – each project application is assessed on achieving value for money, for example:
 - Are the best procurement methods being applied.
 - Are competitive tendering practices being applied.
 - Has the local government or state department considered time or cost saving practices?

Each application must be accompanied by the VfM statement which outlines how value for money will be achieved.

The processes surrounding the delivery of funding are well documented, and are supported by registers, checklists and templates. The system is easy to use and to follow. Many of the processed applications related to Counter Disaster Operation claims or those for Emergent Works. Both of these types of applications refer to reimbursed costs that local governments have already incurred, rather than an assessed application which is being planned and is yet to be undertaken. The policies and procedures were however still able to be tested in terms of compliance with the Determination.

At the time of the audit, the Authority was planning to outsource part of the VfM assessment function. The decision was based on the large number of applications expected to be received from local governments and state departments and the time and skills required by Authority officers to adequately and appropriately assess applications. A procurement process was undertaken to contract external service providers to fill the expected resource shortfall in the VfM assessment area. Assessments will be made by the service provider and monitored for consistency and accuracy by an internal team of the Authority's officers. This process has resulted in draft policies and procedures needing amendment to cater for the external service provider model.

While a full assessment by audit could not occur, a preliminary review of draft policies and procedures found that the VfM policies and procedures appeared well documented, logical and sound. However, without the ability to test these, it was not possible for audit to draw a conclusion about the effectiveness of the procedures at this stage.

Recommendation

5. **Audit recommends the Authority finalise the value for money policies and procedures, particularly those that take into account the role and responsibilities of the external service providers.**

2.4 Building resilience

2.4.1 Resilience and community support

Although the audit focused primarily on the systems to effect the repair, replacement or restoration of essential public assets and infrastructure, another important component of the Agreement covers ‘...assistance and services to support individuals and communities to manage their own recovery...’.²¹

The Agreement establishes two outcomes. The State will contribute to:

- The support for the recovery of communities and local economies severely affected by the declared natural disasters.²²
- Assisting communities to be more resilient for future disasters.²³

What we found

The Authority, through its established plans and operations, concentrates on its highest priority – people. This priority drives all the functions undertaken by the Authority.

As discussed previously, the Authority has drawn experienced public servants from all levels of government to assist with key planning and support initiatives. Where expertise has not been available from within the sector, external consultants have been utilised. The flexibility available to the Authority in gathering experts from every field has led to a rapid response to community requests for assistance.

The Authority provides assistance in many forms, including:

- Bringing together organisations wanting to assist with communities that need assistance.
- Preparing guidelines for communities and individuals on how to better prepare themselves for future disaster events.
- Assisting local governments with recovery plans and fast tracking processes to get the community on track as quickly as possible.
- Undertaking audits to assess the current position so interim and long term solutions can be explored.
- Undertaking strategic land use assessments to inform local governments in preparing future planning schemes.

Projects and programs the Authority has initiated are available on the Authority’s website.

In addition to the expertise contained in the Authority, the six Lines of Reconstruction sub-committees are the “eyes and ears” in the community, gathering information and disseminating it to the relevant parties, including the Authority. The network of government, local governments, not for profit and community organisations involved in the sub-committee process provides a multi-tiered approach to assisting with community support.

²¹ National Partnership Agreement for Natural Disaster Reconstruction and Recovery, s.15(b), page 4.

²² National Partnership Agreement for Natural Disaster Reconstruction and Recovery, s.14(c), page 4.

²³ National Partnership Agreement for Natural Disaster Reconstruction and Recovery, s.14(d), page 4.

Planning milestones have been established to monitor the performance of the sub-committees and the Authority in the short to medium term. The diversity of activities, required to cover all aspects of the disasters, has been well-managed. This has been acknowledged by the International Bank for Reconstruction and Development (IBRD), a case study 2B.

