



PERFORMANCE AUDIT

22 FEBRUARY 2024

Flood housing response

NEW SOUTH WALES AUDITOR-GENERAL'S REPORT

THE ROLE OF THE AUDITOR-GENERAL

The roles and responsibilities of the Auditor-General, and hence the Audit Office, are set out in the *Government Sector Audit Act 1983* and the *Local Government Act 1993*.

We conduct financial or 'attest' audits of state public sector and local government entities' financial statements. We also audit the Consolidated State Financial Statements, a consolidation of all state public sector agencies' financial statements.

Financial audits are designed to give reasonable assurance that financial statements are true and fair, enhancing their value to end users. Also, the existence of such audits provides a constant stimulus to entities to ensure sound financial management.

Following a financial audit the Audit Office issues a variety of reports to entities and reports periodically to Parliament. In combination, these reports give opinions on the truth and fairness of financial statements, and comment on entity internal controls and governance, and compliance with certain laws, regulations and government directives. They may comment on financial prudence, probity and waste, and recommend operational improvements.

We also conduct performance audits. These assess whether the activities of government entities are being carried out effectively, economically, efficiently and in compliance with relevant laws. Audits may cover all or parts of an entity's operations, or consider particular issues across a number of entities. Our performance audits may also extend to activities of non-government entities that receive money or resources, whether directly or indirectly, from or on behalf of government entities for a particular purpose.

As well as financial and performance audits, the Auditor-General carries out special reviews, compliance engagements and audits requested under section 27B(3) of the *Government Sector Audit Act 1983*, and section 421E of the *Local Government Act 1993*.

© Copyright reserved by the Audit Office of New South Wales. All rights reserved. No part of this publication may be reproduced without prior consent of the Audit Office of New South Wales. The Audit Office does not accept responsibility for loss or damage suffered by any person acting on or refraining from action as a result of any of this material.

Cover image: © Audit Office of New South Wales 2024. Supplied and permitted for use under Creative Commons Attribution-ShareAlike 4.0 International Licence. Full terms at <https://creativecommons.org/licenses/by-sa/4.0/deed.en>



GPO Box 12
Sydney NSW 2001

The Legislative Assembly
Parliament House
Sydney NSW 2000

The Legislative Council
Parliament House
Sydney NSW 2000

In accordance with section 38EC of the *Government Sector Audit Act 1983*, I present a report titled '**Flood housing response**'.

A handwritten signature in black ink, appearing to read 'Margaret Crawford'.

Margaret Crawford PSM
Auditor-General for New South Wales
22 February 2024



RECONCILIATION COMMITMENT STATEMENT

The Audit Office of New South Wales pay our respect and recognise Aboriginal people as the traditional custodians of the land in NSW.

We recognise that Aboriginal people, as custodians, have a spiritual, social and cultural connection with their lands and waters, and have made and continue to make a rich, unique and lasting contribution to the State. We are committed to continue learning about Aboriginal and Torres Strait Islander peoples' history and culture.

We honour and thank the traditional owners of the land on which our office is located, the Gadigal people of the Eora nation, and the traditional owners of the lands on which our staff live and work. We pay our respects to their Elders past and present, and to the next generation of leaders.

contents

Flood housing response

Section one – Flood housing response

Executive summary	1
Introduction	9
Planning for the housing response	15
Response to the Northern Rivers flood events	18
Response to the Central West flood event	33
Capturing lessons learned	36

Section two – Appendices

Appendix one – Responses from entities	39
Appendix two – About the audit	47
Appendix three – Performance auditing	49

Section one

Flood housing response

Executive summary

Extreme rainfall across eastern Australia in 2021 and 2022 led to a series of major flood events in New South Wales. In response, the NSW Government declared each of these events a natural disaster and made available a wide range of support for affected individuals and businesses. The flooding experienced by the State was widespread and its severity caused significant destruction in communities across the State. Some of the most significant damage occurred in the Northern Rivers and Central West regions of New South Wales.

Whilst areas of the Northern Rivers are prone to regular flooding, the scale of flooding in 2022 had not been experienced in the region before. On 28 February 2022, the Wilsons River in Lismore reached a height of 14.4 metres, approximately 2.3 metres higher than the previous record. A second flood occurred on 30 March 2022, with the river reaching 11.4 metres. The flooding in the region was extensive, affecting towns including Lismore, Coraki, Woodburn and Ballina. Between late February and early April 2022, 13 lives were lost in the Northern Rivers floods. In addition, 4,055 properties were deemed uninhabitable, and a further 10,849 properties were assessed as damaged. Approximately 4,000 people had to be evacuated from Lismore alone during this period, with thousands displaced from their homes across the region.

In the Central West, on 14 November 2022, the Lachlan River at Forbes peaked at 10.6 metres and was categorised as major flooding due to the inundation of extensive rural areas with properties, villages and towns isolated. On the same day in Eugowra, the Mandagery Creek peaked at 9.8 metres, passing the previous record of 9.6 metres in 1950. Flooding occurred in other areas of the Central West including Parkes, Molong, Cowra and Canowindra. Two lives were lost in the town of Eugowra with 80% of homes and businesses in the town damaged.

This audit assessed the following two areas of NSW Government support provided in response to these flood events:

- Provision of emergency accommodation: short-term accommodation provided to displaced persons unable to return to their own home in an emergency situation.
- Provision of temporary housing provided in the form of temporary pods and caravans.

The Department of Communities and Justice (DCJ) is responsible for the provision of emergency accommodation and other welfare services in response to a disaster event. With regards to temporary housing, the following agencies were involved in this audit:

- Resilience NSW was the lead agency responsible for recovery and led the implementation of the temporary housing program under the oversight of the Chair, Housing Taskforce (HTF) from July 2022. On 16 December 2022, Resilience NSW was abolished, with some staff transferred to the NSW Police Force, Department of Premier and Cabinet (DPC) and DCJ. The remaining staff were transitioned to the newly established NSW Reconstruction Authority.
- The Department of Planning and Environment (DPE) chaired the HTF until July 2022 and led the process for the identification and evaluation of temporary housing village sites. On 1 January 2024, DPE was abolished and the DPE functions discussed in this report now form part of the Department of Planning, Housing and Infrastructure.
- NSW Public Works (NSWPW), a branch of the Department of Regional NSW (DRNSW) procured and managed the construction of the pods used in this program, and procured the caravans used as part of the temporary housing response.

The then DPC (now Premier's Department (PD)) was responsible for whole-of-government policy advice, convening the Crisis Policy Committee of Cabinet, and whole-of-government communications.

This audit assessed how effectively the NSW Government provided emergency and temporary housing in response to the early 2022 Northern Rivers and late 2022 Central West flood events. We addressed this objective by examining whether the audited agencies:

- effectively planned for the provision of emergency accommodation and temporary housing prior to the flood events
- provided emergency accommodation and temporary housing to meet the needs of affected communities in response to the flood events
- are effectively capturing lessons learned in relation to their provision of emergency accommodation and temporary housing as part of the flood response.

Conclusion

The NSW Government responded to the 2022 Northern Rivers and Central West flood events with a large-scale emergency accommodation and temporary housing response. The Department of Communities and Justice (DCJ) rapidly provided emergency accommodation to displaced persons immediately following the 2022 Northern Rivers and Central West flood events. At one point in April 2022, DCJ was providing emergency accommodation to 1,440 people, adapting its approach to account for the scale of the flood events. The NSW Government constructed 546 temporary dwellings to house displaced households in the Northern Rivers, although this was not sufficient for every household requesting this accommodation.

The Northern Rivers flood event required the NSW Government to implement a temporary housing program as a medium-term solution for the large number of people displaced by the floods. There was no plan in place to guide a temporary housing response. As such, the government needed to develop governance structures, perform tasks such as options analysis and site selection, and undertake procurement for temporary housing during the immediate aftermath of the flood events without a plan in place to guide these actions. While the event was large in scale, the use of temporary housing as a response was not unprecedented and had previously been used in response to the 2019–20 bushfires, albeit on a smaller scale. Not having a plan in place that incorporated lessons learned from this experience meant that the NSW Government was not as well prepared as it could have been for the use of temporary housing in a disaster context.

The NSW Government's temporary housing program involved the rapid procurement and construction of 546 temporary dwellings across 11 temporary housing villages. However, the amount of temporary housing provided did not meet the demand. There is still an extensive waitlist for this housing and few people are exiting, meaning that the needs of all households seeking temporary housing in the Northern Rivers population are unlikely to be met. Broader housing challenges across New South Wales, including in the Northern Rivers region, are contributing to the risk that individuals may not be able to be rehomed for a significant amount of time. The lack of plans in place to specifically guide the temporary housing response contributed to the NSW Government's inability to meet forecast demand.

Planning for the housing response

The Welfare Services Functional Area Supporting Plan is a supporting plan to the NSW Emergency Management Plan. The plan outlines the responsibilities of DCJ for the coordination and delivery of disaster welfare services in New South Wales, including the provision of emergency accommodation. DCJ did not have an agency-level plan or standard operating procedures in place that specified its roles and responsibilities and guided the process of housing displaced persons in emergency accommodation.

There was no similar State-level emergency plan to guide the temporary housing response. Although the government had utilised a temporary housing response to the 2019–20 bushfires, no specific plans were in place to guide its response to the flood events in 2022. The lack of a State-level plan to guide the temporary housing response means there is no framework to guide this process at an agency level for the NSW Reconstruction Authority (the Reconstruction Authority). The absence of both State and agency-level plans guiding the provision of temporary housing at the time of the flood events meant that agencies were required to develop a process to follow at the same time as responding to these events.

Response to the Northern Rivers floods

The State Recovery Committee (SRC) was already operating at the time of the 2022 flood events following the 2019–20 bushfires. Subcommittees, which included a Housing Taskforce (HTF) to coordinate the temporary housing response, were established and regularly reported to the SRC to enable it to manage issues with programs as they arose. However, the SRC did not undertake strategic risk management to proactively identify issues that could hinder the recovery effort.

DCJ arranged emergency accommodation in the immediate aftermath of the floods, adapting its approach to providing this accommodation due to the significant scale of flooding and the impact it had on DCJ's usual forms of emergency accommodation. In addition to available hotels and motels, camp style accommodation facilities and motorhomes were used to house displaced persons. At one point in April 2022, DCJ was providing emergency accommodation to 1,440 people.

A decision was made shortly after the flood events to construct medium-term, temporary housing for the large number of people displaced by the flood event. This included temporary housing villages. This work was led by Resilience NSW under the oversight of the HTF. NSW Public Works (NSWPW) conducted a rapid procurement process to secure 664 pods or modular homes. In addition, Resilience NSW secured over 250 caravans over the course of the response as an additional source of temporary housing. The Department of Planning and Environment (DPE) led a rapid assessment process to identify potential sites to locate the temporary housing villages. Eleven temporary housing villages with 546 dwellings were constructed in the Northern Rivers from an initial shortlist of 20 potential sites. These villages progressively became available throughout late 2022 and were all constructed by the end of March 2023.

The temporary housing response did not meet the forecast demand. As at 27 November 2023, 724 households remained on the waitlist for temporary housing, though the Reconstruction Authority has not reviewed this list to confirm its accuracy. The number of households leaving to enter longer-term accommodation is relatively low, and it is unlikely that turnover alone will accommodate households on the waitlist in the near future.

The NSW Government does not have a clear plan around how long the temporary housing villages are intended to remain in place. It has identified that the temporary housing villages need to be demobilised within a five-year period, as required by the *State Environmental Planning Policy (Housing) 2021*. There are also no plans in place setting out how people will be re-housed in other appropriate housing.

Response to the Central West floods

Agencies involved in the provision of emergency accommodation and temporary housing learned key lessons from the Northern Rivers floods that informed responses in the Central West. These lessons included the rapid stand up of the At-home Caravans Program to provide immediate accommodation for displaced persons, and the instigation of a community reference group to provide feedback on the proposed housing response plan.

In the three weeks following the evacuation order for Eugowra, DCJ housed 93 people from the community in emergency accommodation. Resilience NSW activated the At-home Caravans Program soon after the flood events in the Central West. Caravans were temporarily set up on private properties where displaced persons lived while waiting for a pod to be installed on the property. This formed part of a broader temporary housing response to provide immediate shelter in the community through caravans, medium term housing in the form of pods, and supporting displaced persons to repair or rebuild their homes.

Resilience NSW was able to meet the demand for housing in the Central West by placing temporary housing on people's property. At 30 May 2023, 59 out of 100 pods had been installed on private properties. It was not always possible to house rental tenants by placing a pod on the property they were occupying. However, most of these tenants were able to be housed in pods on alternative properties.

Lessons learned

Agencies have commenced the process of evaluating their roles in the provision of emergency accommodation and temporary housing. DCJ and the Reconstruction Authority are both planning reviews of their roles, with DCJ in the process of engaging a consultancy firm to conduct this. NSWPW has commenced a review of its provision of temporary housing. DPE and Premier's Department (PD) have not commenced a review, although PD has established a new unit for strategic communications during disasters in response to the agency's involvement in crisis communications.

1. Key findings

There was no plan in place to guide the temporary housing response at the time of the floods

The Welfare Services Functional Area Supporting Plan (WSFASP, the plan) is a supporting plan to the New South Wales Emergency Management Plan (EMPLAN). The plan outlines the responsibilities of the Department of Communities and Justice (DCJ) for the coordination and delivery of disaster welfare services in New South Wales, which includes the provision of emergency accommodation. The plan in place during the flood events outlined the responsibilities of DCJ and the former Office of Emergency Management, some responsibilities of which have since transitioned to the Reconstruction Authority.

The State-level emergency planning documents do not contemplate the need for temporary housing as a government disaster response. Although there was a temporary emergency housing response to the Black Summer bushfires in 2019–20, no specific plans were in place to guide this response or the flood events in 2021–22. The Government therefore had to develop its approach to addressing demand for temporary housing whilst responding to the flood emergency as it was occurring.

Agencies did not have agency-level plans in place for implementing their responsibilities under State-level emergency accommodation and temporary housing plans

The WSFASP defines emergency accommodation and outlines the government and non-government organisations responsible for its provision. It does not provide a detailed description of the specific roles and responsibilities related to its provision. DCJ does not have an agency-level plan in place that specifies these in more detail, and did not have any standard operating procedures in place to guide the process of housing displaced persons in emergency accommodation.

Given that there is no State-level plan in place to guide the temporary housing response, there is no framework to guide this process at an agency level for the Reconstruction Authority. The absence of both State and agency-level plans guiding the provision of temporary housing at the time of the flood events meant that agencies were required to develop a process to follow at the same time as responding to the flood events.

Appropriate governance structures were established quickly and changed as needed to reflect the recovery needs

The State Recovery Committee (SRC) was activated following the 2019–20 bushfires and was still operating at the time of the 2022 floods. The SRC established a range of subcommittees to assist with recovery efforts. These subcommittees were operational from March 2022 onwards. The Health and Wellbeing subcommittee was established as part of this and initially had responsibility for the provision of both emergency accommodation and temporary housing. This subcommittee was chaired by a relevant Senior Executive in DCJ.

In early March, the SRC created a new subcommittee: the Housing Taskforce (HTF). The HTF contained key staff from a wide variety of agencies as well as other key stakeholders like local councils where appropriate, and was chaired by a Senior Executive from the Planning Branch of the Department of Planning and Environment (DPE). A terms of reference was quickly developed for the subcommittee. The HTF's initial purpose included developing a strategy for identifying locations and pathways for temporary housing. This allowed the Health and Wellbeing subcommittee and the HTF to provide more focus on their particular areas of responsibility.

