

Bushfire Recovery Programs: process and interim outcome evaluations

Program Insights and Evaluation, Regional Programs

29 May 2023



Table of Contents

Introduction	3
Evaluation approach	3
Bushfire Recovery Programs	4
Evaluation themes, findings and recommendations	5
Response to key recommendations	7
Appendices	9
Appendix A – Evaluation Recommendations	9

Introduction

The 2019-2020 Black Summer bushfires had a significant economic, social and environmental impact on regional communities in NSW. The fires resulted in the loss of 26 lives, destruction of 2,448 homes, and 5.5 million hectares of land burnt. To help communities respond, recover and build resilience to future disasters, the NSW Government implemented a \$4.4 billion suite of bushfire recovery programs, co-funded by the Commonwealth Government through the Disaster Recovery Funding Arrangements (DRFA). The NSW Government investment was \$3 billion.

The Department of Regional NSW has completed process and interim outcome evaluations of bushfire recovery programs that were designed and administered by the department. All programs had co-funding with the Commonwealth and the total value of investment across these five programs was over \$530 million. The evaluations included:

- Bushfire Community Recovery and Resilience Fund (BCRRF) Phase 1
- Bushfire Local Economic Recovery (BLER) Fund - Stage 1 and Stage 2, and
- Bushfire Industry Recovery Fund (BIRP) - Stream 1 and Stream 2

The evaluations examined how the programs were designed, administered and implemented, and how this may impact their achievement of intended outcomes. Early outcomes from the investment were also examined. The evaluations will help to inform the design of future investment in disaster recovery measures and initiatives.

This report provides a summary of the key finding and recommendations identified across the five program evaluations.

Evaluation approach

The evaluations were independent and evidence-based

The evaluations were undertaken by external independent program evaluation experts. The independent evaluation provides an evidence base for the NSW Government to consider the design of disaster recovery programs in the future. The evaluations consulted extensively across grant recipients, program managers and teams and conducted desktop reviews of program documents to gather insights.

A mixed methods approach was utilised for all evaluations with qualitative and quantitative data drawn from grantee surveys and interview, application and management data, and interviews with DRNSW Regional Recovery and Rural Assistance Authority staff.

The evaluations sought to examine individual program processes and identify opportunities to improve program implementation as well understand how these programs are supporting regional communities to recover from the 2019-20 bushfires.

Spillover Data Consultancy was engaged to evaluate the following non-competitive program rounds:

- BCRRF Phase 1
- BLER Stage 1, and
- BIRP Stream 1

Nous Group was engaged to evaluate the following competitive program rounds:

- BLER Stage 2, and
- BIRP Stream 2

Bushfire recovery grants audit

The Audit Office of NSW completed a performance audit of bushfire recovery programs which was released in February 2023. The audit examined BLER Stage 1 (Fast-tracked projects), BIRP Stream 2, and BLER Stage 2, all of which were co-funded by the Commonwealth.

The key findings of the audit included:

- The administration process for the fast-tracked stream did not have sufficiently detailed guidelines, and the assessment process for projects lacked transparency and consistency.
- The Department's administration of the Sector Development Grants stream had a detailed and transparent assessment process; however conflicts of interest were not effectively managed, and the Department did not effectively engage with stakeholders during the grants process.
- The Department's administration of the open round included a clearly documented, detailed and transparent assessment framework that it followed throughout, however some weaknesses in the Department's approach to conflicts of interest remained.

The audit made five recommendations.

To promote integrity and transparency, the Department of Regional NSW should ensure that for all future grant programs it:

1. establishes and follows guidelines that align with relevant good practice guidance including accountabilities, key assessment steps and clear assessment criteria
2. ensures a communication plan is in place, including the communication of guidelines to potential applicants
3. ensures staff declare conflicts of interest prior to the commencement of a grants stream, and that these conflicts of interest are recorded and managed
4. ensures regular monitoring is in place as part of funding deeds
5. documents all key decisions and approvals in line with record keeping obligations¹.

With a thorough examination of application and assessment processes completed as part of the audit, the evaluations of the bushfire recovery programs focused instead on examining and identifying opportunities for process improvements in the project delivery phase and interim outcomes of the programs.

Bushfire Recovery Programs

The Regional Recovery Branch within the Department of Regional NSW managed components of three disaster recovery grants. The management of BIRP Stream 1 (excluding Forestry) was led by the Rural Assistance Authority (RAA) and BCRRF Phase 2 was led by the NSW Reconstruction Authority. Figure 1 provides a summary of these programs and their purpose. The three key programs managed by Regional Recovery were in the scope of the evaluation and included:

Bushfire Community Resilience and Recovery Fund (BCRRF)

BCRRF (Phase 1) was established to provide funding to 49 Councils that had experienced moderate to high impact from the 2019/2020 bushfires in NSW, with 46 Councils applying for the funding. The program was jointly funded by the Commonwealth and NSW Governments. The objective of the BCRRF was to support immediate, small-scale disaster recovery projects.

¹ This report, [Bushfire Recovery Grants](#) is available from the NSW Audit Office website.

Bushfires Local Economic Recovery Fund (BLER)

BLER (Stage 1) aimed to support communities to recover economically and socially from the 2019/2020 bushfires. BLER (Stage 1) funded fast tracked infrastructure projects to encourage short, medium, and long-term recovery in the areas most impacted by the bushfires.

