

---

# Appendix one – Responses from agencies

## Responses from Department of Regional NSW

Department of Regional NSW



BN22/7113  
5 December 2022

Margaret Crawford  
Auditor-General  
Audit Office of NSW  
GPO Box 12  
SYDNEY NSW 2001

---

Re: Response to final report of the bushfire recovery grants performance audit

Dear Ms Crawford,

Thank you for providing the Department of Regional NSW (DRNSW) with the final performance audit report on bushfire recovery grants, received on 3 November 2022.

I am pleased that our efforts to administer a robust assessment process for the Sector Development Grants and Stage 2 under the Bushfire Local Economic Recovery (BLER) Fund, and the effectiveness of our monitoring and implementation of the projects and program outcomes, have been recognised by the Audit Office of NSW.

In terms of the findings relating to the fast-track round, it is important to consider this in the context of the circumstances at the time. The Black Summer bushfires had a devastating impact across vast areas of NSW, and it was critical that much needed support was provided to impacted communities as soon as possible. Communities were deeply traumatised and needed rapid investment in projects to help them recover. This urgency was reflected in the timelines imposed by the Commonwealth Government, writing to the Premier and Deputy Premier on two separate occasions (14 July 2020 and 5 October 2020), requesting rapid project selection.

Importantly, the Commonwealth Government did not formally finalise/approve BLER program guidelines until 21 September 2020, which meant DRNSW was required to identify projects and engage stakeholders prior to guideline finalisation. In addition, the program design, delivery and project selection was occurring during a period of both bushfire recovery and early COVID-19 response (including concurrent program design and approval).

In terms of the projects that were not funded in the fast-track round (including some excluded due to the \$1 million threshold), many of these were subsequently funded in other programs that were in simultaneous development with the fast-tracked process and were better suited to those types of projects. It is also noted that the overwhelming majority of bushfire impact was in Government held electorates and therefore the majority of funding in early fast-tracked rounds would flow to those communities - as required by the national Local Economic Recovery Fund criteria of "balance and need".

---

1 Monaro Street  
Queanbeyan NSW 2620

[regional.nsw.gov.au](http://regional.nsw.gov.au)

1

Additionally, each of the approved fast-tracked projects were assessed by the Commonwealth Government as meeting the national Local Economic Recovery Fund criteria and subsequently endorsed for funding.

### **Recommendations**

DRNSW acknowledges the recommendations and notes that since the administration of the BLER program, the NSW Government has introduced a number of reforms in relation to grants administration which have directly addressed the findings and the recommendations of the report. In particular, the Grants Administration Guide came into force on 19 September 2022.

Following the initial release of the draft Grants Administration Guide in May 2022 DRNSW, through the Regional Development and Programs Group (RDP), took immediate steps to ensure all programs under our administration would be compliant with the mandatory requirements prior to its Gazettal. This included:

- the development of a procedures document to guide staff in administering grant programs, which clearly articulates all mandatory requirements from the Grants Administration Guide and provides additional guidance on actions that should be undertaken to ensure best practice grants administration
- the development of a suite of accompanying templates that embed these requirements in any new grant program or recommendations for funding
- the development of checklists required to accompany approval briefs at each stage of the grant lifecycle, to provide assurance to decision makers that all mandatory requirements have been complied with.

These processes are now in place across all programs administered by RDP and are being adapted by the rest of the Department to ensure consistency in grant program administration across the Cluster.

Yours sincerely,



**Rebecca Fox**  
Secretary

## Responses from Resilience NSW



Resilience  
NSW

Our Ref: D22/11859.01

Margaret Crawford  
Auditor-General for New South Wales  
Audit Office of New South Wales  
GPO Box 12  
SYDNEY NSW 2001

### Performance Audit – Bushfire recovery grants

Dear Ms Crawford,

A handwritten signature in blue ink that reads 'Margaret'.

I refer to your letter of 3 November 2022 enclosing your final report for the performance audit on bushfire recovery grants. Thank you for considering our comments on the draft report. As invited by you, our formal response to the report is set out below.

I understand you have also provided your final report to the Department of Regional NSW, the agency responsible for the administration of the Bushfire Local Economic Recovery program. I note that the final report recommendations relate to the Department of Regional NSW.

Resilience NSW accepts the finding in relation to monitoring of the single Fast-Tracked grant under its administration. As noted in your final report Resilience NSW and the Department of Regional NSW have advised that the responsibility for this project will be transitioned to the Department of Regional NSW and monitored on a quarterly basis, in line with the other Fast-Tracked projects.

Yours sincerely,

A handwritten signature in blue ink that reads 'Shane'.

**Shane Fitzsimmons AO AFSM**  
Commissioner  
Resilience NSW

22/11/2022