DCJ adapted its usual procedures to house a large number of people in emergency accommodation following the Northern Rivers flood event

The Housing Contact Centre (HCC), a branch within DCJ, is responsible for arranging emergency accommodation during a disaster. Through the HCC, DCJ housed 788 people in the two weeks following the initial flood event by utilising its standard local accommodation providers. On 27 April 2022, 1,440 people were reported as staying at local accommodation providers as part of the emergency accommodation response.

Due to the significant scale of the flooding and the impact it had on DCJ's usual forms of emergency accommodation – hotels and motels – the HCC adapted its approach to providing emergency accommodation. In the two weeks following the initial flood event, DCJ accommodated people across four camp style accommodation facilities. DCJ also established hired motorhomes at three existing caravan park sites in the Northern Rivers.

DPE led a rapid assessment process for potential land for temporary housing villages

DPE led a process to identify suitable sites to build temporary housing villages. A total of 143 sites were assessed, including sites identified by local councils and State government. DPE collated a wide variety of information from different agencies and local councils to assess whether sites were suitable. Each site was assigned an overall score and ranked according to that score.

Following the assessment of sites, 17 sites were shortlisted for a temporary housing village. Some of the sites selected did not score highly in the initial assessment. These 17 sites were initially assessed as being capable of holding a maximum estimated total of between 1,950 and 2,040 dwellings, which exceeded the estimated demand at that time. As site constraints became clear and more work was done to identify the number of dwellings which could be placed on each site, the maximum estimated total across these 17 sites reduced to 1,381. Following further site inspections and negotiations with stakeholders, the shortlist of 17 sites was reduced to 14 sites. Only 11 of the 14 shortlisted sites were ultimately used for the construction of temporary housing villages. There is no strategy for meeting outstanding demand for temporary housing.

The NSW Government built 546 temporary dwellings in the Northern Rivers but this did not meet the forecast demand for temporary housing and there continues to be a waitlist

Five hundred and forty-six dwellings were placed on the 11 sites in the Northern Rivers for the temporary housing villages. This included both pods and caravans. This number of dwellings did not meet the demand for temporary housing, which exceeded 1,100 households by November 2022. As at 10 July 2023, 1,021 people were in the temporary housing villages and 257 caravans were on people's property.

As at 27 November 2023, 724 households remained on the waitlist for temporary housing, though the Reconstruction Authority has not reviewed this list to confirm its accuracy. This indicates that while the temporary housing, and the pods specifically, was able to meet some of the Northern Rivers' demand for housing, it was unable to fully meet the needs of the Northern Rivers community. The Reconstruction Authority has advised that it is planning to perform an outreach campaign with households on the waitlist to ascertain how many households on the waitlist are still seeking temporary housing, and to prioritise eligible households using a revised program prioritisation model.

One way in which the dwellings could be made available to households on the waitlist is if people exit the temporary housing into more permanent options. By 10 July 2023, 75 households had exited temporary housing. Of these, only 30 had either moved into a longer-term housing solution or moved out of the area, with the remaining 45 either not having a known reason or leaving for other reasons, such as through being evicted from the temporary dwelling. This means that the number of households leaving to enter longer-term accommodation is relatively low, and it is unlikely that turnover alone will accommodate households on the waitlist in the near future. External pressures including broader housing stress in the region which existed prior to the floods, and the limited viability of existing social and affordable housing options, have placed additional demand on the program, and limit options for residents to secure long-term housing.

Given that the number of temporary dwellings constructed did not meet the demand for temporary housing in the Northern Rivers, it was important to implement alternative measures for housing people on the waitlist or moving people from temporary to more permanent accommodation. However, alternative measures for addressing unmet demand were not implemented. The NSW Government does not have a strategy for meeting the outstanding demand for temporary housing.

There are no long-term plans in place for the transition of tenants out of the temporary housing villages, increasing the risk that individuals may not be able to be rehomed

The budget for the construction and ongoing management of the temporary housing villages includes funds for returning the sites to their pre-construction condition, known as demobilisation. The initial anticipated timeframe for the temporary housing program was two years, however tenants were engaged on three-year leases. The NSW Government does not have a clear plan around how long the temporary housing villages are intended to remain in place. The temporary housing villages need to be demobilised within a five-year period, as required by the *State Environmental Planning Policy (Housing) 2021*.

NSWPW's contractors developed demobilisation plans for each temporary housing village, which are held by NSWPW as the primary contract holder. These plans only consider the physical demobilisation of the site, and do not include plans for longer-term considerations such as rehousing people in other appropriate housing.

With no strategy in place to guide the transition of all tenants out of temporary housing prior to the end of the anticipated two-year timeframe, and no clear timeline for when the temporary housing villages will be demobilised, the Reconstruction Authority faces the risk of hundreds of households being unable to be rehomed by the end of this period. This risk is exacerbated by the waitlist for temporary housing and the slow pace of transition of current temporary housing occupants from the villages.

DCJ housed displaced persons in the Central West quickly

DCJ, through the HCC, advised that it followed its standard process outlined above for the provision of emergency accommodation during the Central West flood event. The evacuation order for Eugowra was made on 15 November 2022, and by 8 December 2022, DCJ had housed 93 people from the community in emergency accommodation. The HCC was able to utilise alternative accommodation such as rooms at Charles Sturt University to meet the increasing demand for emergency accommodation in the Central West.

Resilience NSW was able to meet the demand for housing in the Central West by placing temporary housing on people's property

Resilience NSW made the decision to activate the At-home Caravans program in the Central West, with applications from displaced persons being taken within a week after the flood event in Eugowra. Caravans were temporarily set up on private properties in Eugowra. Displaced persons are able to live in these caravans while waiting for a pod to be installed on their property. By 10 January 2023, 102 caravans had been delivered to the Central West and started to be located on private properties.

Resilience NSW reviewed the situation in Eugowra, and decided that a more appropriate solution than the temporary housing villages approach used for the Northern Rivers flood event would be to place the temporary pods on private property. These pods replaced caravans initially installed on private properties, although some disaster-affected persons are still living in caravans while they wait for pod installation on their property. Resilience NSW was able to utilise the excess pods from the Northern Rivers to reduce the wait time for displaced persons to move into the pod from the caravan located on their property.

It was not always possible to house rental tenants by placing a pod on the property they were occupying because they were unable to obtain landowner permission. It was necessary to find an alternative property to install these pods, usually on property owned by a family member. This was able to address most tenants' issues.

Agencies learned and applied lessons from the Northern Rivers floods to the Central West flood event, but most have not formalised these for future consideration

Agencies involved in the provision of emergency accommodation and temporary housing learned key lessons from the Northern Rivers floods that could be applied in the Central West response. These lessons learned were largely undocumented, with many staff being involved across both the Northern Rivers and Central West flood responses, and able to directly apply lessons learned from their experience in the earlier response. It is good practice to formalise lessons learned to ensure that future responses may have access to contemporary information to learn from both positive and negative experiences in previous situations.

DCJ and Premier's Department (PD) have not yet documented any lessons learned from their roles in the flood events. Some lessons were documented by Resilience NSW in April 2022 as part of a process to identify emerging insights. These lessons covered a broad range of activities, including findings relevant to the provision of temporary housing.

In June 2023, the Reconstruction Authority formally documented its own lessons learned from the provision of temporary housing. This included identifying actions to avoid repeating some of the negative experiences, such as Aboriginal communities not being consulted at the appropriate time, and not having adequate program design processes in place for the temporary housing program. In addition, NSWPW has commissioned an evaluation of its work in the construction and provision of temporary housing, which includes a formal lessons learned component.

Agencies are in the process of evaluating the provision of emergency accommodation and temporary housing

Agencies have commenced the process of evaluating their role in the provision of emergency accommodation and temporary housing. DCJ advised that an external evaluation would commence shortly and that it was in the process of engaging a consultancy firm to conduct this. NSWPW has also commenced an external review of its provision of temporary housing. DPE and PD have not commenced a review, although PD has established a new unit for strategic communications during disasters in response to the agency's involvement in crisis communications. This unit has been developed to deliver overarching whole-of-government messaging during disaster events. Similarly, the Reconstruction Authority advised that an evaluation was planned for the provision of temporary housing.

There is no State-wide process in place to capture lessons learned from all agencies involved in recovery

Each year, the State Emergency Management Committee conducts a State-wide lessons learned exercise, incorporating learnings from all of the emergency events in the previous year. The findings largely relate to response activities, with very few lessons learned relating to recovery. Only a limited number of agencies are involved in this activity, and the 2022 review did not incorporate the views of a number of agencies that were involved in the recovery phase of the Northern Rivers and Central West flood events.

While it is important that lessons are learned from the response phase of an emergency, it is equally important that State-wide lessons are learned from the recovery phase to ensure that appropriate State-wide changes can be made, or positive experiences can be continued. There is currently no process in place to capture these lessons learned from the recovery phase from all agencies involved in the recovery phase.

2. Recommendations

By August 2024, the NSW Reconstruction Authority should:

1. develop a whole of government plan for temporary housing to coordinate future temporary housing responses to emergency events
2. review the temporary housing waitlist to determine the current extent of unmet need
3. determine a timeline for demobilising the temporary housing villages and transitioning tenants out of temporary housing
4. develop a strategy to manage the transition of people into long-term accommodation, taking into account recommendations from relevant reviews
5. develop a process for a state-wide recovery lessons learned process and facilitate this being completed each year in coordination with the State Recovery Committee.

By December 2024, all audited agencies should:

6. finalise evaluations of their role in the provision of emergency accommodation and temporary housing for the Northern Rivers and Central West flood events, and incorporate lessons learned into future planning and continuous improvement. These evaluations should be undertaken in conjunction with other agencies where appropriate.
7. develop internal plans for implementing whole-of-government responsibilities under the Welfare Functional Area Supporting Plan and any plan developed as a result of recommendation one. This may include, as appropriate, the agency's:
 - role in whole-of-government governance arrangements, including key interactions with other agencies
 - procurement process, including analysis of appropriate options
 - process for identifying appropriate sites for temporary housing
 - relevant communication activities, including engagement with Aboriginal communities.

1. Introduction

1.1 Background

Flood events in New South Wales

Extreme rainfall across eastern Australia in 2021 and 2022 led to a series of major flood events in New South Wales. In response, the NSW Government declared each of these events a natural disaster and made available a wide range of support for affected individuals and businesses. The flooding experienced by the State was widespread and its severity caused significant destruction in communities across the State. Notably, significant damage occurred in the Northern Rivers and Central West regions of New South Wales.

The scale of flooding in the Northern Rivers had not been experienced in the region before. On 28 February 2022, the Wilsons River in Lismore reached a height of 14.4 metres, approximately 2.3 metres higher than the previous record. A second flood occurred on 30 March 2022, with the river reaching 11.4 metres. The flooding in the region was extensive, affecting towns including Lismore, Coraki, Woodburn and Ballina. Between late February and early April 2022, 13 lives were lost in the Northern Rivers floods, 4,055 properties were deemed uninhabitable, and a further 10,849 properties were assessed as damaged. Approximately 4,000 people had to be evacuated from Lismore alone during this period, with thousands displaced from their homes across the region.

On 14 November 2022, the Lachlan River at Forbes in Central West NSW peaked at 10.6 metres and was categorised as major flooding due to the inundation of extensive rural areas with properties, villages and towns isolated. On the same day in Eugowra, the Mandagery Creek peaked at 9.8 metres, passing the previous record of 9.6 metres in 1950. Flooding occurred in other areas of the Central West including Parkes, Molong, Cowra and Canowindra. Two lives were lost in the town of Eugowra, with 80% of homes and businesses in the town damaged.

Emergency management in New South Wales

Emergency management at State level in New South Wales is legislated in the *State Emergency and Rescue Management Act 1989* (SERM Act, the Act). The Act sets out the Government's responsibilities in relation to the prevention of, preparation for, response to and recovery from emergency events. This includes the planning structure to support emergency management activities and the governance framework required during an emergency event. The SERM Act establishes the State Emergency Management Committee (SEMC) and its functions, which include:

- advising the Minister on matters relating to the prevention of, preparation for, response to and recovery from emergencies
- to review, monitor and develop emergency management policy and practice at a State-level
- to review the State Emergency Management Plan (EMPLAN)
- to facilitate strategic State-level emergency management capability through inter-agency coordination
- to promote the continuous improvement of emergency management policy and practice at a State-level.

The SEMC is also required to establish subcommittees to coordinate the provision of functional area support where required.

The SEMC provides leadership, direction and advice for strategic and operational emergency management in New South Wales. It is responsible for state-level emergency planning. It consists of the State Emergency Operations Controller (SEOCON), the State Emergency Recovery Controller (SERCON) and representatives from relevant government agencies including the Ambulance Service of NSW, Fire and Rescue NSW and the NSW Police Force. The reporting structure of the SEMC as at December 2022 is outlined in Exhibit 1.

Exhibit 1: Reporting structure of the State Emergency Management Committee as at December 2022

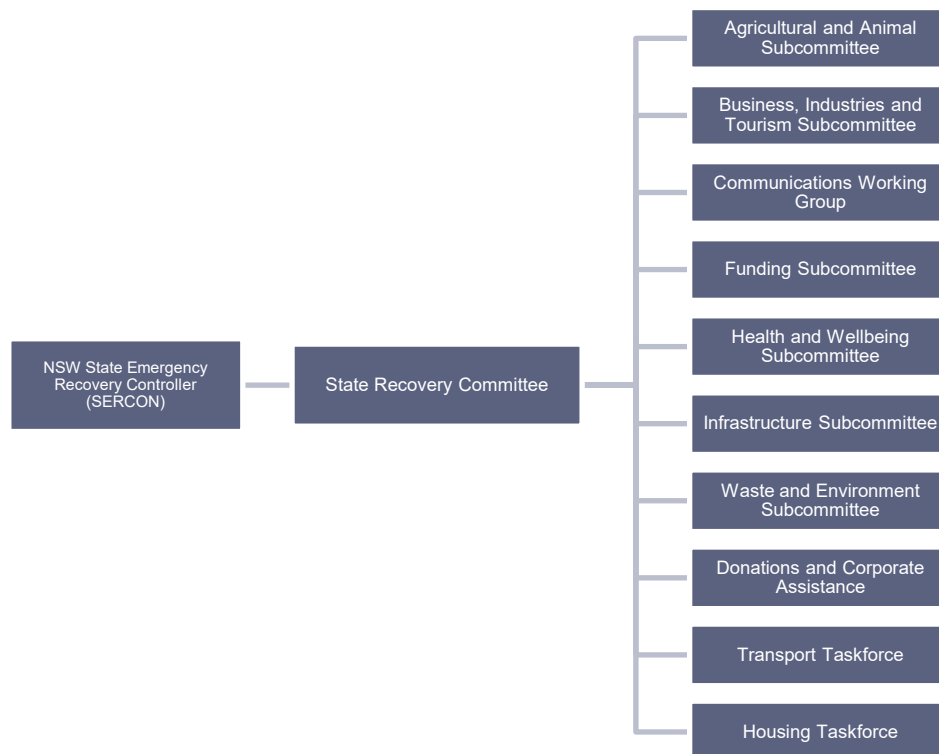


Source: SERM Act.