Case study 2B

International bank for reconstruction and development
<p>Better practice principles</p> <p>In March 2011, a team of experts from the World Bank's Global Facility for Disaster Reduction and Recovery visited Queensland to provide assistance following the natural disasters. They found that the recovery and rebuilding effort had progressed in a well coordinated manner and demonstrated global good practice in regard to:</p> <ul style="list-style-type: none"> • The establishment of the Authority to oversee the rebuilding effort.²⁴ • Risk mitigation. • The practice of rapid damage assessment. • State of the art geo-spacial information mapping systems for identifying housing and infrastructure damage and flood levels. • Robust reporting and accountability mechanisms such as a Value for Money Framework. • Positive cooperation across the community and business sectors and all tiers of government. • The rapid deployment of funding to Local Governments for repair and reconstruction works.²⁵ <p>In an effort to learn and share Queensland's practices with other disaster-prone countries, IBRD staff worked alongside the Authority in March and May 2011. From their work with the Authority, the IBRD team gained exposure to developing and conducting regional courses and workshops on local reconstruction plans, while sharing their technical knowledge and global good practice.</p> <p>The partnership between the World Bank and the State Government was formalised on 16 June 2011, by the signing of a Memorandum of Understanding (MOU) which establishes a long-term information and knowledge sharing arrangement through a variety of forums such as education programs, joint research and conferences. The MOU recognises the benefits arising from each organisation improving and exchanging knowledge and best practice in disaster recovery and reconstruction.</p> <p>In addition to the MOU, a joint report will be produced discussing the partnership between the World Bank and the State Government. The Premier and Minister for Reconstruction stated, "This report will become an important resource for other governments managing significant disaster response activities."²⁶</p>
<p>Why is this better practice?</p> <p>Queensland's response to the 2010-11 natural disasters has been recognised by the World Bank as an example of world's best practice in this field. This is a notable testament to the State Government and the Authority given that IBRD is a global institution for Reconstruction and Development.</p> <p>The partnership between the World Bank and the State Government is a mutually beneficial arrangement through the exchange of knowledge. It will not only assist the Authority with immediate operations, but will also enhance global knowledge of disaster risk mitigation, recovery and reconstruction. The joint report will provide further assistance to other governments in jurisdictions prone to natural disasters.</p>

²⁴ Premier and Minister for Reconstruction, Ministerial Media Statement: *Queensland's disaster recovery recognised on world stage*, 16 June 2011, and a transcript, www.qldreconstruction.org.au/news-media/54

²⁵ Aleta Moriarty, *State of Queensland, World Bank to Strengthen Cooperation on Reconstruction and Disaster Risk Reduction*, 16 June 2011, <http://web.worldbank.org/>

²⁶ Premier and Minister for Reconstruction, Ministerial Media Statement: *Queensland's disaster recovery recognised on world stage*, 16 June 2011.

2.5 Reporting performance

The Agreement and Schedules require the State to monitor and assess performance in the delivery of activities. They set out the requirements for performance monitoring and reporting, and outline the direct reporting lines between parties to the Agreement.

2.5.1 Monitoring progress

What we found

Audit found that the Authority has embedded performance reporting in all key documents from state plans to funding agreements. The documents outline the responsibilities of each party, and the timing and content of reports.

The required information culminates in the Chief Executive Officer's monthly report and brings together performance data including situational reports on projects and funding, planning for projects administered by the Authority, and grant assistance.

As the knowledge surrounding the processes and procedures matures, the monthly reports are becoming more robust and focussing on key activities as the Authority moves from the recovery phase to reconstruction.

A key source of data for operational reporting is information on funded projects from each local government and state department. Under section 4.5 of the funding agreements applicable to local governments and state departments, they are to provide or make available to the Authority all reporting information associated with the approved projects.

Local governments and state departments are required to submit to the Authority monthly reports containing data such as progress against milestones, time and money spent, an explanation as to how they are achieving value for money and receipts for project costs incurred.

2.5.2 Reporting to stakeholders

Part 4 of the Agreement establishes the requirements for performance monitoring and reporting. It requires the State to monitor and assess performance in the delivery of activities and outlines the direct reporting line.

What we found

The Authority adopts a centralised reporting structure where the reported data is maintained on a common information system. As stated in the Authority's Value for Money Strategy, this information is used to monitor, coordinate and address any issues arising at a local or state wide level. This centralised structure allows reporting at all program levels and by various categories, and minimises additional reporting by obtaining information from other agencies' existing systems.

