

Inquiry into the integrity, efficacy and value for money of NSW Government grant programs

Hearing, Monday 8 February 2021

#	Question	Suggested response
1	<p>Please provide a list of all criteria used to assess eligibility for projects under the first round of the Bushfire Local Economic Recovery Fund.</p> <p>a. Can you confirm that one of the criterion was that a proposed project must be worth at least \$1 million?</p>	<ul style="list-style-type: none"> • Stage One early co-funded projects under the Bushfire Local Economic Recovery (BLER) Fund came from two sources: <ul style="list-style-type: none"> ○ Fast-tracked priority local infrastructure projects ○ Bushfire Industry Recovery Package – Sector Development Grants • The \$1 million threshold was only set for the fast-tracked priority local infrastructure projects. Fast tracked projects were also required to: <ul style="list-style-type: none"> ○ be shovel ready; ○ align with Local or Regional Recovery Action Plans, NSW Regional Economic Development Strategies Bushfire Addenda or other community and council recovery priorities and have confirmed local support; ○ meet the national Local Economic Recovery Fund criteria (set by the Commonwealth - these criteria are on the National Bushfire Recovery Agency website); and, ○ be in a high or moderate impacted bushfire area according official NSW Rural Fire Service Building Impact Assessment data. • The Bushfire Industry Recovery Package: Sector Development Grants was a widely advertised, merit-based assessment process that targeted the forestry, dairy, apiculture, horticulture, viticulture and aquaculture industries. • The Bushfire Industry Recovery Package: Sector Development Grants Program Guidelines and related criteria are available on the NSW Government website. • The Bushfire Industry Recovery Package: Sector Development Grants Program Guidelines sought projects for a minimum \$50,000 to a maximum \$10 million.
2	<p>Please advise where the criteria for the Bushfire Local Economic Recovery Fund first round were published and when they were published.</p>	<ul style="list-style-type: none"> • The national Local Economic Recovery Fund criteria (set by the Commonwealth) are available on the National Bushfire Recovery Agency website. The publishing date should be confirmed by the National Bushfire Recovery Agency. • The Bushfire Industry Recovery Package: Sector Development Grants Program Guidelines are published on the NSW Government website. The guidelines and criteria were first published in May 2020.
3	<p><u>"The Joint media release with the Hon John Barilaro MP – \$177 Million for 71 bushfire</u></p>	<ul style="list-style-type: none"> • All projects announced on 2 November 2020 received funding through the Bushfire Local Economic Recovery Fund.

	<p>recovery projects in NSW”, dated 2 November 2020,</p> <p>Did each of the 71 community infrastructure and industry bushfire recovery projects receive funding through the Bushfire Local Economic Recovery (BLER) Fund? If not, through which programme were they funded?</p>	
4	<p>The document titled “Bushfire Industry Recovery Package (Sector Development Grants)” dated October 2020, lists 50 projects that overlap with the BLER announcement, please explain the relationship between these two lists.</p>	<ul style="list-style-type: none"> • 52 projects were approved for funding under the NSW Government Bushfire Industry Recovery Package: Sector Development Grants. • 50 of these projects were approved by the National Bushfire Recovery Agency as eligible for co-funding under the Bushfire Local Economic Recovery Fund.
5	<p>Of the \$177 million in grants, announced on 2 November 2020, which were assessed under the published Bushfire Local Economic Recovery Fund Guidelines</p> <p>a. If not:</p> <p>i. Which successful applicants were not assessed in accordance with the published guidelines?</p> <p>ii. What was the application criteria of any applicant not assessed under the published Bushfire Local Economic Recovery Fund Guidelines?</p>	<ul style="list-style-type: none"> • None of those projects were assessed under the Guidelines referred to in the question. • The Guidelines identified in the question are for the Stage Two \$250 million Open Round of the Bushfire Local Economic Recovery Fund. Applications closed on 28 January 2021 for this stage of the program. As at 19 March 2021, all applications remain under assessment. • For a. i. and ii. see response to question 1.
6	<p>Which entity was the proponent of each of the grants announced by the announced by the Deputy Premier on 2 November 2020? (https://www.bushfirerecovery.gov.au/local-recovery-projects)</p>	<ul style="list-style-type: none"> • Proponents of each successful grant are published on the NSW Government website.