The State Recovery Committee (SRC) is established in response to significant events that impact a number of regions throughout the state to provide strategic oversight and guidance to recovery efforts following disasters. It establishes subcommittees to lead delivery across specific functions and provides senior leadership to facilitate whole-of-government coordination. The SRC reports into the SERCON, a position established under the SERM Act and held by Resilience NSW during the flood events. This position is currently held by the NSW Reconstruction Authority. At the time of the flood events in early 2022, the SRC was in operation, having been established in response to the 2019–20 bushfire events.

The need for a specific taskforce to focus on immediate and longer-term housing solutions was identified in March 2022 by the SRC. The Housing Taskforce (HTF) Steering Committee reports into the SRC alongside other working groups, subcommittees and taskforces focused on specific areas of recovery. It is a cross-agency group set up to address the short, medium and long term housing issues arising out of the February 2022 flood event. The HTF was chaired by the Department of Planning and Environment (DPE) until July 2022 when it moved to being chaired by the newly formed Northern Rivers Reconstruction Corporation (NRRC). In September 2022, the HTF was subsumed into Resilience NSW as a branch within the agency. The reporting structure of the SRC and its subcommittees in response to the flood events is outlined in Exhibit 2.

Exhibit 2: Reporting structure of the State Recovery Committee



Source: NSW Reconstruction Authority.

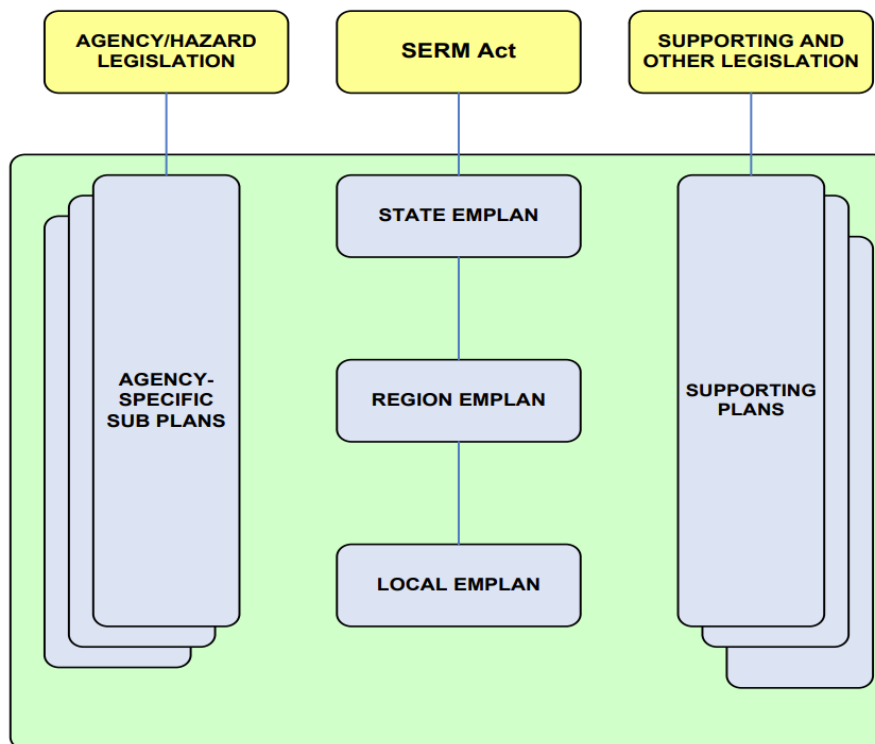
The SERM Act also establishes the EMPLAN and its requirements. The EMPLAN is in place to ensure the coordinated response by all agencies with responsibilities and functions in emergencies. Under the SERM Act, the EMPLAN:

- identifies the combat agency primarily responsible for controlling the response to different forms of emergencies
- provides for the coordination of activities of other agencies in support of the responsible combat agencies
- specifies the tasks to be performed by all agencies in the event of an emergency
- specifies the responsibilities of the responsible Minister, and the State, Regional and Local Emergency Operations Controllers.

The Emergency Operations Controllers assume responsibility for operations where no specific combat agency is nominated, or where requested by the combat agency or responsible Minister to assume control.

The EMPLAN also establishes the framework of sub plans, supporting plans, related policy instruments and guidelines in relation to emergency management. This is shown in Exhibit 3.

Exhibit 3: Emergency Legislative and Planning Framework



Source: NSW EMPLAN, 305.

A sub plan is a State-level action plan required for a specific hazard or event, where the planning required is more specialised or detailed than can be provided for in the EMPLAN. Supporting plans are prepared by a NSW Government agency or functional area and describe the support to be provided to the controlling or coordinating authority during emergency operations. Supporting plans also describe how the agency, organisation or functional area is to operate in order to fulfil the roles and responsibilities it has been allocated.

The Welfare Services Functional Area Supporting Plan is an example of a supporting plan in place, which describes the strategic emergency management arrangements for providing welfare services to disaster-affected people in New South Wales including emergency accommodation.

Emergency accommodation and temporary housing

Emergency accommodation is short-term accommodation provided to displaced persons who are unable to return to their own home in an emergency situation. The Department of Communities and Justice (DCJ) is responsible for the provision of this service. This accommodation is provided through commercial accommodation providers including hotels, motels and caravan parks. Displaced persons access this accommodation through evacuation centres, where DCJ staff coordinate and facilitate bookings through its centralised Housing Contact Centre. Emergency accommodation was initially provided for four nights, which was then extended to 28 days in March 2022. The provision of emergency accommodation was still ongoing as a response in 2023.

Due to the extensive damage to homes in both the Northern Rivers and Central West NSW, the SRC identified the need to address the ongoing housing needs of disaster-displaced persons through the provision of temporary housing. Temporary housing has been provided through three different streams:

- Temporary housing sites in the Northern Rivers, which contain temporary modular homes and caravans located at a single site.
- The At-home Caravans program, which provides caravans to residents with suitable properties.
- Pods on private property which are available for residents in Central West NSW.

The provision of temporary housing is a separate program to the provision of temporary accommodation, which is a service provided by DCJ to support those who are homeless or at risk of becoming homeless.

A range of other housing-related support is available to those displaced in an emergency event. These include:

- Back Home grants: payment to help cover the costs of restoring property to a habitable condition or replacing essential household items
- Structural Repairs grants: payment to help contribute toward essential structural repairs to homes for households unable to meet these costs
- Repairs and maintenance to social and Aboriginal owned housing
- Resilient Homes Program: assistance provided to homeowners to improve the flood-resilience of residential properties in the Northern Rivers.

These and other supports were not reviewed as part of this audit.

Agencies involved in providing emergency accommodation and temporary housing

This audit assessed the activities of the following agencies:

- NSW Reconstruction Authority (the Reconstruction Authority) (formerly Resilience NSW)
- Department of Communities and Justice (DCJ)
- Premier's Department (PD) (formerly Department of Premier and Cabinet (DPC))
- NSW Public Works (NSWPW), a branch of the Department of Regional NSW (DRNSW)
- Department of Planning and Environment (DPE).

Each of the auditees played specific roles in the provision of emergency accommodation and temporary housing at the time of the 2022 flood events, as show in Exhibit 4.

Exhibit 4: Role of audited agencies

Agency	Roles
NSW Reconstruction Authority (formerly Resilience NSW)	<ul style="list-style-type: none"> • Lead agency responsible for recovery • Lead agency responsible for the management and coordination of housing and infrastructure renewal and recovery • Implementation of the temporary housing program, under the oversight of the Chair, Housing Taskforce from July 2022 • Responsible for the distribution of Commonwealth Disaster Recovery Funding via the Disaster Recovery Funding Arrangements 2018 • Chair of the SRC and State Emergency Recovery Controller
Department of Communities and Justice	<ul style="list-style-type: none"> • Coordination of the provision of emergency accommodation • Coordination of other welfare services in response to a disaster event • Chair of the Health and Wellbeing Subcommittee of the State Recovery Committee

Agency	Roles
Premier's Department (formerly Department of Premier and Cabinet)	<ul style="list-style-type: none"> • Convening the Crisis Policy Committee of Cabinet • Whole-of-government communications • Participating in the SRC and Housing Taskforce • Facilitating whole-of-government emergency policy
NSW Public Works (a branch of the Department of Regional NSW)	<ul style="list-style-type: none"> • Procured modular housing and managed the construction of the temporary housing villages on behalf of the Reconstruction Authority • Procured and managed the installation of caravans used in the At-home Caravans program • Participating in the Housing Taskforce
Department of Planning and Environment	<ul style="list-style-type: none"> • Chair of the Housing Taskforce until July 2022 • Identification and evaluation of temporary housing village sites • Government Architect NSW within DPE led the design of the temporary housing villages • Provision of long-term planning advice • Development of regulatory and planning provision changes

Source: Audit Office of NSW analysis.

Machinery of Government changes have impacted the agencies involved in the flood housing response. On 16 December 2022, Resilience NSW was abolished, with some persons employed in the agency being transferred to the NSW Police Force, DPC and DCJ. The remaining staff were transitioned to the newly established NSW Reconstruction Authority.

In July 2023, the Department of Premier and Cabinet was replaced by the Premier's Department and the Cabinet Office. The relevant DPC functions reviewed for this audit are now under the remit of the Premier's Department.

On 1 January 2024, DPE was abolished and the DPE functions discussed in this report now form part of the Department of Planning, Housing and Infrastructure.

1.2 About this audit

The objective of this audit was to assess how effectively the NSW Government provided emergency accommodation and temporary housing in response to the early 2022 Northern Rivers and late 2022 Central West flood events. We addressed this objective by examining whether the audited agencies:

- effectively planned for the provision of emergency accommodation and temporary housing prior to the flood events
- provided emergency accommodation and temporary housing to meet the needs of affected communities in response to the flood events
- are effectively capturing lessons learned in relation to their provision of emergency accommodation and temporary housing as part of the flood response.

2. Planning for the housing response

There is a State-level plan in place to guide the approach to emergency accommodation

The Welfare Services Functional Area Supporting Plan (WSFASP, the plan) is a supporting plan to the New South Wales Emergency Management Plan (EMPLAN). The plan outlines the responsibilities of the Department of Communities and Justice (DCJ) for the coordination and delivery of disaster welfare services in New South Wales. This includes the provision of emergency accommodation services. The plan in place during the flood events outlined the responsibilities of DCJ and the former Office of Emergency Management (OEM), some responsibilities of which have since transitioned to the NSW Reconstruction Authority (the Reconstruction Authority). The plan sets out a framework for government and non-government organisations to coordinate to provide key welfare services during an emergency, and outlines agreed roles and responsibilities. The plan outlines preparedness measures and arrangements for the provision of key welfare services during the response to and recovery from emergencies in New South Wales.

The plan details the organisations and key positions involved in welfare services, including their overall roles and responsibilities, and a basic structure for the delivery of disaster welfare services. For example, the plan states that both the former Department of Families and Communities Services and the not-for-profit Adventist Development and Relief Agency (ADRA) are responsible for emergency accommodation but does not clarify the detailed responsibilities associated with this role. These provide a State-wide, though not detailed, approach to emergency accommodation and welfare services in a disaster recovery context.

There was no plan in place to guide the temporary housing response, despite the NSW Government utilising this type of response in a previous emergency event

The State-level emergency planning documents do not contemplate the need for temporary housing as a government disaster response. Although there was a temporary housing response to the Black Summer bushfires in 2019–20, albeit on a smaller scale, no specific plans were in place to guide this response or the flood events in 2021–22. The NSW Government therefore had to develop its approach to addressing demand for temporary housing whilst responding to the flood emergency as it was occurring.

A partnership was established between the NSW Government and the Minderoo Foundation in 2020 to provide 100 pods to people whose homes were destroyed in the Black Summer bushfires. The initial rollout consisted of four-person pods, however the need for greater capacity was identified, with larger, family-sized pods developed for up to six people. The implementation of this program did not include formalising the work completed in documented plans for future use in response to other emergency events.

A plan that sets out how temporary housing should be used is in place in Queensland. The Queensland Government released a Temporary Emergency Accommodation (TEA) plan in 2021 which describes the arrangements, roles and responsibilities of key organisations critical to supporting displaced community members after the closure of an evacuation centre. The TEA plan outlines the five phases in the provision of accommodation support which includes temporary housing recovery. This demonstrates that a plan for the use of temporary accommodation would not be unprecedented.

Without plans in place to respond to all aspects of an emergency, decision makers are forced to be reactive in their decision making or to develop these plans while also responding to the events. In this specific instance, the government was forced to develop governance structures and perform tasks such as options analysis and site selection for temporary housing during the immediate aftermath of the flood events.

The Reconstruction Authority has acknowledged the need for a formalised plan for temporary housing responses and has started work to develop this in preparation for future flood events. It advised that the Housing Taskforce (HTF) has begun this work by performing assessments and reviews of high-risk areas and engaging with local councils and community groups. The Reconstruction Authority is also developing a Recovery Readiness Checklist, which will include preparedness for the provision of temporary housing in an emergency. Pre-event recovery planning specific to Local Government Areas (LGAs) is also underway, with the Reconstruction Authority developing tailored checklists which cover the provision of temporary housing. These tools will form part of the State's recovery response under the NSW Recovery Plan, which the Reconstruction Authority is currently in the process of updating. The Reconstruction Authority advises that this update will include identifying responsibilities in relation to the temporary housing response and recovery more broadly.

The WSFASP in place during the flood events had not been reviewed and updated in line with its planning requirements

Plans which outline the coordination and delivery of services in response to an emergency are imperative to ensure all required activities are completed, and the needs of affected communities are met. Plans also serve as a common reference point for decision making. Out of date plans can result in unclear roles and responsibilities, requiring agencies to make improvised decisions due to the urgent nature of emergency response. This creates a risk of key activities not being fulfilled and community needs going unmet.

The WSFASP in place during the flood response was last updated and endorsed by the State Emergency Management Committee (SEMC) in June 2018. As part of the planning requirements outlined in the plan, the State Welfare Services Functional Area Coordinator (WelfAC) is required to ensure the plan is reviewed every five years, or when relevant aspects require review following emergency operations or changes to legislation. The State WelfAC is an officer from DCJ responsible for the monitoring, support and coordination of disaster welfare services in New South Wales.

In 2020, a machinery of government change was implemented which established Resilience NSW as a public service executive agency and transferred persons employed in OEM to Resilience NSW. Despite these legislative changes, the plan had not been updated in line with its requirements to reflect these and subsequent changes, as OEM was still listed as one of the two agencies responsible for the coordination and delivery of disaster welfare services. Similarly, the plan had not been updated to reflect emergency operations changes with ADRA listed as the responsible coordinator for the provision of emergency accommodation services, despite no longer being responsible for this service.

The WSFASP has since been updated to reflect these changes and was endorsed by the SEMC in September 2023. The current WSFASP aligns with the welfare services responsibilities following the transfer of the welfare services functional area to DCJ in 2023. This includes the role of DCJ as the lead agency for the WSFASP, and DCJ and the Housing Contact Centre (HCC) within DCJ as the coordinator of emergency accommodation. The updated plan also provides an outline of the key welfare services that are delivered by the functional area, including emergency accommodation, personal support, essential food and grocery items, and transition from emergency accommodation. The outline provides a description of each service and the agency, team or non-government organisation responsible for coordinating the service.

Agencies did not have agency-level plans in place for implementing their responsibilities under State-level emergency accommodation and temporary housing plans

The State EMPLAN establishes a framework for sub plans, supporting plans and related policy instruments and guidelines. It states that a supporting plan should describe the support which is to be provided to the controlling or coordinating authority during emergency operations and be an action plan which describes how an agency or functional area is to be coordinated in order to fulfill the roles and responsibilities allocated. Without this more detailed guidance being in place, there is no common reference point for individuals within an agency to refer to when implementing the broader State-level plans, such as the WSFASP.

