

## Administration of grants to non-public sector entities: Racing for the Regions program

### Objective

The audit assessed whether the Racing for the Regions program is being administered and delivered effectively to meet government objectives. This included assessing oversight and management of the program by the Department of Creative Industries, Tourism, Hospitality and Sport (the Department), and Racing NSW's compliance with the requirements of the funding deed.

### Key findings

#### The terms of the funding deed do not enable effective oversight by the Department

The funding deed did not include delivery timelines or scopes of work for individual projects and did not specify an overall end date for the program.

The Department did not ask Racing NSW for updated project delivery dates and plans before finalising the funding deed. As a result, the project information in the funding deed was almost 2 years out of date.

Three projects were completed before the funding deed was signed. The deed stated that funding was for 'upcoming projects'.

The funding deed does not require Racing NSW to assess whether the program is delivering the benefits set out in the business case.

#### The Department is not actively overseeing project delivery

The Department did not identify delivery risks or assess the adequacy of Racing NSW's governance, probity or capability to deliver the projects.

The Department has not kept complete records of its grants administration activities. Less than half of its governance meetings were documented and it does not have any records for one of the projects.

Racing NSW has provided regular reporting on project progress since 2024, when construction started on some projects.

#### Grant payments were made in compliance with most of the required financial controls

The Department has used a consistent process to manage grant payments to Racing NSW since 2024. This includes a consistent acquittal process and approval by authorised delegates. However, payments for projects completed before the funding deed was signed did not fully comply with the requirement for expert certification of work completed.

### Recommendations

The audit made 3 recommendations intended to improve the Department's oversight and evaluation of the Racing for the Regions program and future programs.

## Fast facts

\$58.6m

NSW Government funding for the Racing for the Regions program

\$30.8m

NSW Government payments made under the grant to Racing NSW (at January 2026)

6

out of 14 projects completed by January 2026