7	How was each of the grant recipients, announced on advised of the of the availability funding?	<ul style="list-style-type: none"> • On 11 May 2020 the Prime Minister announced a national package of \$448.5 million in Local Economic Recovery and Complementary Projects funding. • Under the national Local Economic Recovery (LER) arrangements, state governments were requested by the Commonwealth government to rapidly identify known shovel ready priority projects for fast-tracked funding and leverage existing processes to identify the right projects to meet community needs. • Fast-tracked, shovel-ready local infrastructure projects in high and moderate bushfire impacted areas were identified through an internal process facilitated by the Department of Regional NSW in collaboration with Resilience NSW and deemed suitable for early co-funding with the Commonwealth, in line with Commonwealth LER requirements. • The Bushfire Industry Recovery Package Sector Development Grants were widely advertised, announced on 24 May 2020 and published on the NSW Government website.
8	Did the Deputy Premier meet with any grant recipients, or their representatives, in the calendar year 2020? a. If so, who and when?	<ul style="list-style-type: none"> • Diary disclosures are publically available.
9	How was each of the grant recipients advised of the grants criteria?	<ul style="list-style-type: none"> • See response to question 2.
10	Who assessed the application process for each grant announced by the Deputy Premier on 2 November 2020? (https://www.bushfirerecovery.gov.au/local-recovery-projects)	<ul style="list-style-type: none"> • The Department of Regional NSW in collaboration with Resilience NSW and National Bushfire Recovery Agency assessed all projects announced by the Deputy Premier on 2 November 2020 as suitable for funding under the National Local Economic Recovery (LER) framework.
11	What was the application criteria for each grant?	<ul style="list-style-type: none"> • See response to question 1.
12	What was the assessment criteria for each grant?	<ul style="list-style-type: none"> • See response to question 1.
13	Were the criteria published prior to the application process? If so, where?	<ul style="list-style-type: none"> • See response to question 2.
14	Who signed off on the criteria?	<ul style="list-style-type: none"> • The national Local Economic Recovery Fund criteria is set by the National Bushfire Recovery Agency.

		<ul style="list-style-type: none"> • The Bushfire Industry Recovery Package: Sector Development Grants Program Guidelines were approved by the NSW Government. • Stage One early co-funded fast-tracked priority local infrastructure projects were identified through an internal process facilitated by the Department of Regional NSW in collaboration with Resilience NSW and the National Bushfire Recovery Agency.
15	Were the criteria signed off by ERC?	<ul style="list-style-type: none"> • This information is Cabinet in Confidence.
16	Why were fast tracked grants announced before the grants program opened?	<ul style="list-style-type: none"> • NSW is managing the Local Economic Recovery Fund as a staged funding package in partnership with the National Bushfire Recovery Agency. • The announcement of 2 November 2020 relates to Stage 1 of the Bushfire Local Economic Recovery Fund. • The open \$250 million round for the Bushfire Local Economic Recovery Fund relates to Stage 2 of the program.
17	What is the total value of the Bushfire Local Economic Recovery fund?	<ul style="list-style-type: none"> • More than \$500 million has been committed by the NSW and Commonwealth governments for the Bushfire Local Economic Recovery Fund package in NSW.
18	How many grant recipients did not meet the criteria? a. Which criteria was not met? b. Why was the grant awarded to any applicant that did not meet the criteria?	<ul style="list-style-type: none"> • No grant or funding was awarded to any project that did not meet the national Local Economic Recovery criteria.
19	Why was the metrics of ‘building impacted’ chosen in prioritising the Bushfire Local Economic Recovery Fund?	<ul style="list-style-type: none"> • NSW is managing the Local Economic Recovery Fund as a staged funding package in partnership with the National Bushfire Recovery Agency. • Each stage has different program design, objectives and eligibility criteria. • The NSW Government has used a range of different evidence sources, including resources provided by the National Bushfire Recovery Agency, to inform program design. • Other social, economic and environmental factors are also considered in the context of bushfire impact and recovery needs of each community. • In the Stage Two NSW Bushfire Local Economic Recovery \$250 million open round, bushfire impact indicators (environmental, social and economic) will be considered relative to whole of NSW. For environmental impact, this will be using total hectares burnt per Local Government Area (LGA); social impact will be using total houses