The WSFASP defines emergency accommodation and outlines the government and non-government organisations responsible for its provision. It does not provide a detailed description of the specific roles and responsibilities related to its provision. DCJ does not have an agency-level plan in place that specifies these in more detail, and did not have any standard operating procedures (SOPs) in place to guide the process of housing displaced persons in emergency accommodation.

The absence of SOPs to guide this process can increase the chance of inconsistent implementation of the WSFASP, with a reliance on the experience of staff to complete tasks to house people in emergency accommodation. For example, at the onset of an emergency, staff in the HCC contact local accommodation venues such as hotels and motels to determine availability in the area. They may also book blocks of rooms in preparation for housing displaced persons. At the time of the flood events, there was no documentation which detailed the process for DCJ staff to follow and these tasks were not recorded anywhere as requiring completion before a disaster occurred.

DCJ has advised that they have since developed internal processes which form part of the training program for Disaster Welfare staff. In addition to this, the HCC has developed a guide which steps out the various processes relating to the provision of emergency accommodation, as well as outlining the different roles and responsibilities within the HCC in relation to these processes.

As noted, there is no State-level plan in place to guide the temporary housing response. As a result, there is no framework to guide this process at an agency level for the Reconstruction Authority. The absence of both State and agency-level plans guiding the provision of temporary housing at the time of the flood events meant that agencies were required to develop a process to follow at the same time as responding to the flood events.

3. Response to the Northern Rivers flood events

Appropriate governance structures were established quickly and changed as needed to reflect recovery needs

The State Recovery Committee (SRC) was activated following the 2019–20 bushfires and was still operating at the time of the 2022 floods. As part of this, the SRC had a terms of reference which included responsibilities of the SRC and a membership list. The responsibilities of the SRC in the terms of reference are to:

- provide strategic direction in relation to disaster recovery
- oversee reconstruction and recovery efforts in disaster impacted areas
- provide senior leadership to facilitate whole-of-government coordination
- monitor and report to the Premier, Deputy Premier and Cabinet on the progress of recovery efforts in disaster impacted areas.

Once the flood events commenced on 28 February 2022, the SRC increased its meeting frequency to every two days initially, for a total of 13 meetings in March. The SRC continued to meet at least twice a week from mid-April until the end of May, at which point it reduced gradually in frequency to weekly and then fortnightly. The SRC continued to meet throughout all of 2022 and 2023.

The SRC established a range of subcommittees to assist with recovery efforts. These subcommittees were operational from March 2022 onwards. Subcommittees had terms of reference setting out their role and were chaired by appropriate agencies with operational responsibilities that aligned with those roles. The Health and Wellbeing subcommittee was established as part of this and initially had responsibility for the provision of both emergency accommodation and temporary housing. This subcommittee was chaired by a relevant Senior Executive in DCJ.

As noted above, none of the whole-of-government plans prior to the flood events allocated responsibility to an agency or subcommittee for constructing and managing temporary housing. Although temporary housing had been utilised by the government previously in response to the 2019–20 bushfires, its provision had never been implemented on the scale required in response to the flood events.

In early March, the SRC created a new subcommittee: the Housing Taskforce (HTF). The HTF contained key staff from a wide variety of agencies, as well as other key stakeholders like local councils where appropriate, and was chaired by a Senior Executive from the Planning Branch of the Department of Planning and Environment (DPE). A terms of reference was quickly developed for the subcommittee. The HTF's initial purpose included developing a strategy for identifying locations and pathways for temporary housing. This allowed the Health and Wellbeing subcommittee and the HTF to provide more focus on their particular areas of responsibility.

The SRC helped to manage issues but did not provide strategic risk management

Subcommittees regularly reported to the SRC throughout the flood response period. The SRC was able to manage issues with these programs as they arose, often by connecting relevant staff and providing a forum for these issues to be resolved across agencies. In this way, the SRC was able to manage issues, which aligns with its role in facilitating whole-of-government coordination.

Given that all relevant agencies were represented on the SRC, it was uniquely placed to provide strategic risk management across all aspects of the recovery effort including provision of accommodation and housing following the floods. This would fall within the SRC's role of providing strategic direction in relation to disaster recovery. Strategic risk management involves addressing external risks, including those which may impact the government's ability to achieve its objectives. The SRC did not undertake strategic risk management to proactively identify issues that could hinder the recovery effort, such as through developing risk registers and assigning mitigation strategies to agencies or specific individuals.

In regards to the flood temporary housing response, this may have included identifying and mitigating risks that could impact on the quantity of housing provided, risks to the overall flood recovery budget, and risks related to further flood events occurring that might hinder flood recovery. While the SRC did not consider this work during the flood response, Resilience NSW and the Reconstruction Authority both documented some whole-of-government risks to the delivery of the response to natural disasters as part of their enterprise risk management processes, including throughout 2022. However, this work was not undertaken specifically in relation to the unfolding flood events, but was instead done as part of the agency's regular review of its enterprise risks. Given that only one agency was involved in this risk identification, it was not a substitute for whole-of-government risk identification through the SRC.

The HTF did undertake some separate risk identification for the temporary housing response in the Northern Rivers, but not until October 2022. The HTF had been in operation since March 2022 without undertaking formal risk assessments to determine key risks to the provision of temporary housing that required mitigation. Some of the risks identified included expenditure on temporary housing exceeding its allocated budget, temporary housing sites failing to deliver agreed outcomes, and that there would be inappropriate or ineffective engagement with Aboriginal communities. This risk identification from the HTF was also reflected in Resilience NSW's and the Reconstruction Authority's enterprise risk registers, where it is identified that there is a risk that the agencies do not effectively deliver on short and medium term housing.

The SRC provided oversight of the work of subcommittees

As noted above, one of the roles of the SRC is to oversee reconstruction and recovery efforts in disaster impacted areas. To fulfil this role of providing oversight, the SRC received updates on the activities of each subcommittee at each meeting.

In March 2022, each subcommittee developed a 100-Day Flood Action Plan that set out actions that would be completed in the first 30, 60 and 100 days. Each subcommittee was required to update its Flood Action Plan and report progress on implementation to the SRC every two weeks. The SRC received this regular reporting from each subcommittee, which included the status of each item, actions undertaken to date, and the next steps that each subcommittee was undertaking. This served to provide the SRC with oversight of the actions of each group to supplement the subcommittee updates with greater detail.

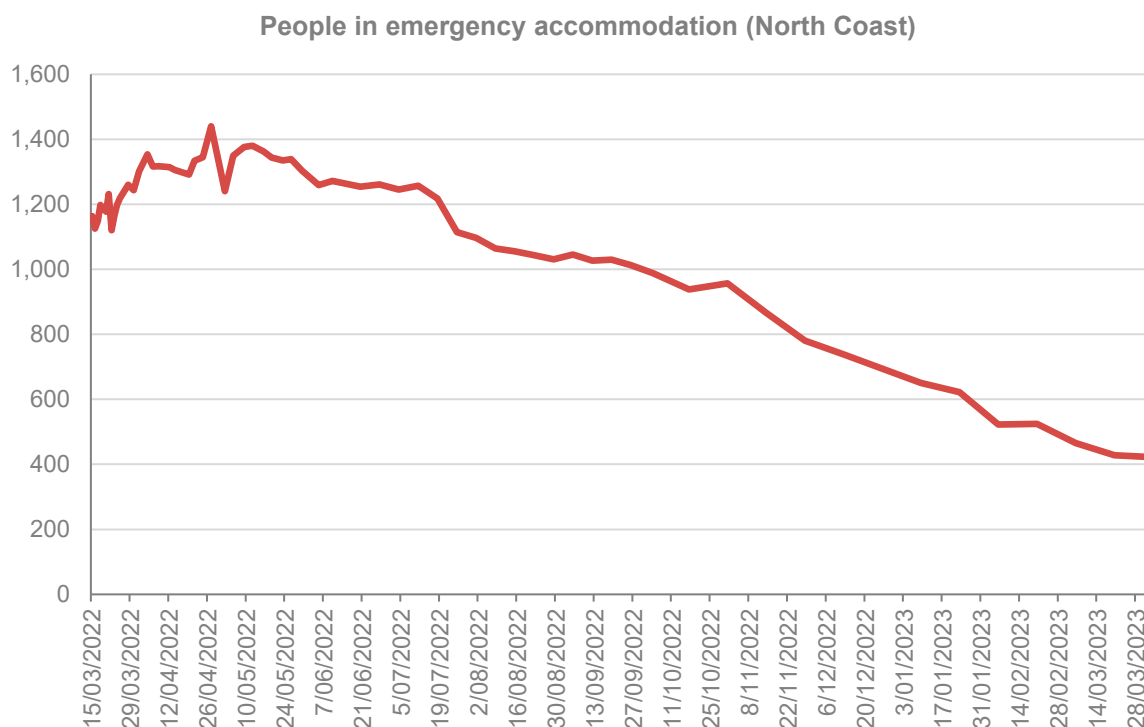
The quality of reporting from the HTF to the SRC reduced throughout August and September 2022. At this time the updates from the subcommittee included either only a verbal update or only statistical updates on the temporary housing response. This means that throughout this period, the SRC was providing only limited oversight of the temporary housing response. From October 2022, the HTF provided more detailed updates to the SRC, providing data on the temporary housing villages including the number of dwellings, estimated capacity and the status of each of the village sites (whether operational or estimated date of construction completion).

DCJ adapted its usual procedures to house a large number of people in emergency accommodation following the Northern Rivers flood event

The HCC, a branch within DCJ, is responsible for arranging emergency accommodation during a disaster, although this responsibility was not outlined in a specific emergency accommodation plan or procedure at the time of the flood events. Once a disaster is declared, the HCC is activated for a disaster welfare response. The team is required to estimate the number of people who will be displaced by the disaster and may seek emergency accommodation. The team is also required to contact local accommodation providers such as hotels, motels and caravan parks to determine vacancy information, as well as obtain information about the facilities such as wheelchair accessibility and pet-friendly rooms. The HCC team will then make direct contact with staff at evacuation centres and facilitate bookings based on the demand. A central internal database is utilised by the HCC, which enables them to see providers and book within the system.

In following these procedures, DCJ housed 788 people in the two weeks following the initial flood event by utilising the standard local accommodation providers. On 27 April 2022, 1,440 people were reported as staying at local accommodation providers as part of the emergency accommodation response. Exhibit 5 shows the number of people housed in emergency accommodation across the North Coast from March 2022 to early April 2023.

Exhibit 5: People staying in emergency accommodation (North Coast)



Source: Health and Wellbeing subcommittee data.

The majority of displaced persons housed in emergency accommodation were renting prior to the flood events, with 70% of households self-reporting as such when they initially engaged with the HCC. The HCC also collected data at the time when households entered emergency accommodation about when they thought they might be able to return to their homes. At that time, 45% of householders reported that they would never be able to return to their homes, with another 44% of households uncertain on when they would be able to return home.

Due to the significant scale of the flooding and the impact it had on DCJ's usual forms of emergency accommodation – hotels and motels – the HCC adapted its approach to arranging emergency accommodation. In addition to available hotels and motels, it also utilised camp style accommodation facilities and DCJ hired 124 motorhomes to be brought to the area.

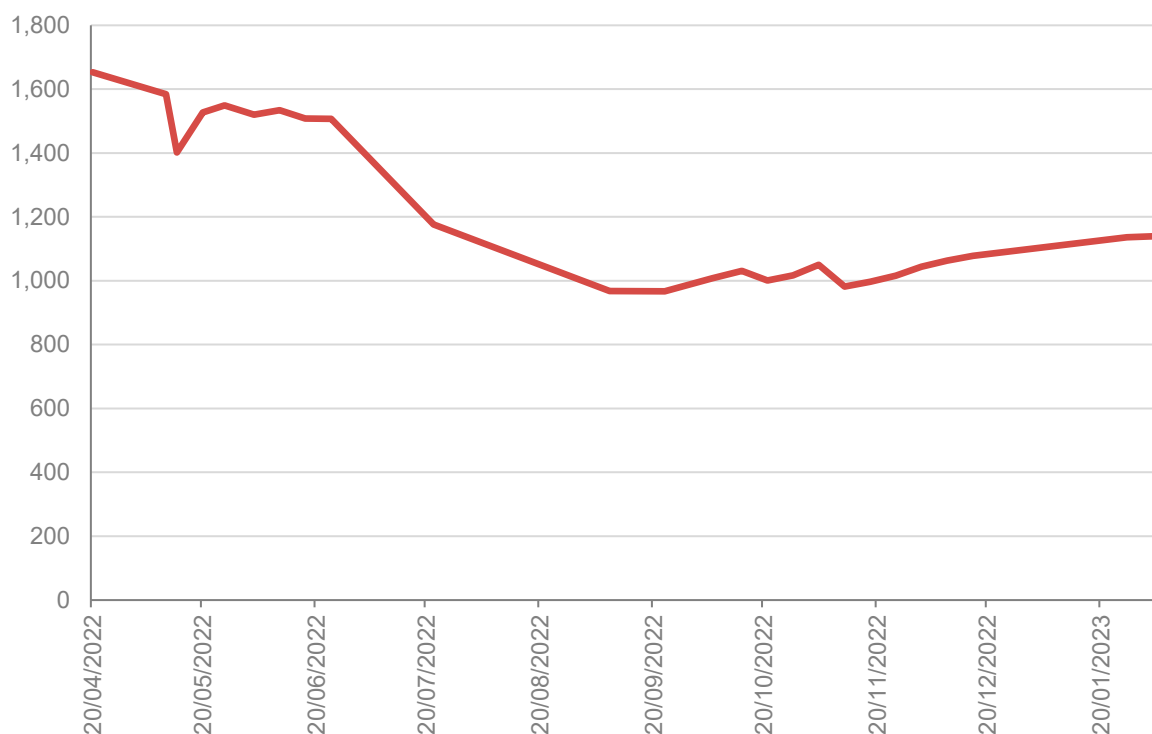
In the two weeks following the initial flood event, DCJ accommodated people across four camp style accommodation facilities. At one point in March 2022, 356 people were housed in this type of accommodation. DCJ also established the hired motorhomes at three existing caravan park sites in the Northern Rivers, and provided a series of additional services to people housed in these. In the two weeks following the initial flood event, 40 motorhomes were located on these sites. By 22 March 2022, all 124 hired motorhomes were located on these sites.

The NSW Government tracked demand for temporary housing from April 2022 onwards

The HTF worked with the Department of Customer Service (DCS) to identify the demand for temporary housing in the Northern Rivers. From mid-April 2022 DCS provided data to the SRC regarding the demand for temporary housing broken down by council area and the number of people in each household.

DCS collected data from Service NSW registration forms and other Service NSW outreach data asking about whether individuals impacted by the Northern Rivers flood event would be interested in temporary housing. The first estimate from DCS on 14 April 2022, based on raw survey data, was that temporary housing for 1,642 households would be required, including 1, 2, 3 and 4+ person households. This was increased to 1,653 on 20 April 2022. The number of households seeking temporary housing fluctuated over the following months, eventually dropping below 1,000 in September 2022, though this number did not include those who were participants in the At-home Caravans program, discussed below. This decrease in demand followed an outreach campaign by Service NSW to contact those on the waitlist to confirm if they were still seeking temporary housing. Estimated demand started to consistently increase from late November 2022, rising to over 1,100. Exhibit 6 demonstrates changes in estimated demand over time.