As the audit was conducted during the recovery phase, audit observed systems for reporting data relating to the registration of submissions including the value of grant advance payments, monetary value of submissions approved, the different types of submissions (e.g. Counter Disaster Operations, Emergent Works, etc), various categories (e.g. roads, buildings, etc), compliance details and initial VfM assessment details. This data forms the basis of reporting to the Board, the Premier and Minister for Reconstruction, and other relevant State and Commonwealth authorities.

Audit also noted that external third parties, such as the sub-committees and state departments and agencies, provide information to the Authority for inclusion in their reports. This data is validated and confirmed by the Authority or, where agencies' systems are relied upon, the information is certified by the external third party.

At the time of the audit, the internal reporting was still being developed, but was providing sufficient information to meet most reporting requirements. Audit noted other performance information was being developed, such as measures relating to timeliness. The Authority's reporting will continue to be developed as the data and systems mature.

Recommendation

- 6. Audit recommends the Authority give consideration to extending the suite of internal performance indicators being used as the Authority matures.**

3 | Appendices

3.1 Audit procedures

The audit was conducted between March and May 2011 and focussed on the systems in place at that time. The following audit procedures were used:

- **Document analysis** – including a review of the Queensland Reconstruction Authority's (the Authority) strategic documents, policies, procedures and guidelines.
- **Interviews** – with key operational staff and the Authority's management including frequent meetings with the Deputy Chief Executive Officer.
- **Examination of evidence gathered** – including documentation provided by the Authority and interview notes pertaining to the coordination of systems to plan and establish reconstruction activities as well as systems for monitoring and reporting performance.

3.2 Reason for the audit

The State of Queensland (the State) agreed to be accountable for roles and responsibilities specified under section 21 of the National Partnership Agreement for Natural Disaster Reconstruction and Recovery (the Agreement), for the reconstruction and recovery of communities affected by the declared natural disaster events of 2010-11.

This audit provides Parliament with assurance as to whether the State has systems in place to fulfil its roles and responsibilities under the Agreement.

3.3 PMS audit approach

A Performance Management Systems (PMS) audit is an independent examination which includes determining whether an entity or part of an entity's activities have performance management systems in place to enable management to assess whether its objectives are being achieved economically, efficiently and effectively.

The legislative basis for this audit is the *Auditor-General Act 2009* (the Act). The Act prescribes that the Auditor-General may conduct an audit in the way the Auditor-General considers appropriate. While the Auditor-General takes note of the entity's perspective, the scope of a public sector audit is at the sole discretion of the Auditor-General.

The Auditor-General applies the standards of the Auditing and Assurance Standards Board to audits in the Queensland public sector to the extent that they are not inconsistent with the requirements of the Act and other legislation that prescribes the Auditor-General's work.

While a PMS audit will not review or comment on government policy, it will have regard to any relevant prescribed requirements. It may also extend to include a focus on the entity's performance measures and whether, in the Auditor-General's opinion, the performance measures are relevant, appropriate and fairly represent the entity's performance.

The intent of a PMS audit is to provide independent assurance to Parliament, and to act as a catalyst for adding value to the quality of public administration by assisting entities in the discharge of their governance obligations.

A PMS audit has a focus on ascertaining whether systems and controls used by management to monitor and measure performance, assist the entity in meeting its stewardship responsibilities.

On 18 August 2011, Executive Council approved the proclamation for the commencement of amendments to the *Auditor-General Act 2009* that provides the Auditor-General with a full mandate to undertake performance audits. As this current audit was nearing completion at that date, the decision was made to finalise the audit under the performance management systems audit legislation.

3.4 Audit cost

The cost of the audit, including staff costs and overheads is estimated at \$245,000.

3.5 Audit team

The audit team included:

- T Campbell (Engagement leader).
- R Heinritz (Team leader).
- C Horner.
- M Dixon.

