



Document tendered by

Sharon Molloy

Received by

M. Hewett

Date: 8/03/2022

Resolved to publish ☒ Yes / ☐ No

DEPARTMENT OF PLANNING, INDUSTRY & ENVIRONMENT

Coastal and Estuary Funding Project

Agency Response



© 2020 State of NSW and Department of Planning, Industry and Environment

With the exception of photographs, the State of NSW and Department of Planning, Industry and Environment are pleased to allow this material to be reproduced in whole or in part for educational and non-commercial use, provided the meaning is unchanged and its source, publisher and authorship are acknowledged. Specific permission is required for the reproduction of photographs.

The Department of Planning, Industry and Environment (DPIE) has compiled this report in good faith, exercising all due care and attention. No representation is made about the accuracy, completeness or suitability of the information in this publication for any particular purpose. DPIE shall not be liable for any damage which may occur to any person or organisation taking action or not on the basis of this publication. Readers should seek appropriate advice when applying the information to their specific needs.

All content in this publication is owned by DPIE and is protected by Crown Copyright, unless credited otherwise. It is licensed under the [Creative Commons Attribution 4.0 International \(CC BY 4.0\)](#), subject to the exemptions contained in the licence. The legal code for the licence is available at [Creative Commons](#).

DPIE asserts the right to be attributed as author of the original material in the following manner: © State of New South Wales and Department of Planning, Industry and Environment 2020.

Cover photo: Newcastle, NSW. John Spencer/DPIE

Published by:

Environment, Energy and Science
Department of Planning, Industry and Environment
4 Parramatta Square, 12 Darcy Street, Parramatta NSW 2150
Phone: +61 2 9995 5000 (switchboard)
Phone: 1300 361 967 (Environment, Energy and Science enquiries)
TTY users: phone 133 677, then ask for 1300 361 967
Speak and listen users: phone 1300 555 727, then ask for 1300 361 967
Email: info@environment.nsw.gov.au
Website: www.environment.nsw.gov.au

Report pollution and environmental incidents
Environment Line: 131 555 (NSW only) or info@environment.nsw.gov.au
See also www.environment.nsw.gov.au

ISBN 978-1-922318-73-2
EES 2020/0148
April 2020

Find out more about your environment at:

www.environment.nsw.gov.au

Introduction

The Department of Planning, Industry and Environment commissioned a project to examine elements that could be enhanced in the Coastal and Estuary Program. The independent report analysed program documentation, undertook surveys and interviews and made 38 recommendations for consideration by the Department.

The Department has considered those recommendations and provides the following responses.

No.	Recommendation	Timeframe *	Agency Response to recommendation
1	Extend the timeframe for expending the funding package by at least two years.	Long term	Supported at the agency level to extend till December 2024 – subject to consideration by Government.
2	Continue to require certification as a pre-requisite for implementation stream funding.	Short term	Supported.
3	Extend the previous certification exemption for a range of identified low-risk actions to December 2021 or a new coastal management program (CMP) transition date if one is approved.	Short term	Supported – the following actions will be allowed to be applied for under the funding program until December 2021: • beach scraping to mitigate immediate coastal erosion risk • management and stabilisation of dune systems • formalising or reducing the number of beach access points to reduce environmental damage/impact • restoring or enhancing natural defence to coastal or estuarine hazards by managing coastal dunes and riparian vegetation • littoral rainforest regeneration • coastal wetland rehabilitation where an approved management plan for the site exists.
4	Develop additional and consistent guidance and resources in partnership with stakeholders on what the new coastal management programs should include.	Short term	Supported – guidance is available in the Coastal Management Manual and associated toolkit. Additional information will be developed in consultation with stakeholders as required.
5	Provide additional clarity and consider increasing the types of projects that are eligible for funding particularly concerning upper catchment freshwater projects, marine estate management actions that are also included in a certified coastal zone management plan/coastal management program and amenity works.	Short term	Supported – upper catchment projects are allowed where they can show they will improve estuary health. The program guidelines will provide more clarity in the next funding round on marine estate and amenity projects.