Exhibit 6: Estimated demand for temporary housing dwellings in the Northern Rivers region



Source: Audit Office analysis of Department of Customer Service data.

DCS analysed data about households in temporary housing, as well as those on the waitlist. As at 10 July 2023, 71% of individuals either in temporary housing or on the waitlist had been renting prior to the floods, 54% were single person households and 22% of households had three or more people in need of housing. This data was based on applicants self-reporting at the time of placing an expression of interest for temporary housing. The variety of household sizes increased the need for flexible housing that could house individuals and families.

All of the worst-impacted council areas were represented on the waitlist by a significant number of people. Thirty-six per cent of all people on the waitlist or in temporary housing were living in the Lismore Local Government Area (LGA) prior to the floods. This impact across the region meant that there was a need for temporary housing to be established across the Northern Rivers, but particularly in Lismore if displaced persons were to remain close to where they previously lived.

NSW Public Works considered a range of temporary housing options and rapidly conducted its procurement to align with demand

As part of the response to the Northern Rivers flood events, Resilience NSW tasked Public Works Advisory (now NSWPW) to lead the procurement and construction effort for the temporary housing. Before a formal registration of interest (ROI) process commenced in late March 2022, a number of businesses, not-for-profit organisations and government agencies had approached Resilience NSW with temporary housing options.

In late March 2022, NSWPW commenced a formal ROI process for the provision of temporary housing to people affected by the floods. The ROI called for registration from suppliers of granny flats, portable buildings, relocatable homes, kit homes, working camp style cabins or other portable structures that may be suitable to meet the need for short to medium-term accommodation. Organisations that had previously approached Resilience NSW with offers of assistance were invited to submit under the ROI. Respondents were asked to provide a description of the accommodation they could offer, the amount of stock available for immediate purchase, the amount of stock that would be available over the following 12 weeks, and the indicative price of each housing option. NSWPW also contacted suppliers that it thought may be able to provide temporary housing to encourage them to respond to the ROI process.

In addition to undertaking the ROI, NSWPW explored other options. This included the construction of mining style camps or tiny homes, and the purchase of temporary housing from the Queensland or Commonwealth governments' quarantine facilities. These options were ultimately not considered appropriate for a variety of reasons including cost and suitability for community living on a medium-term basis.

Conducting the ROI for a wide range of potential suppliers and considering existing solutions for providing temporary housing demonstrates that NSWPW considered a range of possible options for providing temporary housing before making a decision about the most suitable option for purchase.

Some local councils also provided alternative short and medium-term temporary housing options. However, there is no evidence that these options were explored further by the HTF for their viability. For example, Kyogle Council identified hotels and motels which could have been used as ongoing housing for displaced persons. The council also suggested a non-operational tourism accommodation facility with established housing and dining facilities which could have housed up to 50 people. Similarly, another tourist accommodation provider which housed displaced persons as a form of emergency accommodation contacted Resilience NSW with an offer for the accommodation to be used as a temporary housing facility. This may have provided some displaced persons a point of continuity if they had remained in this accommodation.

NSWPW received 38 responses to the ROI from potential suppliers. These covered a range of options including modular homes, relocatable buildings, caravans, granny flats, and tents. NSWPW collated the responses to the ROI and made a decision on which suppliers to engage based on their capacity to provide sufficient supply to meet demand. Based on the information from suppliers, the HTF made the decision that lower quality options, without a self-contained kitchen and bathroom amenities, would not be suitable. This focused the potential supplier options to those that could provide the required quality and amenity within the shortest possible timeframe.

NSWPW procured temporary housing solutions from six suppliers. NSWPW used direct negotiations to procure the dwellings. Direct negotiations pose a greater risk that value for money will not be achieved, and can also pose an increased risk of corrupt conduct. Nevertheless, direct negotiations may be appropriate in an emergency situation, as identified in the Public Works and Procurement Regulation 2019.

In line with this higher level of risk, NSWPW received approval from the then Secretary of the Department of Regional NSW (DRNSW) to conduct the procurement as direct negotiations. NSWPW implemented actions that aimed to mitigate the risks posed by direct negotiations, such as ensuring that the ROI ran for an extended period and was open. As part of this, NSWPW gathered relevant information from applicants that it could use to compare with other applicants, and NSWPW also sought to engage directly with other industry participants and jurisdictions.

Two organisations were engaged in early April 2022 to provide temporary housing pods because they could provide the pods immediately and the pods could be installed rapidly once sites were made available. The temporary housing pods procured from one of these suppliers were not used. Four additional suppliers who had responded to the ROI were engaged to provide modular housing or studio modules. Most of the providers engaged were private businesses, but there was also some procurement from the not-for-profit sector and through Corrective Services Industries and School Infrastructure NSW. In addition to this modular housing, Resilience NSW engaged a third party to assist with the hire of caravans as a temporary housing solution. NSWPW managed this contract on Resilience NSW's behalf. Two caravan providers were considered for this, with the chosen provider offering the best value for money.

Exhibit 7 shows the number of dwellings procured from each supplier, apart from caravans which are discussed separately below. NSWPW secured 664 pods or modular homes through its procurement. Short-term pods and modules were available and able to be constructed quickly. Studio pods were designed for one to two people to live in, and modular pods were able to be adapted to create a range of dwelling sizes to accommodate larger households. This allowed the construction to align with demand.

Exhibit 7: Number of temporary dwellings procured (excluding caravans)

Supplier	Type of accommodation	Number procured
Supplier A	Short-term pods	40
Supplier B	Short-term modules	70
Supplier C	Modular pods	202
Supplier D	Studio pods	150
Supplier E	Modular pods	147
Supplier F	Modular pods	55
Total		664

Source: NSW Public Works.

Throughout the procurement and site planning process, NSWPW regularly updated its forecast supply based on the forecast demand, which largely involved planning to scale up or down the procurement of pods and hiring of caravans depending on what the forecast need was. This demonstrated a flexibility in approach that was reactive to the needs of the community. While the number of temporary dwellings procured did not match demand, the number of dwellings procured exceeded the available land to put them on, indicating that unmet demand was not due to an inability to procure supply. The commercial arrangements in place with the suppliers also allowed for increased supply. The procurement of land for the use of temporary housing villages is discussed below.

DPE led a rapid assessment process for potential land for temporary housing villages

DPE led the assessment of sites where temporary housing villages could be created. DPE considered criteria that the HTF had determined as part of this process. Each site was assigned an overall score and ranked according to that score. The HTF had decided that sites should be identified that were available immediately, were not affected by natural hazards, were close to affected communities, and had access to utilities and services. Some sites that ranked highly were deemed not appropriate for a temporary housing site due to being in a location that had been less impacted by the floods, meaning that people could not be located close to their communities, or due to problems with slopes or other factors that would make construction difficult.

DPE conducted desktop analysis of sites, including obtaining recent images of the sites. These images enabled DPE to determine previous use of sites to identify if further investigation was required. DPE also utilised previous site investigations which were conducted as part of existing development applications on sites. This provided rapid access to site characteristics such as location, land use and layout, expediting the assessment process.

Crown Lands, a branch of DPE, was engaged to assist with refining the list of sites, using its geographic information system to determine flood impact and topography of sites. DCS also assisted with site analysis by engaging the National Recovery and Resilience Agency to identify the flooding extent of locations. Impact assessments undertaken by the State Emergency Service were also used to determine the flood impact on sites.

Local councils were invited to provide a list of possible locations to be used for temporary housing villages within their LGAs. This was coordinated through the HTF and the General Managers of affected councils, who were not provided criteria to guide them in the site identification process. Impacted councils then provided the HTF with a list of potential sites for the villages.

As sites were identified, it was noted that some LGAs did not contain any sites which were located above the flood level, one of the required criteria used in the assessment process. DPE identified the need to consider using more flexible criteria in the selection of some sites, along with the implementation of mitigating processes to minimise the risk of future flooding. DPE then modified the criteria, allowing some sites to be selected below the flood level, with flood risk mitigations implemented in the sites' design and construction. These processes included the implementation of flood indicators, evacuation plans and different design responses to treat the flood risk present at these sites. A total of 143 sites were assessed, including sites identified by local councils and State government. Twenty of these sites were identified by DPE. The initial assessments included sites from all of the impacted LGAs in the Northern Rivers, as well as sites further south, including as far as Newcastle.

Following the assessment of sites, 17 sites were shortlisted for a temporary housing village. Some of the sites selected did not score highly in the initial assessment. However, several of the sites with higher scores were excluded for reasons including private ownership, topography, vegetation and natural disaster risk. This information was gathered as part of the site analysis, however it is unclear why this was not factored into the ranking of the sites.

The then Minister for Planning and Homes approved these 17 sites on 8 April 2022. They were initially assessed as being capable of holding a maximum estimated total of between 1,950 and 2,040 pods, which exceeded the estimated demand for temporary housing at that time. As site constraints became clear and more work was done to determine the number of dwellings which could be placed on each site, the maximum estimated total across these 17 sites reduced to 1,381.

The Government Architect NSW conducted preliminary feasibility studies for several of the shortlisted sites. These studies provided more detailed analysis on the topography of the sites, assessed the risk from natural disaster and identified other site constraints. NSWPW then conducted site visits to assess the ability of each site to accommodate the supporting ground works and temporary dwellings. The purpose of these visits was also to determine existing and required services for each of the sites such as roads, power, water and sewerage.

Three additional sites were added in May 2022 to bring the total to 20 sites, though one of the original 17 sites was already acknowledged as unlikely to be used due to its flood risk. These additional three sites were identified to provide greater flexibility on the design and layout of the temporary housing villages, and to provide certainty that the supply of pods would match demand. These 20 sites were located in the following LGAs:

- Ballina Shire Council – 3 sites
- Byron Shire Council – 3 sites
- Lismore City Council – 5 sites
- Richmond Valley Council – 4 sites
- Tweed Shire Council – 5 sites.

The lack of governance structures supporting the site identification process resulted in a lack of clarity over agencies' responsibilities

As noted above, there was no plan in place prior to the flood events to guide the temporary housing response. This led to some uncertainty about the involvement of agencies in the site selection process. NSWPW was not formally engaged during the initial site assessments, with this being conducted by DPE in conjunction with local councils. DCS also assisted with the provision of flood mapping data for sites. However, the Department of Premier and Cabinet (DPC) engaged NSWPW directly to assist Lismore City Council with their site selection. This resulted in Lismore City Council being able to provide more detailed site analysis to DPE which other councils were unable to provide. Not all key DPE staff involved in the site identification were aware of NSWPW's involvement. Clearer governance structures would have allowed for clearer channels of communication and responsibility. After conducting some site assessments and some of the selection process without a formal plan, a clear process was developed to clarify the scope of each agency's involvement across the rest of the site selection process. The revised governance is outlined below in Exhibit 8.

Exhibit 8: Site assessment process



Source: Department of Planning and Environment.

In addition to providing its potential temporary housing sites to DPE, Ballina Shire Council also provided NSWPW directly with information on three potential temporary housing sites. NSWPW reviewed this and determined them to be appropriate for temporary housing villages and communicated this to DPE. None of these sites had been shortlisted by DPE, although one of the sites was eventually utilised as a temporary housing village. This site had been initially discounted by DPE as infrastructure data provided by the council and DCS did not show the site as being serviced by water or sewerage. However, the NSWPW assessment determined that it was connected to both these services.

Further analysis was performed as part of the site assessments, reducing the shortlist from 20 to 14 sites, however the record keeping is incomplete

Once the shortlist of 20 sites was determined, further work was performed to progress these including further analysis by NSWPW and the Government Architect NSW, landowner negotiation and the involvement of the legal team from Resilience NSW to formalise agreements. As the process continued, sites were excluded from the shortlist as issues were identified.

There were a variety of reasons for the shortlisted sites not being available, including:

- there was a native title claim on the site
- the land was affected by the 2022 floods and potential, future flood events could not be managed
- there was a lack of council support
- the NSW Government was unable to obtain landholder permission
- the land was bushfire-prone.

The impact of these other pieces of research and negotiations was to reduce the list to 14. Not all sites that were excluded had a documented reason and as such it is unclear why some sites were excluded. Approval processes were not well documented as the site list was reduced and it is unclear who exercised authority in excluding these sites. The reasons for excluding these sites were not recorded in the centralised spreadsheet tracking the site analysis process, and were not recorded in the minutes of the HTF meetings.

Only 11 housing sites were constructed, which was not sufficient to meet demand

Only 11 of the 14 shortlisted sites were ultimately constructed as a temporary housing village. The final breakdown of sites in each Council area is:

- Ballina Shire Council – 3 sites
- Byron Shire Council – 3 sites
- Lismore City Council – 1 site
- Richmond Valley Council – 2 sites
- Tweed Shire Council – 2 sites.

Constructing only 11 sites had a significant impact on the NSW Government's ability to meet the demand for temporary housing. These 11 sites had a total capacity for 546 temporary housing dwellings. NSWPW had already secured 741 temporary dwellings, a mixture of pods and caravans, by the time the number of sites was finally determined, and there was insufficient space to place all these dwellings. These excess dwellings were temporarily placed in a storage site on the Northern Rivers before being used as part of the response to the Central West flood event, discussed below. The 11 sites constructed were not sufficient to meet the demand for temporary housing.

Securing only one site in the Lismore LGA also impacted the NSW Government's ability to house people in the area with the greatest need for temporary housing. By June 2022, DCS was forecasting that there would be demand for over 600 dwellings in Lismore City Council. The site that was secured hosted 52 dwellings, significantly short of the estimated demand. Due to the high level of need in the Lismore LGA, the allocation of tenants at the Wollongbar site in the Ballina Shire LGA prioritises residents of Lismore due to its close proximity to Lismore.

The temporary housing program did not meet the estimated demand and there continues to be a waitlist for temporary housing

Five hundred and forty-six dwellings were placed on the 11 sites in the Northern Rivers for the temporary housing villages. This included both pods and caravans. These progressively became available throughout late 2022 and were all established by the end of March 2023. The 546 dwellings did not meet the demand for temporary housing which exceeded 1,100 households by November 2022.

The number of people housed in the temporary dwellings fluctuates depending on the size of families, but is consistently over 900 people. As at 10 July 2023, 1,021 people were in the temporary housing villages and 257 caravans were on people's property.

As at 27 November 2023, 724 households remained on the waitlist for temporary housing, though the Reconstruction Authority has not reviewed this list to confirm its accuracy. This indicates that while the temporary housing was able to meet some of the Northern Rivers' demand for housing, it was unable to fully meet the needs of the Northern Rivers community. These households were in a variety of housing situations when they applied for temporary housing. For example, 156 were staying with family and friends, 24 were in emergency accommodation, and 136 had no accommodation.

The Reconstruction Authority has advised that it is planning to perform an outreach campaign with households on the waitlist to determine how many households on the waitlist are still seeking temporary housing, and to prioritise eligible households using a revised program prioritisation model. This model prioritises those on the waitlist who are currently homeless or at imminent risk of homelessness, living in crisis or emergency accommodation or living in a flood-damaged property that is deemed unsafe, as well as other considerations. Lower priority will be assigned to those who have access to stable temporary housing for up to six months. Although the Reconstruction Authority estimates that some households will withdraw from the waitlist as a result of this campaign, it is unable to make an accurate assessment of demand until this work is undertaken.

Resilience NSW used caravans as an alternative way to house people on a temporary basis

In addition to housing people through the temporary housing villages, Resilience NSW and the HTF commenced the At-home Caravans program. This involved renting caravans through a third-party provider and putting these caravans on people's private property so that they could live on their own property while rebuilding or waiting for longer-term options to become available. Caravans are not fully appropriate as a replacement for temporary housing pods, as caravans only serve to house a maximum of two people, and can only be placed on property where the owner of the property agrees. Given the number of rental tenants who were impacted by the flood, this was not always an option.

