



THE AUDIT OFFICE
OF NEW SOUTH WALES

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MEDIA RELEASE

AUDITOR-GENERAL'S REPORT

Red tape hinders grant funding

The NSW Auditor-General, Mr Peter Achterstraat, today announced that excess bureaucracy is hindering the funding of environmental grants.

'Delayed grant approvals result in some applicants no longer bothering with projects. In some years a third of floodplain grants were not taken up at all because by the time funding was approved, it was too late for councils to use', Mr Achterstraat said.

'Not only does the process have too much red tape but only one of the ten grant programs reviewed had been independently evaluated since 2005. This is simply not good enough', Mr Achterstraat stated.

These were some of the findings that were released today by the NSW Audit Office in a report into '*Environmental Grant Administration*'. The report looks at specific environmental grant programs and builds on the *Grants Administration* audit, which was tabled in May 2009.

'I wanted to find out whether environmental grants were managed well. Importantly, I wanted to know if grants were allocated appropriately and if the grants achieved results', Mr Achterstraat explained.

The report also revealed that agencies were paying money to councils regardless of performance in order to spend a budget before the end of the financial year.

'I am concerned that some Ministers spent 20% of estuary funding and some coastal grants, without taking advice from their agencies', Mr Achterstraat declared.

Mr Achterstraat called for change. 'I am recommending that agencies must ensure performance milestones are achieved before making payments. I am also calling for agencies to regularly evaluate grants programs to see what is working and what can be done better'.

Mr Achterstraat summarised the report by stating:

'Grants are not just an important part of community life. They are vital to improve the world in which we live. Successful management of the grants used to protect our environment is crucially important. We owe it to future generations to do it better'.

Further Information

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The full report is available on the Audit Office's website www.audit.nsw.gov.au