		damaged or destroyed per LGA; and economic impact will be using projected economic impact per LGA.
20	Who approved the final metric chosen above?	<ul style="list-style-type: none"> Official Rural Fire Service building impact data is one of a range of different evidence sources, including resources developed by the National Bushfire Recovery Agency. See response to question 19 for further details.
21	Why was the metric of ‘economic impact’ not chosen in prioritising the Bushfire Local Economic Recovery Fund?	<ul style="list-style-type: none"> See response to question 19.
22	Was a probity plan developed prior to the close of applications for the Bushfire Local Economic Recovery Fund?	<ul style="list-style-type: none"> A Probity Plan was in place before applications closed for the Stage Two of the NSW Bushfire Local Economic Recovery \$250 million open round on 28 January 2021. A Probity Report will be finalised at the completion of the program.
23	Who is the proponent of the ‘More than \$11 million to build a Macleay Valley Skydiving Adventure Park. It will deliver indoor rock-climbing facilities, training facilities, a canopy piloting hanger, swoop pond, accommodation and amenities, enhancing the region’s tourism offerings’, announced in November 2020?	<ul style="list-style-type: none"> Kempsey Shire Council
24	Who is the proposed private sector operator for the Macleay Valley Skydiving Adventure Park, announced in November 2020?	<ul style="list-style-type: none"> This should be referred to Kempsey Shire Council.
25	Which grant fund was the Macleay Valley Skydiving Adventure Park assessed under?	<ul style="list-style-type: none"> Bushfire Local Economic Recovery Fund – Stage 1 early co-funded projects fast-tracked priority local infrastructure projects.
26	What is the benefit cost ratio of the Macleay Valley Skydiving Adventure Park?	<ul style="list-style-type: none"> Please refer to the transcript for this inquiry.
27	Has the budget of the Bushfire Industry Recovery Package Sector Development Grants changed from \$140 million? a. If so, what is the revised budget?	<ul style="list-style-type: none"> No.
28	Are departmental administration costs inclusive or exclusive of the \$140 million, or revised budget?	<ul style="list-style-type: none"> Inclusive.