The At-home Caravans program was first launched in June 2022 for the town of Woodburn, where an appropriate site for temporary housing pods could not be identified due to the low-lying nature of the town. It was decided to use caravans as an alternative to temporary housing pods in this case. The program was broadened out in October 2022 to house people from across the entire Northern Rivers.

The initial estimated demand for this program was 300 caravans, but the number of applications had exceeded this by the end of December 2022. The program continued to attract applications throughout 2023, eventually exceeding 400 applications. Given that caravans were hired on a temporary basis, their availability fluctuated, but from January 2023 onwards, Resilience NSW consistently had over 250 caravans on properties under this program. In late 2022, Resilience NSW was authorised to expand the At-home Caravans program to 500 households. While the program was expanded, this target was not met.

Few people are exiting temporary housing and a lack of long-term housing in the Northern Rivers means that this is unlikely to change

One way in which the dwellings could be made available to households on the waitlist is if people exit the temporary housing into more permanent options. By 10 July 2023, 75 households had exited temporary housing. Of these, only 30 had either moved into a longer-term housing solution or moved out of the area, with the remaining 45 either not having a known reason or leaving for other reasons, such as through being evicted from the temporary dwelling. This means that the number of households leaving to enter longer-term accommodation is relatively low, and it is unlikely that turnover alone will accommodate households on the waitlist in the near future.

External pressures including broader housing stress in the region which existed prior to the floods, and the limited viability of existing social and affordable housing options, have placed additional demand on the program, and limit options for residents to secure long-term housing.

Given that the number of temporary dwellings constructed did not meet the demand for temporary housing in the Northern Rivers, it was important to implement alternative measures for housing people on the waitlist and to assist people moving from temporary to permanent housing. However, alternative measures for addressing unmet demand were not implemented. The NSW Government does not have a strategy for meeting the outstanding demand for temporary housing.

A key option for transitioning people into longer-term accommodation is through providing incentives for people to move into private rental accommodation. Rental subsidies were made available to individuals affected by the floods to encourage people to identify private rental options. However, while subsidies have been made available, it is clear that these are not sufficient for addressing the waitlist for temporary housing. Vacancy rates of rental properties in the Northern Rivers have remained low since the flood event and as such subsidies are unlikely to be sufficient to move people into rental properties.

People housed in temporary housing do not pay rent. This poses a key disincentive for people in temporary housing to move to other accommodation where they would be expected to pay, including moving into social housing. Planning the temporary housing response prior to the flood event and undertaking strategic risk management may have allowed for this disincentive to be identified and acted upon.

The Reconstruction Authority advised that at this stage of the program, a high number of exits was not expected. It expects that as residents approach the end of their three-year occupancy agreements, the number of exits will start to increase. This is due to external factors including the acute shortage of housing in the region, impacting ability of temporary housing tenants to secure long-term housing. The current housing supply gap in the Northern Rivers is estimated to be upwards of 24,000 dwellings.

The temporary housing program did not meet the needs of mobility impaired people

In addition to overall demand for pods, it was necessary for pods to be constructed to meet the needs of mobility impaired people. It was identified early that two types of accessible construction could be made available: ambulant pods with a ramp, and pods that were compliant with the *Disability Discrimination Act 1992* (DDA). Demographic analysis in April 2022 indicated that approximately 18% of the pods constructed would need to be able to provide access to mobility impaired people. NSWPW agreed that it could arrange for this specification to be met through its contractors.

In total, 14.9% of pods provided are either DDA compliant or have a ramp. Only three temporary housing village sites have met this 18% target: Coraki, Ballina and Wardell. This number also excludes the caravans that have been placed on these sites, which are not accessible for mobility impaired people. If caravans are included, only 12.5% of the 546 available housing options in the temporary housing villages are accessible for mobility impaired people. This does not meet the demand estimated at the outset of the program.

NSWPW did not include the proportion of housing that should meet the needs of mobility impaired people in the contract with its main supplier of modular housing. Including this in the contract would have made it easier for the contractor to anticipate the supply required and for NSWPW to ensure that demand was met.

The temporary housing program is forecast to cost \$88 million more than the initial budget

In April 2022, the NSW Government announced a \$350 million funding package for the procurement and construction of temporary housing, which was based on Resilience NSW's initial estimate for temporary housing demand. This funding covered site construction, maintenance and demobilisation (the return of sites to their pre-construction condition), site leases and licences, site management and support services, and program administration. Resilience NSW estimated the cost of a single prefabricated building, refurbished demountable or manufactured tiny home and developed a funding estimate on the assumption that it would need to procure enough of these units to meet its initial estimate of demand. This initial estimate of demand was developed prior to the calculation of demand data by DCS. Resilience NSW overestimated the number of units it needed to meet demand, and significantly underestimated the cost per unit. The number of units used in the budget calculations was approximately four times the number that were ultimately built.

An additional \$88 million in funding was added to the program as it was forecast to cost a total of \$438 million compared to the initial budget of \$350 million. This included the production and installation of the pods, as well as the cost of managing the pod villages, the administration of the temporary housing program, and an estimated \$63 million for demobilisation. The final forecast cost of \$438 million is for the 546 temporary dwellings that were finally completed, as well as the procurement of the additional pods that were not placed in the Northern Rivers. This represents a substantial overspend compared to the initial budget, while also delivering significantly fewer temporary dwellings for the cost.

As at 30 June 2023, \$302.3 million had been spent on the temporary housing program, with additional money likely to be spent by the Reconstruction Authority to run the temporary housing villages, and NSWPW to demobilise the sites. As noted in the 'Planning and Environment 2023' financial audit report, the total carrying amount of the temporary housing assets is \$269.2 million (after depreciation expenses) as at 30 June 2023. The estimated make-good liability to demobilise the temporary housing sites as at 30 June 2023 is \$42.2 million. The primary reason for the overspend compared to the initial budget was the additional costs incurred for site preparation and module installation, which cost \$171.6 million compared to an initial program budget of \$140.4 million.

Each of the sites selected had construction difficulties that caused budget overspends and delays

The cost of site works was significantly higher than forecast. The forecast budget for site preparation, module installation and electrical works at the start of the 2022–23 financial year was \$120.2 million. The total cost of this work was \$171.6 million. A significant portion of this variation can be attributed to the additional costs incurred in the site preparation phase. Given that the sites chosen had issues that needed to be resolved, the expenditure on the sites exceeded the forecast budget. The construction of these sites involved the delivery of additional supporting infrastructure, including road networks, pumping and sewerage treatment, and new power supplies.

The highest overspend was at the Wollongbar Sports Complex, which was constructed for \$18 million over the planned budget. Additional site facilities contributed to this overspend, including the construction of a car park to service the site. This was the first site to have pods constructed on it, however these pods were added to the site in phases, including some being placed on site before the design work had been completed. Some of the Minderoo Foundation pods which had been procured early had been placed on the Wollongbar site. These pods were eventually replaced with other pods, meaning that work had to be repeated, leading to higher costs. The Wardell site also had significant unforeseen costs associated with its construction. This included building a school and health centre which were not allowed for in the initial cost estimates. This site is discussed further below.

Other sites had a variety of issues that had to be worked through. Several of the sites identified were on contaminated land, which had to be resolved prior to construction. Despite the fact that not selecting flood prone sites was part of the selection criteria, two selected sites were flood impacted or flood prone and required additional work. Two sites had issues with the slope of the land, impacting the construction. All of these issues had been identified as part of the initial site assessment process, but the decision was made to proceed with these sites in spite of these limitations as few sites were available which did not have any sort of limitation. In addition, other unforeseen issues arose, such as one site being occupied by an endangered species, which halted work while protective measures were put in place. Construction was also impacted by rain throughout 2022. NSWPW resolved these construction issues, with the HTF and other stakeholder agencies providing input on issues as they arose.

In addition to the construction being more expensive than initially forecast, the above issues led to delays in the sites being available as temporary housing sites. Most of the sites were due to commence progressively from October 2022 onwards, with the final site at Mullumbimby due to accept residents from January 2023. Five sites were delayed, with the delay in accepting the first residents ranging from two weeks to three months later than originally planned. Some sites also had significant time gaps between the first residents entering the sites and the sites being completed.

The Reconstruction Authority provides oversight of the allocation of temporary housing

Given that demand exceeded supply, rules were needed to allocate the temporary housing. Community Housing Providers (CHP) are contracted to run the temporary housing villages, and are responsible for allocating dwellings to individuals who have expressed an interest in them. When they applied, a number of these people were in DCJ's emergency accommodation but others were housed in some other way, such as living with families and friends.

To help manage the allocation process for temporary housing, the HTF created the Allocations Working Group (AWG) in October 2022. The AWG was set up to provide oversight of allocations and escalated cases across all temporary housing pathways, including temporary housing sites. The Reconstruction Authority chairs the AWG, and it is also attended by DCJ, DCS and relevant CHPs.

In November 2022, the AWG determined categories of people that would be prioritised for placement in a dwelling. This guidance was included as an appendix in the contracts with the CHPs. Further detailed guidance was developed to guide the allocation at the sites. This is captured in a 'Handbook for Housing', which was issued to the CHPs.

As noted, one of the roles of the AWG is to provide oversight of the allocation process. The Reconstruction Authority receives monthly and quarterly reporting on allocations, and discusses these with the CHPs during monthly meetings. More complex issues are then escalated to the AWG for resolution.

DPC developed a communications strategy to coordinate the approach to communication in relation to the flood events

In March 2022, DPC developed a media and communications plan which outlined the communications strategy, key messages and stakeholder engagement in relation to the flood events. A stakeholder communications toolkit was also developed containing links, newsletter copies and social tiles and posters for agencies to share. A coordinated approach to communication was needed due to the number of agencies with different responsibilities.

In August 2022, DPC developed a communication strategy related to the temporary housing response which provided individuals and agencies with specific responsibilities and aimed to coordinate the communications response. This included the avenues that should be used to engage with communities and local councils. As outlined in this strategy, DPC was responsible for the media, communications, website updates and most engagement related to temporary housing.

The Crisis Communications Executive Committee (CCEC) was also established by DPC to facilitate high-frequency, cross-agency meetings to share data and insights, discuss emerging challenges, centralise messages and amplify messaging across government channels. DCS and Resilience NSW co-chaired this committee, with DPC, NSW Police, Aboriginal Affairs and other combat agencies all included as participants.

Engagement with key stakeholders occurred through other means as well. As part of the selection of sites, DPE and the HTF engaged with local councils. Councils were able to propose sites for inclusion and assessment as a temporary housing site. Many of the sites assessed were proposed by local councils, including some that were ultimately used for temporary housing. In addition, local councils were involved in the HTF meetings from April to June 2022, the period in which the initial sites were being selected. This provided an opportunity for councils to be informed of developments in the program, as well as provide input as appropriate.

Once the sites were chosen, Resilience NSW led community consultation about those sites. As part of this, the agency ran drop-in sessions, sent letters to nearby community members, and used a variety of other communication methods to alert the community about the upcoming construction. While the audit team heard that there were some issues with communities opposing the construction of some villages, the complaints that the Reconstruction Authority has received about the villages largely related to construction issues rather than the chosen sites themselves, and instances of anti-social behaviour from individuals placed in the dwellings.

The SRC and relevant agencies consulted with Aboriginal communities about the temporary housing

The Northern Rivers floods had a particularly stark impact on the Bundjalung Nation communities. In particular, the Aboriginal community on Cabbage Tree Island was heavily impacted. The NSW Government needed to consider the particular needs of this community to maintain connection to Country and to stay together as a community.

As noted above, there was no plan in place prior to the flood events setting out how temporary housing would be planned and constructed. This includes there being no plan for ensuring culturally appropriate management of a temporary housing response and that there would be a way for Aboriginal communities to maintain connection to Country. During the Northern Rivers flood event, the SRC and relevant agencies needed to develop an understanding of the local Aboriginal communities and their needs while the event was unfolding and rapidly develop and implement a culturally appropriate response.

Given the particularly severe impact of the floods on the Cabbage Tree Island community, it was necessary to engage the community in the temporary housing response to ensure that an appropriate solution could be found. Through the HTF, this engagement occurred to determine the site where the temporary housing would be built, and to determine what adjustments could be made to the temporary housing village to make it more appropriate.

The Jali Local Aboriginal Land Council (Jali LALC) was engaged through the SRC in March 2022 to identify an appropriate location, which ended up being a site in the town of Wardell, close to Cabbage Tree Island. Jali LALC identified the site owned by Crown Lands, which is subject to an ongoing native title claim related to the Cabbage Tree Island community. In addition to identifying the location of this temporary housing village, Jali LALC was engaged in the design of the village. The Wardell temporary housing village is distinct from the other villages as it has the Cabbage Tree Island primary school on site, a medical service run by the Aboriginal Health Service, and a number of other modifications made at the request of the community.

The Reconstruction Authority has also led consultation with the significant Aboriginal population at the Coraki temporary housing village. While this site was not specifically identified to house the local Aboriginal community, the majority of residents at this time are Aboriginal. There has been some consultation with this community specifically to identify potential improvements in the management of the Coraki site. Several changes were made to the ongoing management of the Coraki village as a result of this engagement, including the relocation of six pods to land owned by the Bogal Local Aboriginal Land Council.

Some Aboriginal stakeholders have expressed concerns about the cultural competency of key agencies and organisations involved in the response

Resilience NSW identified during the delivery of the temporary housing response that a risk to the program was inappropriate or ineffective engagement with Aboriginal communities. One aspect of appropriate communication is cultural competency. Cultural competency is important when engaging with Aboriginal communities to understand the specific needs and vulnerabilities affecting that community.

While there has been engagement with the affected Aboriginal communities, concerns have been raised about the cultural competency of some of the agencies and organisations involved in the temporary housing response. This view was expressed to the audit team and has also been expressed in the 2022 Flood Inquiry in regards to evacuation centres. The Reconstruction Authority also identified culturally inappropriate behaviours from one of the CHPs. The NSW Bushfire Inquiry made a recommendation to Resilience NSW to ensure that all staff involved in evacuation centres and support services are culturally competent. The Reconstruction Authority advised that it has engaged more Aboriginal staff to assist with this community engagement in future.

There are no long-term plans in place for the transition of tenants out of the temporary housing villages, increasing the risk that individuals may not be able to be rehomed

The budget for the construction and ongoing management of the temporary housing villages includes funds for demobilisation. The initial anticipated timeframe for the temporary housing program was two years, however tenants were engaged on three-year leases. The NSW Government does not have a clear plan around how long the temporary housing villages are intended to remain in place. The temporary housing villages need to be demobilised within a five-year period, as required by the *State Environmental Planning Policy (Housing) 2021*.

NSWPW's contractors developed demobilisation plans for each temporary housing village, which are held by NSWPW as the primary contract holder. These plans only consider the physical demobilisation of the site, and do not include plans for longer term considerations such as rehousing people in other appropriate housing.

With no strategy in place to guide the transition of all tenants out of temporary housing prior to the end of the anticipated two-year timeframe, and no clear timeline for when the temporary housing villages will be demobilised, the Reconstruction Authority faces the risk of hundreds of households being unable to be rehomed by the end of this period. This risk is exacerbated by the waitlist for temporary housing and the slow pace of transition of current temporary housing occupants from the villages. The current housing supply gap in the Northern Rivers is estimated to be upwards of 24,000 dwellings, with rental vacancy rates remaining low, contributing to this issue.

