

**Supplementary
Submission
No 19a**

**EXAMINATION OF THE AUDITOR GENERAL'S PERFORMANCE AUDIT
REPORTS JUNE - DECEMBER 2020**

Organisation: NSW Department of Planning and Environment

Date Received: 2 June 2022

Mr Greg Piper

Chair

Auditor-General's Performance audit report

By email: PublicAccountsCommittee.PAC@parliament.nsw.gov.au

2 June 2022

Subject: Waste Levy and Grants for Waste Infrastructure

Dear Mr Piper

Thank you for your correspondence of 19 May 2022 seeking further information concerning the Auditor-General's performance audit report. I appreciate the opportunity to update the committee on the recommendations to the Waste Levy and grants for Waste Infrastructure.

Recommendation 1: *By June 2021 the EPA should establish a schedule for reviewing the waste levy settings that includes:*

- *Regular reviews to ensure the waste levy is set at the optimal level to achieve its policy objective.*
- *Transparent and objective criteria for determining which local government areas are levied.*

The Committee acknowledges that at the time of the audit the Department was then the Department of Planning, Industry and Environment.

The Committee notes, in response to the recommendation, the NSW Government has committed to a review of the operation of the waste levy every five years.

1. *Can you provide more information when the department plans to conduct the first review of the operation of the waste levy? The committee notes that a review hasn't been undertaken since 2009.*

Response: Under the [NSW Waste and Sustainable Materials Strategy 2041](#), the NSW Government committed to conducting detailed consultation on the waste levy review framework from 2022. This consultation with local government, waste industry and community and businesses will inform the timing and scope of the new 5-yearly review.

2. *Can you please provide a progress report on the development of the assessment criteria for determining which local government areas are subject to the waste levy?*

Response: The development of the assessment criteria will follow the detailed consultation on the waste levy review framework referred to in the answer above.

Recommendation 2: *By June 2021 the EPA should improve the timeliness of reporting on the environmental outcomes from its waste levy compliance activities.*

Enquiry from Committee

The Committee notes in response to the recommendation the EPA aims to increase the amount of waste data published and improve the timeliness of its publication

1. *Does the department plan to publish waste data on an annual basis?*

Response: Yes. The waste performance data for FY20-21 is on track to be published before 30 June 2022.

2. *Does the department plan to report on environmental outcomes such as recycling rates and illegal dumping more often than every two years to make the data more useful to stakeholders as raised in the audit?*

Response: Yes. Recycling rates are included in the waste performance data to be published annually.

The NSW Government has also committed to reporting on progress under the NSW Waste and Sustainable Materials Strategy 2041 and NSW Plastics Action plan annually.

For illegal dumping, the NSW Illegal Dumping Strategy 2017-21 has been evaluated and a new plan is being developed. The new plan will be based on the outcome of the evaluation and stakeholder consultation and is due for release in late 2022. New indicators and associated reporting will be developed as part of that process.

Recommendation 4: By June 2021, the Environmental Trust should improve record keeping during the grant program assessment committee meetings.

The Committee notes in response to the recommendation, the Department indicated that it would implement this recommendation by changing its grant administration procedures.

The Committee notes that the audit found the grants administration procedures used for grant programs are well designed, although it identified some gaps in record-keeping. Of the ten grants administered by the Environmental Trust, two were missing documentation that recorded the rationale for awarding grants.

1. *What further measures and procedures can be implemented to ensure that the gaps in record-keeping are addressed?*

Response: As previously noted, the gaps identified related to projects that pre-date the current team. Changes were made a number of years ago to ensure that record keeping was complete and thorough. Onboarding of staff includes instructions relating to the importance of maintaining complete records, and staff are reminded regularly at weekly team meetings. The team Administration Officer is responsible for the filing of all records and the Manager and Senior Grants Administrator check regularly to ensure that this is occurring.

Recommendation 5: By June 2021, the Environmental Trust should ensure that conflict-of-interest declarations are completed for all members of assessment teams and stored in accordance with documented record-keeping requirements.

The Committee notes in response to the recommendation, the Department indicated that it would implement this recommendation by changing its grant administration procedures. The Committee notes that the audit found that, of the ten grant rounds reviewed that were administered by the Environmental Trust, eight were missing one or more conflict-of-interest declarations.

1. *What further measures and procedures can be implemented to ensure the completion and record keeping of all conflict-of-interest declarations?*

Response: As previously noted, the gaps identified related to projects that pre-date the current team. The Technical Review Committee's Assessment Guidelines state that all assessors must sign a Conflict of Interest form, and that they will not receive the applications to assess until they have returned the signed form. The Senior Grants Administrator ensures compliance with this requirement.

Declaration of Conflicts of Interest have now been added as an Agenda to assessment meetings and all members are asked again to declare any real or perceived conflicts so that appropriate action can be taken. Any conflicts are raised with the Probity Auditor so that they can be dealt with appropriately.

Recommendation 6: By June 2021, the EPA and the Environmental Trust should ensure that consistent information is provided to applicants and assessment committees within their respective grant programs.

The Committee notes in response to the recommendation, the Environmental Trust had implemented this recommendation by changing its grant administration procedures. The response also indicated that the EPA has updated its procedures to ensure alignment of all information provided to both applicants and assessment committees.

The Committee notes that the audit found that there was inconsistent information provided to applicants and assessment teams in three of the 12 grant rounds reviewed that were administered by the Environmental Trust and the EPA.

1. *What further measures and procedures can be implemented to ensure that all applicants and assessment teams are provided with consistent information within their respective grant programs?*

Response: The Environmental Trust Waste team works closely with their EPA project delivery partners to ensure consistency in all advice provided. This issue was raised and discussed with both organisations and the importance of ensuring alignment of advice was agreed and prioritised. Both the EPA and Environmental Trust staff perform comparison checks of all relevant program documents to ensure consistency of advice provided. The relevant Manager also ensures this has been done, and the Director Grants approves applicant and assessment guidelines as a final check to ensure that they are in order and contain appropriate, consistent and required information.

Department of Planning and Environment

The publicly available [EPA Grants Management Policy](#) outlines that EPA staff with responsibility for grants should ensure application documentation contains clear eligibility and assessment criteria to enable the selection of applications in a consistent and transparent manner.

All grant program guidelines for applicants and assessment guidelines for Technical Review Committee (TRC) members are developed concurrently as programs are developed. All information provided to TRC members is included in guidelines for applicants to ensure consistent information.

To ensure contemporary grant management practices that are consistent across NSW Government, the EPA is part of the broader Department of Planning and Environment cluster response to the Department of Premier and Cabinet NSW led grants management review. This work is informing a new grants management framework to provide consistency and guide development of grant programs. The EPA is also involved in a second working group to inform the development of a new whole of government grant management system, which is being led by Regional NSW.

Should you require any additional information, I invite you to contact [REDACTED]

Yours sincerely,

[REDACTED]
Michael Cassel

Secretary

Department of Planning and Environment