No.	Recommendation	Timeframe *	Agency Response to recommendation
6	Open the Implementation funding rounds at a consistent time every year that is aligned to council budgetary cycles so that the local government sector can plan and prepare for them.	Short term	Supported – based on the recommendations in the report, the round will now open in July/August so an announcement can occur before March the following year.
7	Streamline assessment and approval processes to ensure that successful councils are notified before March each year to align with their budget cycle.	Short term	Supported – for the next funding round.
8	Develop more efficient assessment and approval pathways for eligible projects under \$150,000 by adopting a risk-based approach and utilising appropriate delegation protocols.	Short term	Supported – alternate solutions in line with good grants governance will be examined and implemented for future funding rounds.
9	Continue to identify opportunities to streamline assessment and determination processes to reduce approval timeframes and meet stakeholder expectations as part of a continuous improvement approach.	Short term	Supported.
10	Provide additional clarity on the assessment process in both the evaluation guidelines and the guidelines for applicants: • Detail the consistent number of assessors to be utilised for each planning application. • Outline the roles and responsibilities of departmental staff in the assessment process. • Ensure alignment between the guidelines for applicants and the evaluation guidelines so that councils have the opportunity to address all evaluation criteria in their application.	Short term	Supported – for next funding round.
11	Strengthen the approach to managing conflicts of interest by providing explicit reference to the NSW Independent Commission Against Corruption Guidance Managing Conflicts of Interest in the NSW Public Sector (April 2019) in the Evaluation Guidelines and outlining the Department's approach.	Short term	Supported – the program already has a strong process for dealing with conflicts of interest, however, the recommended guidance will be reviewed and incorporated where appropriate for the assessment of the next funding round.
12	Allow councils to notify the Department of a change in milestones that do not otherwise change the project's end date or total budget rather than seek permission.	Long term	Supported – council currently submit an updated work plan and a simple approval process is undertaken. A trial of removing the approval process will occur in the second half of 2020 with selected grant projects.

No.	Recommendation	Timeframe *	Agency Response to recommendation
13	Streamline and reduce processing times for variations: • Work to benchmark appropriate timeframes. • Review the current variation data and thresholds for action to identify efficiency improvements.	Long term	Supported – timelines for variation approval have previously been benchmarked and approval timelines have been significantly reduced where submitted paperwork by council is correct. Further analysis and streamlining of the process will be investigated and implemented.
14	Streamline reporting for smaller projects in both planning and implementation streams by requiring one milestone report for projects \$50,000 and under and provide greater clarity around the expectations of milestone reporting for other projects based on their value.	Short term	Supported – this feature is already available in the program but will be more actively promoted.
15	Increase the funding ratio for coastal and estuary grants (both planning and implementation streams) to 2:1 as per the Department's floodplain management grants.	Short term	Supported – will be implemented in the next funding round.
16	Provide clarity on how the local government contribution is calculated in relation to multi-council CMPs.	Short term	Supported – further clarification will be added in to the funding guidelines in consultation with stakeholders for the next funding round.
17	Pilot the feasibility and test the uptake of allowing councils to use the commencement of the project as a milestone and request a percentage of project funding upfront.	Short term	Not supported – a milestone-based program pays funds on completion of activities and does not align with upfront payments.
18	Consider the inclusion of a maximum 10% time and funding contingency in every approved implementation grant application.	Long term	Supported – allowing an inbuilt contingency will be further investigated for post 2020 funding rounds.
19	Develop a cost-benefit analysis capacity building program including: • Revised guidance on technical aspects of cost-benefit analysis. • Guidance on distributional analysis. • Information, lessons learnt and other capacity building and educational activities with local government and the consulting sector on undertaking cost benefit analysis for certification.	Long term	Under further consideration.

No.	Recommendation	Timeframe *	Agency Response to recommendation
20	Explore with NSW Treasury the ability to raise the cost-benefit analysis boundary analysis from the local government administration boundary to the state boundary for the Coastal and Estuary Program so that the net public benefit metric (NPV, BCR) are calculated at the NSW state level.	Long term	Under further consideration.
21	Provide clarity on the use of the term 'public benefit' used in the grant program when assessing funding applications.	Short term	Supported – will potentially create a requirement to more closely align dictionary of terms used in the grants and economics fields (pending the outcome of recommendation 19).
22	Remove the current retrospective requirement in the funding program for projects \$1 million and over in value in coastal zone management plans to have a cost-benefit analysis and ensure that the funding program does not have additional cost-benefit analysis requirements over and above the requirement for certifying new coastal management plans.	Long term	Under further consideration.
23	Undertake scenario testing for and explore the application of the beneficiary pays principle including but not limited to: • The capacity of private residential landholders to pay for works with reference to IPART's regulatory framework. • Mechanisms to generate contributions from other state agencies and public bodies (see recommendation 36). • Mechanisms to generate contributions from other beneficiaries including tourists and non-residential private landholders.	Long term	Under further consideration.
24	Review and make public the criteria for the identification of locations having significant open coastal hazards and the process for locations on the list to be added and others to be removed.	Long term	Supported.
25	Reconsider the \$3 million threshold for significant open coastal hazards as a lower threshold may provide a greater incentive for proactive hazard reduction.	Short term	Supported – the threshold will be reduced to \$500,000 for emergency works that cannot wait until the next funding round. Councils will continue to be encouraged to undertake proactive hazard reduction projects through the annual contestable funding round.