The lack of planning for temporary housing prior to the flood events means that Resilience NSW and the Reconstruction Authority did not have a clear idea when constructing the temporary housing about how long people would be using the temporary dwellings, nor what would be done with the temporary housing pods when they were no longer required. Development of a plan for temporary housing may have allowed for these considerations when procuring and installing the temporary housing rather than having to consider timeframes whilst in the recovery phase.

4. Response to the Central West flood event

Governance structures continued to operate as previously established in response to the Central West flood event

The governance structures established in response to the 2019–20 bushfires and the flood event in the Northern Rivers mostly operated in the same capacity for the management of the Central West flood event. In October 2022, the meeting frequency for the SRC reduced to fortnightly, following the same structure with subcommittee updates discussed as part of the agenda. There was no increase in meeting frequency during or in the immediate aftermath of the response to the Central West flood event.

Resilience NSW continued to document whole-of-government risks to the delivery of the response to natural disasters during the response to the Central West flood event, and this work was continued by the Reconstruction Authority once established. Resilience NSW also continued to develop risk dashboard heatmaps each quarter, monitoring any changes in the residual risk rating of these risks, as well as outlining issues identified, and any new and emerging risks.

DCJ housed displaced persons in the Central West quickly, considering additional needs during the process

DCJ, through the HCC, advised that it followed its standard process outlined above for the provision of emergency accommodation during the Central West flood event. The evacuation order for Eugowra was made on 15 November 2022, and by 8 December 2022, DCJ had housed 93 people from the community in emergency accommodation. The HCC was able to utilise alternative accommodation such as rooms at Charles Sturt University to meet the increasing demand for emergency accommodation in the Central West.

Through the initial consultation process conducted with displaced persons at evacuation centres, the HCC was also able to consider their additional needs and meet these where possible. For example, companion animals were supported by Local Land Services and the Royal Society for the Prevention of Cruelty to Animals through the provision of boarding services. DCJ advised that local needs were also considered as part of the intake process. For example, displaced persons were accommodated as close to their hometown as possible. Those evacuated from Forbes were given priority for emergency accommodation in Forbes. This did impact evacuees from other towns. Ordinarily, those displaced in Eugowra would also be housed in Forbes, but due to limited accommodation options, they were evacuated to Orange instead. Other considerations made for displaced persons included level access and accessible rooms for those with disabilities, and baby care items, such as cots, where required.

The At-home Caravans program was implemented as immediate shelter for displaced persons awaiting pods on their property in the Central West

By 28 November 2022, Resilience NSW made the decision to activate the At-home Caravans program in the Central West, with applications from displaced persons being taken within a week after the flood event in Eugowra. Caravans were temporarily set up on private properties in Eugowra. Displaced persons are able to live in these caravans while waiting for a pod to be installed on their property. By 10 January 2023, 102 caravans had been delivered to the Central West and started to be located on private properties. At 30 May 2023, Resilience NSW had delivered 124 out of the 129 required caravans to properties. A plan was implemented to provide immediate shelter in the community through the caravans, organise medium-term housing in the form of pods, and support displaced persons to repair or rebuild their homes. Caravans were provided to households where properties required demolition, those that were damaged but reparable, and rental properties with owner's consent.

Other options for immediate shelter were considered but not progressed. Placing caravans on site at showgrounds or caravan parks was considered, however a NSWPW assessment found that 95% of impacted homes could accommodate caravans on property. Caravans on property require less ongoing case management, site works and utilities. Private farm house rental accommodation was also considered, however extremely low availability of these in the area resulted in the decision to not progress this option.

Resilience NSW was able to meet the demand for housing in the Central West by placing temporary housing on people's property

Resilience NSW conducted early analysis of potential temporary housing village sites in the aftermath of the floods in the Central West. However, after reviewing the situation in Eugowra and the relatively larger blocks, it was decided a more appropriate solution would be to place temporary pods on private property. Part of this decision was the impact a centralised village located in Eugowra would have on displaced persons from other affected towns. At 30 May 2023, 59 out of 100 pods had been installed on private properties. These pods replaced caravans initially installed on private properties, although at the time of the audit some disaster-affected persons were still living in caravans while they wait for pod installation on their property.

Resilience NSW was able to utilise the excess pods from the Northern Rivers to reduce the wait time for displaced persons to move into the pod from the caravan located on their property. Once their eligibility had been confirmed, the resident met with NSWPW and the builders contracted to install the pods. The resident confirmed where they would like the pod placed and the size needed. Applicants were then prioritised by Resilience NSW and pods installed in order of this prioritisation. NSWPW engaged the same third-party contractor used in the Northern Rivers construction to expedite the installation process.

Resilience NSW used measures to adapt the pods for suitable use in the Central West, as well as configuring them to meet mobility needs of residents. Cabonne Shire and Forbes Shire Councils required pods to be built at a height of 1.5 metres. The pods were therefore installed on scaffolding to raise their height. As the pods were designed and constructed for the Northern Rivers climate, insulation was installed on the base of the pods to ensure the inside temperature was appropriate for residents in the Central West. The raised height of the pods also impacted their accessibility, so the contractor was also engaged to install ramps instead of stairs where needed.

The first demobilisation of a pod occurred on 7 August 2023, after the resident's home had been repaired and it was suitable for them to move back home. The Reconstruction Authority advised that as pods continue to be demobilised, they will be cleaned, any required repairs completed, and then moved onto the next property as needed. There was no long-term plan initially developed for the transition of tenants out of temporary housing, although the Reconstruction Authority has advised that the newly developed Temporary Housing Plan will include these considerations to inform processes at the end of the lease period. There has been consideration for returning the pods to the Northern Rivers once the work in the Central West is complete.

The Reconstruction Authority advised that due to the delays residents are facing in accessing trades and payment of insurance claims, the HTF is currently seeking the support of councils to extend the placement of pods beyond the two years that were initially planned.

There was no clear process in place to support displaced persons in emergency accommodation who were ineligible for temporary housing in the Central West

The WSFASP in place during the flood events did not outline a transition plan for displaced persons staying in emergency accommodation. Resilience NSW took over responsibility for the transition of displaced persons from emergency accommodation to temporary housing. It was not always possible to house rental tenants by placing a pod on the property they were occupying because they were unable to obtain landowner permission. It was necessary to find an alternative property to install these pods, usually on property owned by a family member. This was able to address most tenants' issues.

It was unclear which agency was responsible for the support of renting households in the medium to long-term. The lack of a documented process for the provision of emergency accommodation created a gap in relation to the support for displaced persons. The WSFASP has since been updated to include provision for coordinated case management support to assist people in emergency accommodation with longer-term housing needs.

DCJ maintained a list of displaced persons who had been staying in emergency accommodation and were unable to exit without assistance. This list was provided to Resilience NSW weekly. Resilience NSW provided updates to DCJ on the status of those who were being transitioned into temporary housing, but no assistance was provided by Resilience NSW to those who were ineligible for temporary housing. DCJ was therefore required to provide case management to these people to assist in their transition to more stable housing.

5. Capturing lessons learned

Agencies learned and applied lessons from the Northern Rivers floods to the Central West flood event, but most have not formalised these for future consideration

Agencies involved in the provision of emergency accommodation and temporary housing learned key lessons from the Northern Rivers floods that could be applied in the Central West response. These lessons included the Reconstruction Authority rapidly standing up the At-home Caravans Program to provide immediate accommodation to displaced persons, and instigating a community reference group to provide feedback on the proposed housing response plan. These lessons learned were largely undocumented, with many staff being involved across both the Northern Rivers and Central West flood response, and able to directly apply lessons learned from their experience in the earlier response. It is good practice to formalise lessons learned to ensure that future responses may have access to contemporary information to learn from both positive and negative experiences in previous situations.

DCJ and Premier's Department (PD) have not yet documented any lessons learned from their roles in the flood events. Some lessons were documented by Resilience NSW in April 2022 as part of a process to identify emerging insights. These lessons covered a broad range of activities, including findings relevant to the provision of temporary housing.

In June 2023, the Reconstruction Authority formally documented its own lessons learned from the provision of temporary housing. This includes identifying actions to avoid repeating some of the negative experiences, such as Aboriginal communities not being consulted at the appropriate time, and not having adequate program design processes in place for the temporary housing program. In addition, NSWPW has commissioned an evaluation of its work in the construction and provision of temporary housing, which includes a formal lessons learned component.

External reviews have also been conducted and have captured interim lessons learned, including the 2022 NSW Flood Inquiry and the 'Response to major flooding across New South Wales in 2022' Parliamentary Inquiry.

Agencies are in the process of evaluating the provision of emergency accommodation and temporary housing

Agencies have commenced the process of evaluating their role in the provision of emergency accommodation and temporary housing. DCJ advised that an external evaluation would commence shortly and that it was in the process of engaging a consultancy firm to conduct this. NSWPW has also commenced an external review of its provision of temporary housing. DPE and PD have not commenced a review, although PD has established a new unit for strategic communications during disasters in response to the agency's involvement in crisis communications during the flood events. This unit has been developed to deliver overarching whole-of-government messaging during disaster events.

Similarly, the Reconstruction Authority advised that an evaluation was planned for the provision of temporary housing. In addition, Resilience NSW commissioned an evaluation of the use of the Minderoo Foundation pods in response to the 2019–20 bushfires. This review reported in November 2022, though it had limited consideration of the role of the Minderoo Foundation pods as a source of temporary housing in the Northern Rivers. This report made 19 recommendations to the Reconstruction Authority and the Minderoo Foundation, and found that the Minderoo pods had largely been delivered in line with the original intended objectives.

There is no State-wide process in place to capture lessons learned from all agencies involved in recovery

Each year, the SEMC conducts a State-wide lessons learned exercise, incorporating learnings from all of the emergency events in the previous year. This exercise has commenced for the 2022 emergency events, however at the time of the audit it was in draft and not yet formally endorsed by the SEMC.

The agencies involved in the State lessons learned process are agencies with emergency response responsibilities. The findings largely relate to these response activities, with very few lessons learned relating to recovery. Only a limited number of agencies are involved in this activity, and the 2022 review did not incorporate the views of a number of agencies that were involved in the recovery phase of the Northern Rivers and Central West flood events.

While it is important that lessons are learned from the response phase of an emergency, it is equally important that State-wide lessons are learned from the recovery phase to ensure that appropriate State-wide changes can be made, or positive experiences can be continued. There is currently no process in place to capture these lessons learned from the recovery phase from all agencies involved in the recovery phase.

Section two

Appendices

Appendix one – Responses from entities

Response from NSW Reconstruction Authority

NSW Reconstruction Authority



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

NSW Reconstruction Authority Response to the Performance Audit – Flood Housing Response

Dear Ms Crawford,

Thank you for your letter dated 12 January 2024 enclosing the final performance audit report on the flood housing response (the Report). The NSW Reconstruction Authority (RA) welcomes the Report as an opportunity to improve how NSW plans for disasters and supports communities to effectively recover.

As the Report notes, the impacts of the 2022 flood events in the Northern Rivers and Central West regions were extensive. Both exceeded previous records and significantly affected communities, destroying essential assets, disrupting businesses and displacing people from their homes. Both events necessitated a large-scale and rapid response, including implementation of a temporary housing program.

In the Northern Rivers the former Resilience NSW, in collaboration with councils and other agencies, moved quickly to establish governance arrangements, locate appropriate sites, and undertake civil engineering and procurement activity to stand-up 11 villages and deliver temporary accommodation at scale. It was a complex operation beset by constrained site options, construction challenges, workforce shortages and weather delays.

The temporary housing villages have been a critical part of the response and recovery effort in the Northern Rivers, alongside a range of other measures available to households whose homes were severely impacted.

Addressing the state's housing challenges is a priority for the NSW Government, requiring joint effort across all levels of government and private and non-government sectors. In the Northern Rivers these challenges pre-dated the floods, and a whole of government response is now required to transition residents of the temporary villages to long term accommodation.

The Report has made five recommendations specific to the RA related to the delivery of temporary housing and has additionally made two recommendations to all audited agencies. All

GPO Box 5434, Sydney NSW 2001
02 9212 9200
www.dpie.nsw.gov.au/nsw-reconstruction-authority

1

recommendations and timeframes are accepted by the RA and will improve how NSW plans for disasters and supports communities to effectively recover.

The table below outlines the RA's response to each of these recommendations in further detail:

Recommendations specific to RA	RA Response
1. Develop a whole of government plan for temporary housing to coordinate future temporary housing responses to emergency events	The RA has commenced work on a whole of government plan to guide planning, decision making, options analysis and implementation of future temporary housing responses aligned with the principles of the Disaster Recovery Funding Arrangements and State Recovery Plan. This plan will require input from and testing with government and community partners and key external stakeholders prior to being finalised by the proposed August 2024 timeframe.
2. Review the temporary housing waitlist to determine the current extent of unmet need	The RA has committed to undertaking a review of the temporary housing waitlist within the timeframe proposed by the Audit Office.
3. Determine a timeline for demobilising the temporary housing villages and transitioning tenants out of temporary housing	<p>In relation to recommendations 3 and 4, the RA acknowledges that villages have always been intended as temporary in nature. As flagged in the Report, the Northern Rivers faces significant housing challenges with a shortage of both affordable rental options and social housing. Planning for and implementation of the demobilisation of sites and transitioning of residents out of villages into long term accommodation will require a whole of government approach.</p> <p>To this end, RA is working with partner agencies, including the Department of Communities and Justice and Homes NSW, along with local Community Housing Providers, to leverage available expertise and programs, identify housing pathways and secure appropriate outcomes for residents, taking into account recommendations from previous reviews. Residents are being supported to engage with their case managers, participate in planning and prepare for transition.</p> <p>At the same time, in planning for the demobilisation of the villages, the RA is exploring with councils, relevant partner agencies and other stakeholders potential long term uses for those sites where there is landowner consent, community support, the</p>
4. Develop a strategy to manage the transition of people into long-term accommodation, taking into account recommendations from relevant reviews	

	likelihood of planning approval and viable options for consideration. Where such uses are not identified, the RA will work with councils and relevant government agencies to support demobilisation of the villages within agreed timeframes.
5. Develop a process for a state-wide recovery lessons learned process and facilitate this being completed each year in coordination with the State Recovery Committee.	The RA acknowledges its role as the lead agency for disaster recovery in NSW, with responsibility for supporting collaboration and coordination across agencies and developing whole of government policies and plans. The newly updated NSW Recovery Plan identifies management of an annual lessons learned process as a key responsibility of the State Recovery Committee, and such a process will get underway in 2024 for key members of the Committee.
Recommendations to all audited agencies	
6. Finalise evaluations of their role in the provision of emergency accommodation and temporary housing for the Northern Rivers and Central West flood events, and incorporate lessons learned into future planning and continuous improvement. These evaluations should be undertaken in conjunction with other agencies.	The RA accepts recommendations (6) and (7) which relate to evaluating our role in the provision of temporary housing and developing an internal plan to guide this for the future.
7. Develop internal plans for implementing whole-of-government responsibilities under the Welfare Functional Area Supporting Plan and any plan developed as a result of recommendation one.	

As the Report highlights, the delivery of temporary housing in the Northern Rivers has provided valuable lessons and has informed the approach that has been implemented in the Central West.

The RA is committed to building the resilience of communities through its disaster mitigation, adaptation, preparedness and recovery functions. The temporary housing program is a key element of this commitment.

