

Report highlights

What the report is about

The Bushfire Local Economic Recovery (BLER) program was created after the 2019–20 bushfires, and commits \$541.8 million to bushfire affected areas in New South Wales. It is co-funded by the Commonwealth and NSW governments.

This audit assessed how effectively the Department of Regional NSW (the department) and Resilience NSW administered rounds one and two of the BLER program. These rounds were:

- Round one: early co-funding, split between two streams:
 - Fast-Tracked projects
 - Sector Development Grants (SDG)
- Round two: open round.

What we found

The Department of Regional NSW did not effectively administer the Fast-Tracked stream of the BLER.

The administration process lacked integrity, given it did not have sufficiently detailed guidelines and the assessment process for projects lacked transparency and consistency.

At the request of the Deputy Premier's office, a \$1 million threshold was applied, below which projects were not approved for funding. The department advises that some of the projects excluded were subsequently funded from other programs.

This threshold resulted in a number of shortlisted projects in areas highly impacted by the bushfires being excluded, including all shortlisted projects located in Labor Party-held electorates.

The department's administration of the SDG stream had a detailed and transparent assessment process. However, conflicts of interest were not effectively managed.

The department's administration of the open round included a clearly documented, detailed and

transparent assessment framework. Some weaknesses in the approach to conflicts of interest remained.

What we recommended

The Department of Regional NSW should ensure that for all future grant programs it:

1. establishes and follows guidelines that align with relevant good practice guidance
2. ensures a communications plan is in place, including the communication of guidelines to potential applicants
3. ensures staff declare conflicts of interest prior to the commencement of a grants stream, and that these conflicts of interest are recorded and managed
4. ensures regular monitoring is in place as part of funding deeds
5. documents all key decisions and approvals in line with record keeping obligations.

Fast facts

22

Fast-Tracked projects funded

52

SDG projects funded

195

open round projects funded

\$107.8m

distributed to Fast-Tracked projects

\$73.2m

distributed to SDG projects

\$283m

distributed to open round projects