No.	Recommendation	Timeframe *	Agency Response to recommendation
26	Develop and fund a new longer-term proactive approach to significant open coastal hazards locations providing more intensive departmental support for the development of coastal management programs working in partnership to identify and address obstacles and jointly develop projects to mitigate known hazards. This should be outside of the grants process to encourage more partnership working between the state and local government sectors.	Long term	Supported in principle, to be implemented within available resources.
27	Continue to incentivise a strategic preventative approach over ad hoc responses to adverse events: • Continue to only provide emergency funds for councils for significant open coastal hazards locations. • Differentiate the newly developed process for urgent applications made by councils to retrospectively address active coastal erosion in significant open coastal hazards locations from projects proactively developed to mitigate significant open coastal hazards. • Continue to require that funded actions are identified within certified coastal zone management plans (CZMPs) and coastal management programs. • Ensure that the newly developed process for urgent applications has a clear threshold for what is considered 'active coastal erosion'. • Continue to ensure that projects eligible for national disaster relief funding are not considered by the funding program.	Long term	Supported – will be implemented by late 2020.
28	Develop a communications strategy to promote the use of the new Guidance for Preparing a Coastal Zone Emergency Action Sub-Plan within local government.	Short term	Supported – new guidelines are available on the web.
29	Consider funding data collection, modelling and/or scientific research on a statewide basis if it is required in coastal management program development to ensure a consistent methodological approach and quality and reduce duplication and develop a communications strategy to promote this to local government where and when it occurs.	Long term	Supported – statewide offshore mapping of sediment compartments has been undertaken and is being communicated to councils. Information can be included in the Coast Estuary and Marine Knowledge Strategy.

No.	Recommendation	Timeframe *	Agency Response to recommendation
30	Involve local councils in, and inform them of, the Department's relevant science and research activities to support coastal and estuary management.	Long term	Supported – the estuaries team is currently improving the estuaries web page and database as part of Investment through the Marine Estate Management Strategy.
31	Build a continuous improvement approach into business as usual activities: • Hold regular regional workshops engaging councils, other state government agencies and the Department on coastal and estuary management issues, including sharing lessons learnt from projects. • Create continuous feedback loops with councils on their experience of the funding program, and any changes made as a result of their feedback. • Ensure that gathering local government feedback on the funding program is the responsibility of one area so that local government are not regularly asked for feedback on the same topics from multiple sources.	Long term	Supported – will build on ongoing support provided to councils.
32	Acknowledge that local government have their own procurement guidelines. Amend the tendering requirement to 'All procurement activities must be undertaken in a way that complies with the grantee organisation's procurement policies and relevant legislation.'	Short term	Supported – changes will be implemented for the next funding round.
33	Increase the funding available for project management costs in multi-council coastal management programs development to 20% where fifteen or more councils are involved.	Short term	Supported – this will be amended to five councils (not 15) or more for the 2020 funding round.
34	Consider making non-government organisations that are local government peak bodies developing multi-council coastal management programs eligible for funding to undertake that coordination.	Short term	Partially supported – Joint Organisations (established under an Act of Parliament) will be eligible to apply for funding to undertake coordination. Expanding the eligible entity type beyond this using the Australian Business Entity information would allow organisations that are not suitably placed to develop a coastal management program to be eligible to apply for funds. Council need to play a pivotal role in the coastal management program process and having them as the applicant ensures this. The Department will

No.	Recommendation	Timeframe *	Agency Response to recommendation
			continue to allow peak bodies to take on a significant role in the grant where councils have requested this role.
35	Develop governance advice to support the establishment of multi-council coalitions including the dissemination of case studies and lessons learnt.	Short term	Supported.
36	Explore how the Department can encourage other state agencies to actively participate in coastal management program development and contribute to funding actions on their land.	Long term	Supported – this work will continue.
37	Identify regular and appropriate forums where departmental staff can: • Share data analysis on the funding programs and the implications of the analysis. • Give feedback on project outcomes. • Provide information on the impact of changes that have been made to the program as a result of this project. • Further collaborate and build respectful professional relationships.	Long term	Supported.
38	Identify appropriate approval and dissemination mechanisms to ensure statewide consistency in Departmental messaging regarding the funding program.	Long term	Supported.

* Short term = before the next funding round, Long term = after the next funding round.