3.6 Abbreviations and acronyms

A-G Act	<i>Auditor-General Act 2009</i>
IBRD	International Bank for Reconstruction and Development
Implementation Plan	<i>Operation Queensland: The Community, Economic and Environmental Recovery and Reconstruction Implementation Plan 2011-2013</i>
MAP	Military Appreciation Process
MOU	Memorandum of Understanding
NDRRA	Natural Disaster Relief and Recovery Arrangements
PMS audit	Performance Management Systems audit
Project VfM	Project value for money
State	The State of Queensland

The Act	<i>The Queensland Reconstruction Authority Act 2011</i>
The Agreement	National Partnership Agreement for Natural Disaster Reconstruction and Recovery
The Authority	Queensland Reconstruction Authority
The Board	Queensland Reconstruction Board
The Determination	Natural Disaster Relief and Recovery Arrangements Determination 2011
VfM assessment	Value for Money assessment
VfM principles	Value for Money principles
VfM readiness or Delivery Agent Risk	Value for Money readiness
Work plan	Natural Disaster Recovery Work Plan

3.7 Glossary

Counter Disaster Operations

Counter Disaster Operations are activities undertaken by local and state government agencies to provide direct assistance to, and in the protection of, the general public before and during a disaster event.

Effectiveness

The achievement of objectives or other intended effects of activities at a program or entity level.

Efficiency

The use of resources such that output is optimised for any given set of resource inputs, or input is minimised for any given quantity and quality of output.

Natural disaster events

Natural disasters eligible for relief measures under Natural Disaster Relief and Recovery Arrangements (NDRRA) include Cyclone, Flood, Landslide, Meteor Strike, Storm, Bushfire, Storm Surge, Terrorist Event, Tsunami, Tornado and Earthquake. The activation of NDRRA relief measures is coordinated by the State Minister for Police, Corrective Services and Emergency Services who is supported by Emergency Management Queensland. The Minister determines communities eligible for NDRRA funding by defining a specific date range and geographic boundary to which NDRRA relief measures will apply.

Emergent works

Necessary work during the course of a disaster to protect eligible public assets or to restore essential services and maintain public safety (e.g. sand-bagging, installation of tarpaulins, cleaning and removal of an asset or stores to prevent damage, etc). It also includes immediate post-disaster repairs to an eligible asset to enable it to operate/be operated at a reasonable level of efficiency (e.g. clean up costs, removal of debris, etc).

An agreement signed by the Queensland Reconstruction Authority and local governments that sets out the terms and conditions of the NDRRA funding for assistance in recovery and reconstruction for flooding arising from Tropical Cyclones Anthony and Tasha and Severe Tropical Cyclone Yasi.

Similar to a Memorandum of Agreement signed by the Authority and state departments.

Implementation plan

These plans are the community, economic and environmental recovery and reconstruction implementation plans which are produced by the six lines of reconstruction sub-committees. They provide specific detail regarding how the achievement of key tasks assigned by the State Plan will occur. They direct the reconstruction activities to be undertaken and initiate the development and implementation of projects that are required to reconstruct Queensland.

Local plans

These plans are the local community, economic and environmental recovery and reconstruction plans which are developed by each local government area. These plans help the Authority to understand the recovery needs and priorities of the community. They will provide a local roadmap to assist the community to reconnect, rebuild and improve.

Natural Disaster Relief and Recovery Arrangements

The Commonwealth Government provided funding arrangement to assist payment for natural disaster relief and recovery costs.

National Partnership Agreement for Natural Disaster Reconstruction and Recovery

An agreement between the Commonwealth of Australia and the State of Queensland dated 24 February 2011 subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations to provide support for reconstruction and recovery of communities affected by the 2010-11 floods and Tropical Cyclone Yasi.

Operation Queenslander

Operation Queenslander draws together the individual, community, local government, industry, not-for-profit, corporate, state, Commonwealth and international assistance resources to align and synchronise the immense spectrum of reconstruction activities.

Queensland Disaster Relief and Recovery Arrangements 2009-10

Provides an overview of arrangements for the activation and delivery of NDRRA and State Disaster Relief Arrangements – disaster relief and recovery assistance within Queensland, and forms a guide for local and state government agencies, associations, primary producers, small businesses and the general public on financial assistance that may be available in the event of a disaster.

Queensland Reconstruction Authority

A Queensland Government body established to coordinate and manage the rebuilding and recovery of affected communities, including the repair and rebuilding of community infrastructure and other property, and appropriately measure to ensure Queensland and its communities effectively and efficiently recover from the impacts of disaster events.