29	What departmental administration costs have been incurred, or are expected to be incurred?	<ul style="list-style-type: none"> • Costs to administer the Bushfire Local Economic Recovery Fund in NSW will be shared 50: 50 between the State and Commonwealth Governments, consistent with the Disaster Recovery Funding Arrangements. • Up to 5% of program budgets are committed to Department administration costs including employee related expenditure, IT system fees, program advertising, independent probity advice, monitoring, reporting and evaluation which are all critical to ensuring that the program is effectively managed, and outcomes are delivered.
30	How many applications were received?	<ul style="list-style-type: none"> • 178.
31	How many applications were successful?	<ul style="list-style-type: none"> • 52. •
32	How many applications were unsuccessful?	<ul style="list-style-type: none"> • 126.
33	Which entities were awarded Sector Development Grants?	<ul style="list-style-type: none"> • All successful applicants are published on the NSW Government website.
34	What was the average time to determine the application?	<ul style="list-style-type: none"> • Applications opened 19 May 2020. • Applications closed 26 July 2020. • Successful projects were announced from October 2020.
35	What was the longest time to determine an application?	<ul style="list-style-type: none"> • See response to question 34.
36	Were any late applications received?	<ul style="list-style-type: none"> • Seven.
37	If so, by which applicants?	<ul style="list-style-type: none"> • Applicant information is unable to be provided as it is Cabinet in Confidence. • The Program Guidelines outline that in extenuating circumstances, late applications may be accepted at the sole discretion of the Department of Regional NSW.
38	How many late applications were successful?	<ul style="list-style-type: none"> • Two late applications that were deemed to have faced extenuating circumstances were successful in receiving funding.
39	How many applications were unsuccessful?	<ul style="list-style-type: none"> • See response to question 32.
40	How much of the total budget has been awarded?	<ul style="list-style-type: none"> • The full \$140 million under the Bushfire Industry Recovery Package has been committed.
41	What entities were successful?	<ul style="list-style-type: none"> • All successful applicants are published on the NSW Government website
42	Was a probity plan developed prior to the 19 May 2020?	<ul style="list-style-type: none"> • A Probity Plan is in place for the Bushfire Industry Recovery Package.

43	Has a probity review been conducted?	<ul style="list-style-type: none"> • Yes.
44	Has the budget of the Bushfire Industry Recovery Package: Supply Chain Support Grants changed from \$140 million?	<ul style="list-style-type: none"> • The \$140 million Bushfire Industry Recovery Package includes both Stream 1: Supply Chain Support Grants and Stream 2: Sector Development Grants. The budget is unchanged.
45	Has the budget of the Bushfire Industry Recovery Package Supply Chain Support Grants changed from \$140 million? a. If so, what is the revised budget?	<ul style="list-style-type: none"> • See response to question 44.
46	Are departmental administration costs inclusive or exclusive of the \$140 million, or revised budget?	<ul style="list-style-type: none"> • See response to question 28.
47	What departmental administration costs have been incurred, or are expected to be incurred?	<ul style="list-style-type: none"> • See response to question 29.
48	How many applications were received?	<ul style="list-style-type: none"> • 577 applications.
49	How many applications were successful?	<ul style="list-style-type: none"> • 490 applications.
50	How many applications were unsuccessful?	<ul style="list-style-type: none"> • 64 applications.
51	Which entities were awarded Supply Chain Support Grants?	<ul style="list-style-type: none"> • All entities who received a Bushfire Industry Recovery Package Supply Chain Support Grant were deemed eligible under the published program guidelines and industry-specific fact sheets.
52	What was the average time to determine the application?	<ul style="list-style-type: none"> • Applications opened 19 May 2020. • Applications closed 12 June 2020, excluding forestry haulage grants which are open until 19 May 2021 or until funding is fully allocated. • Assessment was undertaken on a rolling basis, as applications were submitted.
53	What was the longest time to determine an application?	<ul style="list-style-type: none"> • See response to question 52.
54	Who were the assessing officers?	<ul style="list-style-type: none"> • All applications were assessed by staff from the Department of Regional NSW, including the Rural Assistance Authority.
55	Were any late applications received? a. If so, by which applicants? b. How many late applications were successful?	<ul style="list-style-type: none"> • Yes. • A small number of late applications were deemed to have faced extenuating circumstances and were allowed to submit applications after the due date and receive funding. The details of each application are not made public.
56	How many applications were unsuccessful?	<ul style="list-style-type: none"> • See response to question 50.