Yours sincerely,



Simon Draper
Signed on 7 Feb 2024, 9:16 AEDT
Chief Executive Officer, NSW Reconstruction Authority

GPO Box 5434, Sydney NSW 2001
02 9212 9200
www.dpie.nsw.gov.au/nsw-reconstruction-authority

3

Response from Premier's Department

Premier's Department



Ref: A5957978
8 February 2024

Margaret Crawford PSM
Auditor-General for New South Wales
NSW Audit Office
GPO Box 12
SYDNEY NSW 2000

Re: Performance Audit – Flood housing response

Dear Ms Crawford,

Thank you for the opportunity to provide a response to the final report on the Performance Audit – Flood housing response (the Report).

I am pleased to advise that the Premier's Department accepts in principle recommendations six and seven, which were addressed to all audited agencies.

In particular I note that the Premier's Department supports the operation of the State Emergency Management Committee, which is responsible for promoting the continuous improvement of emergency management policy and practice at a state level.

The Premier's Department will support and participate in the State Emergency Management Committee's 2024 State Lessons Analysis process, which will take into consideration the recommendations of the audit and the broader lessons learned from the emergency and temporary housing response to, and recovery from, the Northern Rivers and Central West flood events.

I note that the Welfare Services Functional Area Supporting Plan does not assign responsibilities to the Premier's Department. The Premier's Department's will, however, as part of its ordinary business, support the State Emergency Management Committee to review, monitor and develop emergency management policy at a state level and can support agencies to address the audit recommendations in this capacity.

I appreciate the time taken by your team to engage with the Premier's Department throughout this audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Simon Draper".

Simon Draper
Secretary

52 Martin Place Sydney NSW 2000
GPO Box 5341 Sydney NSW 2001
ABN 34 945 244 274

02 9228 5555
premiersdepartment.nsw.gov.au

1

Response from Department of Communities and Justice



Communities and Justice

EAP24/612

Ms Margaret Crawford PSM
Auditor-General for New South Wales
GPO Box 12
SYDNEY NSW 2001

By email: mail@audit.nsw.gov.au

Dear Ms Crawford,

Thank you for your letter received 12 January 2024 with a copy of the 'Flood housing response' performance audit report.

The Department of Communities and Justice (DCJ) welcomes the audit into the NSW Government response to the 2022 floods.

The Department has carefully considered the audit report and I am pleased to accept those recommendations relating to DCJ in full.

Please find enclosed the Department's detailed response to each of the recommendations.

I would also like to express my thanks and appreciation for the efforts of the Audit Office of NSW during their engagement with DCJ. Their professionalism and collaborative approach is to be commended. The audit process has been beneficial, and the report provides constructive feedback on the department's practices.

If you have any further questions please contact James Toomey, Deputy Secretary at [REDACTED]

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Michael Tidball'.

Michael Tidball
Secretary

Date: 30 January 2024

Department of Communities and Justice
Postal address: Locked Bag 5000, Parramatta NSW 2124
[W www.dcj.nsw.gov.au](http://www.dcj.nsw.gov.au)
T (02) 9377 6000
ABN 36 433 875 185

NSW Department of Communities and Justice response to audit recommendations

Audit Recommendation	DCJ response	Commentary
<p>1. By December 2024, finalise evaluations of their role in the provision of emergency accommodation and temporary housing for the Northern Rivers and Central West flood events, and incorporate lessons learned into future planning and continuous improvement. These evaluations should be undertaken in conjunction with other agencies where appropriate.</p>	Accepted	<p>DCJ is committed to improving processes where appropriate so that it can best support those affected by natural disasters.</p> <p>DCJ has prepared a specification document to support the engagement of an independent consultant that will evaluate the provision of emergency accommodation in Northern Rivers and Central West flood events.</p> <p>Evaluation will be undertaken and finalised in 2024.</p>
<p>2. By December 2024, develop internal plans for implementing whole-of-government responsibilities under the Welfare Functional Area Supporting Plan and any plan developed as a result of recommendation one.</p> <p>This may include, as appropriate, the agency's:</p> <ul style="list-style-type: none"> • role in whole-of-government governance arrangements, including key interactions with other agencies • procurement process, including analysis of appropriate options • process for identifying appropriate sites for temporary housing • relevant communication activities, including engagement with Aboriginal communities. 	Accepted	<p>DCJ is formalising a framework and supporting processes and documents for a 'Housing Recovery Service' which can be activated on a scaled basis to better integrate housing and broader recovery processes. This will be completed mid-2024.</p> <p>DCJ continues to build better linkages with Aboriginal Affairs centrally and with Aboriginal communities at higher risk of isolations and evacuations. 3 pilot sites have been selected for roll out by December 2024:</p> <ul style="list-style-type: none"> • Boggabilla/Toomelah • Eurobodalla Local Government Area • Jabullum

Response from Department of Regional NSW

Department of Regional NSW



BN24/395
31 January 2024

Ms Margaret Crawford PSM
Auditor-General for New South Wales
Audit Office of NSW
Level 19, Darling Park Tower 2, 201 Sussex Street
Sydney NSW 2000

Re: Flood Housing Response Performance Audit

Dear Ms Crawford

I write in response to your letter of 12 January 2024 regarding the *Performance Audit: Flood Housing Response*.

Having considered the report's contents, I am satisfied that the Department of Regional NSW and its operations with regard to the flood housing response are accurately represented, including the involvement of NSW Public Works in the Temporary Housing Programs.

I can also advise that NSW Public Works has now completed the review of its activities related to the Northern Rivers Temporary Housing and will commence a review of the Central West Temporary Housing in the coming months.

On behalf of the Department of Regional NSW, I would like to acknowledge the importance of this work and thank you and the Audit Office of NSW for preparing the report.

Yours sincerely

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

Rebecca Fox
Secretary

CC:

Mr Drew Varnum, Executive Director NSW Public Works

Mr Allan Murray, Director Audit and Investigations

1 Monaro Street
Queanbeyan NSW 2620

regional.nsw.gov.au

1

Response from Department of Planning, Housing and Infrastructure

Department of Planning, Housing and Infrastructure



Ref: MDPE24/246
Your ref: R009-170535826-22168

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

mail@audit.nsw.gov.au

9 February 2024

Dear Ms Crawford

Thank you for your correspondence about the Audit Office's performance audit and final report on the flood housing response.

On behalf of the Department of Planning, Housing and Infrastructure (Department), I thank you and the Audit Office of NSW for engaging with the Department during the preparation of the performance audit report on the flood housing response (Report).

The Department was pleased to work closely with the Audit Office during their investigations, including providing requested information.

I acknowledge the Report's commentary reflects work undertaken by the Department prior to the establishment of the NSW Reconstruction Authority (NSW RA).

The Department supports the Report's recommendations in-principle and will work closely with the NSW RA and other relevant agencies to consider and progress a response to the Report's findings.

Should you or the Audit Office have any questions, Steve Hartley, Executive Director Resilience and Urban Sustainability, can be contacted on [REDACTED].

Yours sincerely

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

Kiersten Fishburn
Secretary

4 Parramatta Square, 12 Darcy Street, Parramatta NSW 2150
Locked Bag 5022, Parramatta NSW 2124

www.dpie.nsw.gov.au 1

Appendix two – About the audit

Audit objective

This audit assessed how effectively the NSW Government provided emergency and temporary housing in response to the early 2022 Northern Rivers and late 2022 Central West flood events.

Audit criteria

We addressed the audit objective with the following audit criteria:

- Prior to the flood events the agencies effectively planned for the provision of accommodation and housing.
 - The NSW Recovery Plan and related plans identify roles and responsibilities to address accommodation and housing needs resulting from a flood event.
 - Agency-specific accommodation and housing response plans include actions required before, during and after flood events, and align with whole-of-government plans.
 - The agencies fulfilled any planned activities prior to the flood events.
- The agencies provided accommodation and housing to meet the needs of affected communities in response to the flood events.
 - Governance structures were in place to support effective coordination between agencies and the provision of emergency accommodation and temporary housing.
 - The agencies engaged effectively with flood-affected communities and other key stakeholders to understand and respond to their accommodation and housing needs and adapted activities accordingly.
 - The agencies coordinated and carried out accommodation and housing response activities to ensure that community needs were met.
- The agencies are effectively capturing lessons learned in relation to their provision of accommodation and housing as part of the flood response.
 - The State Emergency Management Committee (SEMC) and relevant agencies used lessons learned from previous disasters to inform the provision of emergency accommodation and temporary housing in these flood events.
 - The SEMC and relevant agencies have implemented mechanisms to capture lessons learned including formal evaluation processes.
 - The agencies have adjusted their plans for future disaster events based on the evaluations and lessons learned.

Audit scope and focus

The audit focused on the development of plans to guide the accommodation and housing response, the effectiveness of completing planned activities to meet the needs of flood affected communities and evaluation activities conducted.

The audit scope included:

- the NSW Recovery Plan and other government and agency-level plans
- governance arrangements and risk management activities performed
- the provision of emergency accommodation and temporary housing for flood affected communities
- lessons learned and evaluation activities completed by all agencies.

Audit exclusions

The audit did not seek to:

- examine other forms of response from the audited agencies
- examine the activities of other agencies, except insofar as they formed part of project governance
- examine the long-term housing response.

Audit approach

The audit team conducted the audit in accordance with ASAE 3500 'Performance Engagements' and ASAE 3000 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'. The standards require the audit team comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance and draw a conclusion on the audit objective.

Our procedures included:

- Interviewing key staff at the NSW Reconstruction Authority, the Department of Communities and Justice, Premier's Department, the Department of Regional NSW and the Department of Planning and Environment, including:
 - staff responsible for planning activities related to the provision of emergency accommodation and temporary housing
 - staff responsible for the provision of emergency accommodation and temporary housing
 - staff responsible for evaluation activities relating to the provision of emergency accommodation and temporary housing.
- The audit team conducted fieldwork trips to the Northern Rivers and Central West.
- Examining key sources of documentation including:
 - government and agency-level plans
 - risk register and risk reporting
 - briefings to senior executives and Ministers
 - site selection process documentation, including assessment outcomes
 - decision-making documentation
 - meeting papers and minutes
 - evaluations and lessons learned activities.

The audit approach was complemented by quality assurance processes within the Audit Office to ensure compliance with professional standards.

Audit methodology

Our performance audit methodology is designed to satisfy Australian Auditing Standard ASAE 3500 Performance Engagements and other professional standards. The standards require the audit team to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance and draw a conclusion on the audit objective. Our processes have also been designed to comply with requirements specified in the *Government Sector Audit Act 1983* and the *Local Government Act 1993*.

Acknowledgements

We gratefully acknowledge the cooperation and assistance provided by staff of the NSW Reconstruction Authority, the Department of Communities and Justice, Premier's Department, the Department of Regional NSW and the Department of Planning and Environment.

Audit cost

The estimated cost of this audit including disbursements is \$630,000.

Appendix three – Performance auditing

What are performance audits?

Performance audits assess whether the activities of State or local government entities are being carried out effectively, economically, efficiently and in compliance with relevant laws.

The activities examined by a performance audit may include a government program, all or part of an audited entity, or more than one entity. They can also consider particular issues which affect the whole public sector and/or the whole local government sector. They cannot question the merits of government policy objectives.

The Auditor-General's mandate to undertake audits is set out in the *Government Sector Audit Act 1983* for state government entities, and in the *Local Government Act 1993* for local government entities. This mandate includes audit of non-government sector entities where these entities have received money or other resources, (whether directly or indirectly) from or on behalf of a government entity for a particular purpose (follow-the-dollar).

Why do we conduct performance audits?

Performance audits provide independent assurance to the NSW Parliament and the public.

Through their recommendations, performance audits seek to improve the value for money the community receives from government services.

Performance audits are selected at the discretion of the Auditor-General who seeks input from parliamentarians, State and local government entities, other interested stakeholders and Audit Office research.

How are performance audits selected?

When selecting and scoping topics, we aim to choose topics that reflect the interests of parliament in holding the government to account. Performance audits are selected at the discretion of the Auditor-General based on our own research, suggestions from the public, and consultation with parliamentarians, agency heads and key government stakeholders. Our three-year performance audit program is published on the website and is reviewed annually to ensure it continues to address significant issues of interest to parliament, aligns with government priorities, and reflects contemporary thinking on public sector management. Our program is sufficiently flexible to allow us to respond readily to any emerging issues.

What happens during the phases of a performance audit?

Performance audits have three key phases: planning, fieldwork and report writing.

During the planning phase, the audit team develops an understanding of the audit topic and responsible entities and defines the objective and scope of the audit.

The planning phase also identifies the audit criteria. These are standards of performance against which the audited entity, program or activities are assessed. Criteria may be based on relevant legislation, internal policies and procedures, industry standards, best practice, government targets, benchmarks or published guidelines.

During the fieldwork phase, audit teams will require access to books, records, or any documentation that are deemed necessary in the conduct of the audit, including confidential information which is either Cabinet information within the meaning of the *Government Information (Public Access) Act 2009*, or information that could be subject to a claim of privilege by the State or a public official in a court of law. Confidential information will not be disclosed, unless authorised by the Auditor-General.

At the completion of fieldwork, the audit team meets with management representatives to discuss all significant matters arising out of the audit. Following this, a draft performance audit report is prepared.

The audit team then meets with management representatives to check that facts presented in the draft report are accurate and to seek input in developing practical recommendations on areas of improvement.

A final report is then provided to the accountable authority of the audited entity(ies) who will be invited to formally respond to the report. If the audit includes a follow-the-dollar component, the final report will also be provided to the governing body of the relevant entity. The report presented to the NSW Parliament includes any response from the accountable authority of the audited entity. The relevant Minister and the Treasurer are also provided with a copy of the final report for State Government entities. For local government entities, the Secretary of the Department of Planning and Environment, the Minister for Local Government and other responsible Ministers will also be provided with a copy of the report. In performance audits that involve multiple entities, there may be responses from more than one audited entity or from a nominated coordinating entity.

Who checks to see if recommendations have been implemented?

After the report is presented to the NSW Parliament, it is usual for the entity's Audit and Risk Committee / Audit Risk and Improvement Committee to monitor progress with the implementation of recommendations.

In addition, it is the practice of NSW Parliament's Public Accounts Committee to conduct reviews or hold inquiries into matters raised in performance audit reports. The reviews and inquiries are usually held 12 months after the report received by the NSW Parliament. These reports are available on the NSW Parliament website.

Who audits the auditors?

Our performance audits are subject to internal and external quality reviews against relevant Australian standards.

The Public Accounts Committee appoints an independent reviewer to report on compliance with auditing practices and standards every four years. The reviewer's report is presented to the NSW Parliament and available on its website.

Periodic peer reviews by other Audit Offices test our activities against relevant standards and better practice.

Each audit is subject to internal review prior to its release.

Who pays for performance audits?

No fee is charged to entities for performance audits. Our performance audit services are funded by the NSW Parliament.

Further information and copies of reports

For further information, including copies of performance audit reports and a list of audits currently in-progress, please see our website www.audit.nsw.gov.au or contact us on 9275 7100.

OUR VISION

Our insights inform and challenge government to improve outcomes for citizens.

OUR PURPOSE

To help Parliament hold government accountable for its use of public resources.

OUR VALUES

Pride in purpose
Curious and open-minded
Valuing people
Contagious integrity
Courage (even when it's uncomfortable)

Level 19, Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000 Australia

PHONE +61 2 9275 7100

mail@audit.nsw.gov.au

Office hours: 8.30am-5.00pm
Monday to Friday.