Reconstruction

Actions taken to re-establish a community after a period of rehabilitation subsequent to a disaster.

Recovery

The coordinated process of supporting emergency-affected communities in reconstruction of the physical infrastructure and restoration of emotional, social, economic and physical wellbeing.

Resilience

The capacity to prevent, mitigate, prepare for, respond to and recover from the impacts of disasters.

Restoration of Essential Public Assets

The restoration of an essential public asset damaged by an eligible disaster event, to its pre-disaster standard.

Restoration Works

Reconstruction or replacement of the asset to its pre-disaster standard/level of service/level of immunity only in accordance with current engineering standards/requirements and building codes/guidelines.

State Plan

The strategic guidance provided to ensure that milestones across all lines of reconstruction are met. It provides the overarching reconstruction plan, the governance framework and assigns key tasks to state level agencies and stakeholders. It is the source document that defines how the reconstruction efforts will produce a stronger, more resilient Queensland and Queenslanders.

Value for Money

A determination of the outcomes of an individual reconstruction project assessed against how it has contributed to the advancement of Government priorities, as well as cost and non-cost factors that include, but are not limited to, whole-of-life and transaction costs and fitness for purpose (as adopted by the Authority in the context of reconstruction projects).

VfM Strategy

The objective of the VfM Strategy is to balance the achievement of the requirements under the State Procurement Policy and the principles of transparency, efficiency and effectiveness as the core elements to achieving VfM.

3.8 References

Australian Government, Attorney-General's Department, *Natural Disaster Relief and Recovery Arrangements, Determination*, 2011.

Aleta Moriarty, *State of Queensland, World Bank to Strengthen Cooperation on Reconstruction and Disaster Risk Reduction*, 16 June 2011, <http://web.worldbank.org/>

Australian Government, *Building the Education Revolution Implementation Taskforce: First Report* December 2010.

Lieutenant Colonel Rupert Hoskin, *The Ghost in the Machine, Better Application of Human Factors to enhance the Military Appreciation Process*, 2009.

National Partnership Agreement for Natural Disaster Reconstruction and Recovery.

Premier and Minister for Reconstruction, Ministerial Media Statement: *Operation Queensland – \$6.8 Billion to build it back better*, 14 June 2011.

Premier and Minister for Reconstruction, Ministerial Media Statement: *Queensland's disaster recovery recognised on world stage*, 16 June 2011, and a transcript, www.qldreconstruction.org.au/news-media/54

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Queensland Reconstruction Authority, *Operation Queensland, The State Community, Economic and Environmental Recovery and Reconstruction Plan 2011–2013*, March 2011.

Queensland Reconstruction Authority, *Queensland State Budget 2011-12, Operation Queensland – Rebuilding Queensland after the natural disasters of the summer of 2010-11*, June 2011.

3.9 Queensland Reconstruction Authority snapshot

Mission	Reconnect, rebuild and improve Queensland, its communities and economy.
Enabling Act	<i>Queensland Reconstruction Authority Act 2011.</i>
Established	21 February 2011.
Reconstruction Minister	The Honourable Anna Bligh MP.
Board members	<p>At the time of the audit, the Board was chaired by Major General Mick Slater DSC AM, CSC and comprised the following members –</p> <ul style="list-style-type: none"> • Ms Kathy Hirschfield, former BP executive. • Mr Jim McKnulty, an expert in Local Government, planning and development matters. • Mr Steve Golding, a former Director-General, Department of Main Roads. • Mr Brian Guthrie, former Chief Executive Officer of Townsville City Council, as nominee of the Local Government Association of Queensland. • Two Commonwealth Government nominees: Mr Brad Orgill, Head of The Building the Education Revolution Implementation Taskforce; and Ms Glenys Beauchamp, Secretary of the Department of Regional Australia, Regional Development and Local Government. <p>On the 1 September 2011, Major General Mick Slater stepped down as chair. He was replaced by Major General Richard Wilson.</p>
Board functions	<ol style="list-style-type: none"> 1 Setting the strategic priorities for the Authority. 2 Making recommendations to the Minister about various matters under the <i>Queensland Reconstruction Authority Act 2011</i>. 3 Ensuring the Authority performs its functions and exercises its powers in an appropriate, effective and efficient way.
Management	<ul style="list-style-type: none"> • The Authority's Chief Executive Officer is Mr Graeme Newton (former Queensland Coordinator-General and Director-General of the Department of Infrastructure and Planning). • An office has been established in North Queensland with responsibility for reconstruction and recovery following Tropical Cyclone Yasi. Chief Superintendent Mike Keating has been appointed as North Queensland Director. As Director of cyclone recovery, he reports to the Authority's Chief Executive Officer.