57	How much of the total budget has been awarded?	<ul style="list-style-type: none"> • \$63,975,361 has been awarded to Bushfire Industry Recovery Package: Supply Chain Support Grants.
58	Who entities were successful?	<ul style="list-style-type: none"> • See response to question 51.
59	Was a probity plan developed prior to the 19 May 2020?	<ul style="list-style-type: none"> • A Probity Plan is in place for the full Bushfire Industry Recovery Package.
60	Has a probity review been conducted?	<ul style="list-style-type: none"> • Yes. • In addition, the Rural Assistance Authority are subject to an annual statutory audit by the NSW Audit office and internal audit under the direction of the DRNSW Chief Audit Executive.
61	How many applications were received?	<ul style="list-style-type: none"> • Questions about Apple Recovery Grants should be directed to the Minister for Agriculture, the Hon. Adam Marshall, MP.
62	How many applications were successful?	
63	How many applications were unsuccessful?	
64	Which entities were awarded Supply Chain Support Grants?	<ul style="list-style-type: none"> • See response to question 51. •
65	What was the average time to determine the application?	<ul style="list-style-type: none"> • See response to Questions 61-63.
66	What was the longest time to determine an application?	
67	Who were the assessing officers?	
68	Were any late applications received? a. If so, by which applicants? b. How many late applications were successful?	
69	How many applications were unsuccessful?	
70	How much of the total budget has been awarded?	
71	Who entities were successful?	

72	Was a probity plan developed prior to the 19 May 2020?	
73	Has a probity review been conducted?	
74	What departmental administration costs have been incurred, or are expected to be incurred?	
75	Who were the assessing officers on the Wine Grape Smoke Taint Grants?	<ul style="list-style-type: none"> • Questions about Grape Smoke Taint Grants should be directed to the Minister for Agriculture, the Hon. Adam Marshall, MP.
76	Has the budget of the Bushfire Industry Recovery Package Supply Chain Support Grants changed from \$140 million? a. If so, what is the revised budget?	<ul style="list-style-type: none"> • See response to question 27.
77	Are departmental administration costs inclusive or exclusive of the \$140 million, or revised budget?	<ul style="list-style-type: none"> • See response to question 28.
78	What departmental administration costs have been incurred, or are expected to be incurred?	<ul style="list-style-type: none"> • See response to question 75.
79	How many applications were received?	
80	How many applications were successful?	
81	How many applications were unsuccessful?	
82	Which entities were awarded Supply Chain Support Grants?	See response to question 51.
83	What was the average time to determine the application?	<ul style="list-style-type: none"> • See response to question 75.
84	What was the longest time to determine an application?	
85	Who were the assessing officers?	
86	Were any late applications received? a. If so, by which applicants?	

	b. How many late applications were successful?	
87	How many applications were unsuccessful?	
88	How much of the total budget has been awarded?	
89	Who entities were successful?	
90	Was a probity plan developed prior to the 19 May 2020?	
91	Has a probity review been conducted?	
92	Who were the assessing officers on the Special Disaster Grants?	
93	What departmental administration costs have been incurred, or are expected to be incurred?	<ul style="list-style-type: none"> • Questions about Special Disaster Grants should be directed to the Minister for Agriculture, the Hon. Adam Marshall, MP.
94	How many applications were received?	
95	How many applications were successful?	
96	How many applications were unsuccessful?	
97	Which entities were awarded Supply Chain Support Grants?	<ul style="list-style-type: none"> • See response to question 51.
98	What was the average time to determine the application?	<p>See response to questions 92 – 96.</p>
99	What was the longest time to determine an application?	
100	Who were the assessing officers?	
101	Were any late applications received? a. If so, by which applicants? b. How many late applications were successful?	
102	How many applications were unsuccessful?	

