
Appendix 1 – Responses from entities

Response from Department of Planning, Housing and Infrastructure

Department of Planning, Housing and Infrastructure



Our ref: A1000900
Your ref: R009-170535826-97922

Mr Bola Oyetunji
Auditor-General
Audit Office of NSW
GPO Box 12
SYDNEY NSW 2001

Via email:

25 March 2026

Subject: Performance Audit – ‘NSW Local Government Recovery Grants program – AGRN 1030/1034’

Dear Mr Oyetunji,

Thank you for your email on 26 February 2026 to myself and the Hon Ron Hoenig, Minister for Local Government, regarding the above audit.

I thank the Audit Office for the opportunity to respond to the audit report findings, and for the professionalism and patience of the officers of the Audit Office in carrying out this audit.

The audit findings confirming the program was administered in line with the Grant Administration Guide, with one exception, is welcome. It reflects the work of the team in setting up a program in difficult and unique circumstances, including:

- The relatively new Grant Administration Guidelines.
- The urgency in delivering funding to disaster-declared communities following multiple significant disaster events across the State in 2022, while adjusting to changes to project oversight arrangements compared with previous rounds of the program.
- The evolving nature of the governance arrangements between NSW Reconstruction Authority (RA) and the Office of Local Government (OLG), which reflected the creation of the new agency.
- The establishment of RA delaying the finalisation of the Program Guidelines by 5 months (after the program had commenced), causing ongoing delays to both OLG in finalising the grant administration processes and to councils in preparation of their program of works, and the subsequent delays to assessment of projects.

It is also worth noting that OLG has approximately 800 projects across the 3 Local Government Recovery Grant programs running concurrently, with a small team.

Regarding the following point on page 17 of the audit report:

'Due to delays in the OLG and the Reconstruction Authority finalising the Program Guideline, 30 Councils were unable to meet this timeframe'

I can clarify that OLG was not responsible for the design or development of the Program Guidelines, but OLG was consulted with on its operational viability. The program design and development are the responsibility of the RA.

Audit Report recommendations

The 4 recommendations are agreed and accepted by the Department and OLG. However, the timing for the fourth recommendation, regarding the agreement of roles and responsibilities, will be dependent on RA.

I am pleased to advise the Audit Office that the Department, and OLG in particular, is undertaking work to improve the assurance of grants against the Grants Administration Guide. Part of this work includes a comprehensive grants framework, that outlines the processes for grants administration to ensure transparent and robust management.

I thank the Audit Office for providing OLG the opportunity to respond to the audit report and note OLG is eager to implement the findings.

Should you have any questions, you are welcome to contact Mr Stephen Walker, Manager, Programs within OLG

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kiersten Fishburn'.

Kiersten Fishburn
Secretary

Response from NSW Reconstruction Authority

NSW Reconstruction Authority



Ref: BN26/209
25 March 2026

Mr Bola Oyetunji
Auditor-General for NSW
Audit Office of NSW

Re: NSW Reconstruction Authority Response to the Performance Audit – Emergency Relief Grants – NSW Local Government Recovery Grants Program

Dear Mr Oyetunji,

Thank you for your correspondence enclosing the final performance audit report on the emergency relief grants – NSW Local Government Recovery Grants Program (the Report).

The NSW Reconstruction Authority (RA) welcomes the Report as an opportunity to improve the governance of recovery grants programs.

While the Office of the Local Government (OLG) is responsible for administering grant funding under the Program, the RA is responsible for overseeing the program funding and seeking reimbursement from the Commonwealth Government under the Disaster Recovery Funding Arrangements 2018 (DRFA).

The recommendation to clarify and document roles and responsibilities between OLG and the RA is accepted by the RA, and the RA will work closely with OLG to complete this by 30 June 2026.

I have asked Mr Andrew Graham, Chief Operating Officer (Chief Audit Executive) to be made available if you wish to discuss this further. Mr Graham can be contacted via email

Sincerely,

A handwritten signature in black ink, appearing to read "K. Fitzgerald", followed by a long horizontal line.

Kate Fitzgerald
Chief Executive Officer
NSW Reconstruction Authority

GPO Box 5434
Sydney NSW 2001
ABN 56 672 828 283

02 9212 9200
www.nsw.gov.au/reconstruction-authority

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