3.10 Funding categories

Funding as part of the Natural Disaster Relief and Recovery Arrangements is available under various relief measures:

Category A	Emergency assistance for individuals to alleviate their personal hardship. <ul style="list-style-type: none"> Disaster Relief Assistance Scheme. Concessional Loans to Persons in Need.
Category B	Assistance to the Community for the Restoration of Essential Public Assets. <ul style="list-style-type: none"> Counter Disaster Operations. Restoration of Essential Public Assets (REPA). Concessional Loans to Small Businesses. Concessional Loans to Primary Producers. Freight Subsidies to Primary Producers. Associations Natural Disaster Relief Assistance Scheme.
Category C	Community recovery package. <ul style="list-style-type: none"> Community recovery fund to restore social networks, community functioning and community facilities. Recovery grants for small businesses. Recovery grants for primary producers.
Category D	Exceptional Circumstances funding – alleviate distress or damage in circumstances that are, in the opinion of the Minister, exceptional.

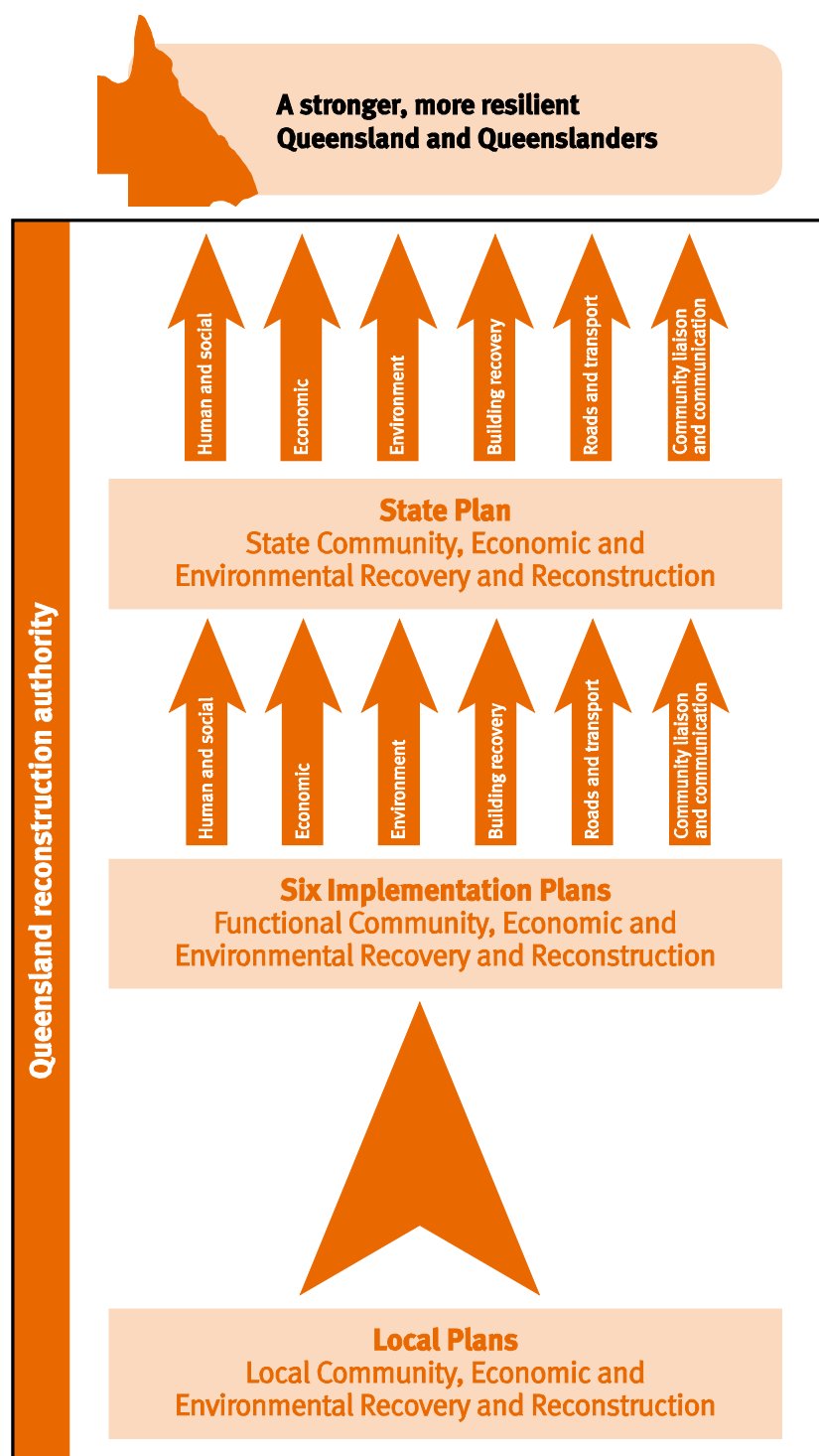
3.11 Sub-committees

The State Plan details six lines of reconstruction, for which various Government Agencies have primary responsibility and who report on progress to the Authority. The six lines of reconstruction and the department or agency with primary responsibility for each are as follows:

Line of reconstruction	Primary responsibility
Human and social – to restore and strengthen local human services and community capacity through provision of direct assistance individuals and communities, and supporting communities to drive and participate in their own recovery.	Department of Communities (Doc)
Economic – to set the conditions to facilitate the rapid restoration of a competitive, sustainable Queensland economy.	Department of Employment, Economic Development and Innovation (DEEDI)
Environment – to recover and conserve disaster-affected terrestrial and marine natural resources and ensure that reconstruction activities do not cause environmental harm.	Department of Environment and Resource Management (DERM)
