



SUMMARY OF THE PERFORMANCE EXAMINATION

**ADMINISTRATION OF PROTECTION OF
OLD GROWTH FOREST POLICY
FUNDING PROGRAMS**

Report 6 – August 2005

Background

In February 2001, the Government announced its decision to immediately cease logging in 99 per cent of Western Australia's remaining old growth forests, as part of its 'Protection of Old Growth Forests' Policy. To effect this policy, a number of agencies were given responsibility for implementing a package of programs budgeted to cost \$161 million.

This examination reviewed the implementation of two of the largest programs:

- The Business Exit Assistance (BEA) Program is designed to provide 'reasonable financial assistance to help certain businesses to completely or partially leave' the native forest timber industry. The Program has a budget of \$74 million and is administered by the Department of Industry and Resources (DOIR).
- The Workers Assistance Program (WAP) provides workers retrenched from the native forest timber industry with redundancy top up payments and assistance with training and obtaining new employment. The Program has a budget of \$27.3 million and is administered by the Department of Education and Training (DET).

Both DOIR and DET moved to implement these Programs expeditiously, though BEA Program Guidelines were not approved until November 2001. In the interim, some 89 businesses had already applied for BEA. This backlog of applications was then processed in an environment where both businesses and retrenched workers were seeking speedy assistance.

What the examination found...

Over 100 businesses and 700 workers have so far been assisted in leaving the native forest timber industry in accordance with BEA and WAP objectives.

The examination found that because of shortcomings in processes and documentation, reasonable assurance cannot be given that BEA applications were assessed consistent with Program Guidelines and that they met an acceptable standard of evidence to support the validity of payments made. In particular:

- financial information provided by applicants to support BEA generally did not meet BEA Program Guidelines which provided that third party assured information be used
- the level of documentation available was not sufficient to demonstrate that applications were assessed on a consistent basis
- the appeals process was not applied on a consistent basis.

The timeliness of processing BEA applications varied widely and was protracted, with 47 per cent taking longer than 12 months to process.

The examination found that overall, the administration of WAP was satisfactory, with only minor weaknesses found in the management of Program changes and the measurement of outcomes. There is reasonable assurance that assistance has been paid consistent with Program objectives.

What the examination recommended...

The examination does not make specific recommendations because the Programs have been substantially completed. However, the clear lesson for the future is that agencies should pay particular attention to making sure that program guidelines are relevant, up to date and that they are consistently applied.

A copy of the report can be accessed at www.audit.wa.gov.au/
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