103	How much of the total budget has been awarded?	
104	Who entities were successful?	
105	Has a probity plan been developed?	
106	Has a probity review been conducted?	
107	Who approved the guidelines?	<ul style="list-style-type: none"> • The Guidelines for the Bushfire Industry Recovery Package were approved by the NSW Government. • The Guidelines for the \$250 million Bushfire Local Economic Recovery Fund Stage 2 Open Round were approved by the NSW Government. • The National Local Economic Recovery (LER) framework was approved by the Commonwealth Government. • Questions about Special Disaster Grants, the Apple Recovery Program and Grape Smoke Taint Program should be directed to the Minister for Agriculture, the Hon. Adam Marshall, MP.
108	On which date?	<ul style="list-style-type: none"> • The Guidelines for the Bushfire Industry Recovery Package were published in May 2020. • The Guidelines for the \$250 million Bushfire Local Economic Recovery Fund Stage Two Open Round were published in October 2020. • The date of approval of the national Local Economic Recovery framework would need to be confirmed by the Commonwealth government. • Questions about Special Disaster Grants, the Apple Recovery Program and Grape Smoke Taint Program should be directed to the Minister for Agriculture, the Hon. Adam Marshall, MP
109	Please provide the approval paperwork.	<ul style="list-style-type: none"> • This information is Cabinet in Confidence.

110	Who conducted the assessment and made the recommendation for final approval?	<p>Bushfire Industry Recovery Package – Stream 1: Supply Chain Support Grants</p> <ul style="list-style-type: none"> The Department of Regional NSW including the Rural Assistance Authority. <p>Bushfire Local Economic Recovery Fund - Stage 1 early co-funded projects</p> <ul style="list-style-type: none"> The Department of Regional NSW and National Bushfire Recovery Agency. <p>Other Programs:</p> <ul style="list-style-type: none"> Questions about Special Disaster Grants, the Apple Recovery Program and Grape Smoke Taint Program should be directed to the Minister for Agriculture, the Hon. Adam Marshall, MP.
111	On which date?	<p>Bushfire Industry Recovery Package – Stream 1: Supply Chain Support Grants</p> <ul style="list-style-type: none"> See response to question 52. <p>Bushfire Local Economic Recovery Fund - Stage 1 early co-funded projects</p> <ul style="list-style-type: none"> See response to questions 7 and 10.
112	Please provide the approval paperwork.	<ul style="list-style-type: none"> See response to question 109.
113	Who approved the grants?	<p>Bushfire Industry Recovery Package – Stream 1: Supply Chain Support Grants</p> <ul style="list-style-type: none"> The Department of Regional NSW including the Rural Assistance Authority. <p>Bushfire Local Economic Recovery Fund - Stage 1 early co-funded projects</p> <ul style="list-style-type: none"> Co-approved by the NSW and Commonwealth governments. <p>Other Programs:</p> <ul style="list-style-type: none"> Questions about Special Disaster Grants, the Apple Recovery Program and Grape Smoke Taint Program should be directed to the Minister for Agriculture, the Hon. Adam Marshall, MP.
114	On which date?	<p>Bushfire Industry Recovery Package – Stream 1: Supply Chain Support Grants</p> <ul style="list-style-type: none"> See response to question 52. <p>Bushfire Local Economic Recovery Fund - Stage 1 early co-funded projects</p>

		<ul style="list-style-type: none"> Bushfire Local Economic Recovery Stage 1 Fast-tracked local projects and Industry Recovery Projects (Sector Development Grants) were co-endorsed by the National Bushfire Recovery Agency in October 2020. <p>Other Programs:</p> <ul style="list-style-type: none"> Questions about Special Disaster Grants, the Apple Recovery Program and Grape Smoke Taint Program should be directed to the Minister for Agriculture, the Hon. Adam Marshall, MP.
115	Please provide the approval paperwork.	<ul style="list-style-type: none"> See response to question 109.
116	When was the report provided to the NSW State Government? Please provides dates and any written correspondence.	<ul style="list-style-type: none"> NBRA published the Ernst & Young report in June 2020 on the NBRA website. The report was not formally provided to the NSW Government
117	Please provide details of discussion between the New South Wales Government and the National Bushfire Recovery Agency on the report, including any written correspondence.	<ul style="list-style-type: none"> Discussions between Resilience NSW and the NBRA have recognised that the data provided by Ernst & Young reflects a point in time estimate of economic impacts.