Building recovery – to lead and coordinate the planning and implementation of all statewide building reconstruction functions.	Department of Public Works (DPW)
Roads and transport – to manage the recovery and reconstruction of Queensland's integrated transport environment in order to reconnect Queensland communities and economies.	Department of Transport and Main Roads (DTMR)
Community liaison and communication – to gain and maintain the confidence of Queenslanders in the reconstruction effort, by providing a regular and consistent source of coordinated public information.	Department of the Premier and Cabinet (DPC)

Source: Queensland Reconstruction Authority, *Monthly Report*, April 2011, page 8.

3.12 Operation Queenslander construct



4 | Auditor-General

Reports to Parliament

4.1 Tabled in 2011

Report No.	Subject	Date tabled in Legislative Assembly
1	<i>Auditor-General Report to Parliament No. 1 for 2011</i> <i>Management of offenders subject to supervision in the community</i> Performance Management Systems audit	25 February 2011
2	<i>Auditor-General Report to Parliament No. 2 for 2011</i> <i>Results of local government audits</i> Financial and Assurance audit	22 March 2011
3	<i>Auditor-General Report to Parliament No. 3 for 2011</i> <i>Follow-up of 2008 audit on administration of grants and funding to community organisations by local governments in Queensland</i> Performance Management Systems audit	9 June 2011
4	<i>Auditor-General Report to Parliament No. 4 for 2011</i> <i>Information systems governance and security</i> Financial and Assurance audit	21 June 2011
5	<i>Auditor-General Report to Parliament No. 5 for 2011</i> <i>Results of audits at 31 May 2011</i> Financial and Assurance audit	23 June 2011
6	<i>Auditor-General Report to Parliament No. 6 for 2011</i> <i>Systems to coordinate delivery of the Toward Q2: Tomorrow's Queensland target, Halve the proportion of Queensland children living in a household without a working parent</i> Performance Management Systems audit	6 July 2011
7	<i>Auditor-General Report to Parliament No. 7 for 2011</i> <i>National Partnership Agreement for Natural Disaster Reconstruction and Recovery</i> Performance Management Systems audit	September

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