BLER (Stage 2) was an open and competitive grants program that aimed to create and retain jobs in regional areas and build resilience and readiness for future bushfires in local government areas (LGAs) affected by the bushfire². The program opened in October 2020 and provided \$283 million in funding across 195 projects.

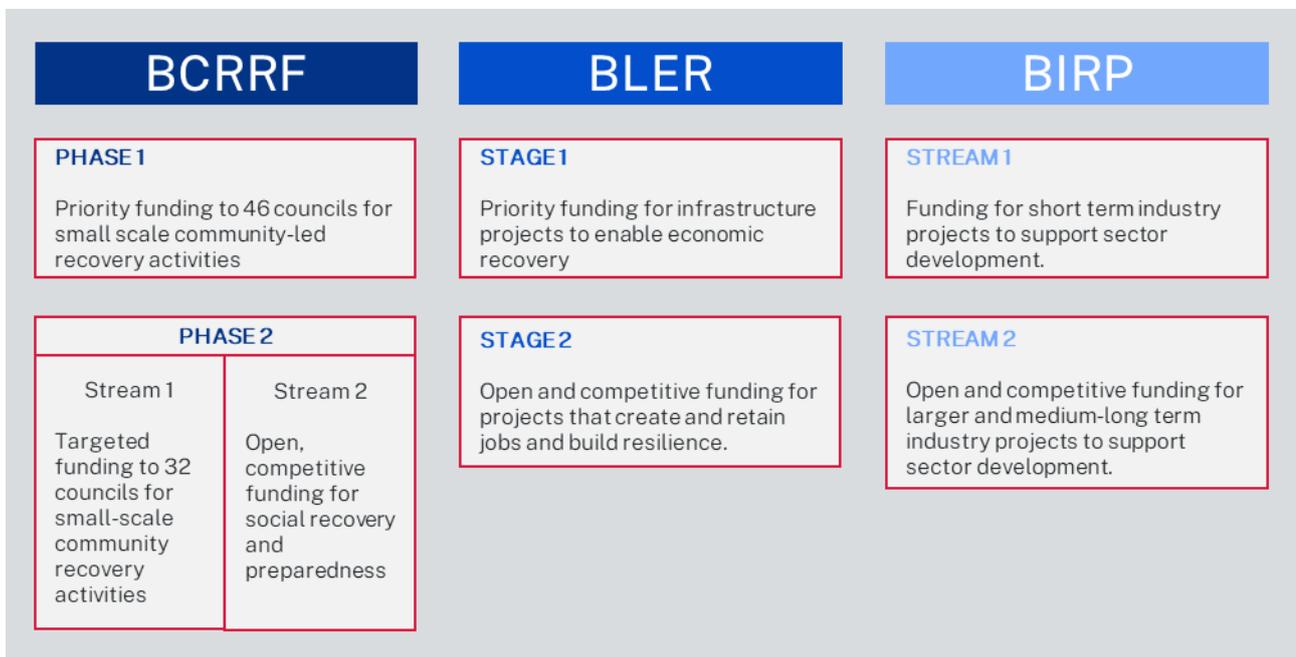
The NSW and Commonwealth Governments jointly funded all projects supported under the BLER Fund.

Bushfire Industry Recovery Package (BIRP)

BIRP (Stream 1 – Supply Chain Support Grants) was a targeted grants program that aimed to help businesses and their supply chains in bushfire impacted industries to rebuild, recover and grow, with a focus on retaining and creating jobs. This package was designed to assist with immediate disaster recovery projects in the following Industries, Apiculture; Aquaculture; Dairy; Horticulture; Viticulture; and Forestry, Storage and Haulage.

BIRP (Stream 2 – Sector Development Grants) was an open and competitive grants program that aimed to build industry sustainability, increase value-add production, support supply chain efficiencies, product diversification and market expansion. The program opened in mid-2020 and provided \$73 million in funding to 52 projects for completion by 30 June 2024.

Figure 1 | Overview of regional NSW bushfire recovery grants programs



Evaluation themes, findings and recommendations

Summary of Key Evaluation findings and recommendations

Program design and administration

The design of each program is generally considered to be appropriate, with all programs deemed to be on track to achieve their intended outcomes.

² LGAs included in the DRFA bushfire emergency declaration

The evaluations found that designing a program that selects projects from an existing pipeline ensures that projects can be identified quickly, however this requires rigorous assessment on the readiness of those projects in order to ensure that they can commence in the timeframes intended. Failing to do so can result in delays to project delivery, which detract from the immediate stimulus outcomes that are the purpose of this type of program design.

Future programs designed to support the recovery of small businesses should consider requirements for co-contributions and avoid reimbursement style payments, as the evaluations found these created disproportionate financial burdens on small businesses.

In line with best practice guidance, the evaluations found the design of the competitive BLER Stage 2 and BIRP Stream 2 grants to be appropriate. Both programs were significantly over subscribed, and the evaluations found that clearer guidelines may have reduced the number of ineligible or unsuccessful applications, particularly in relation to detail around how funding decisions would be made. Applicants with less experience applying for grant funding may also have benefited from additional support. These programs were also found to have appropriate assessment processes, though there were challenges with accurately assessing co-contribution requirements.

The evaluation also provided important insights into how the Department notifies applicants of application outcomes. For BLER Stage 2 the results of unsuccessful applications were clearly communicated, but not all applicants were aware of the opportunity for feedback. For BIRP Stream 2 the announcement of outcomes was delayed, and the Department could have better explained the reasoning behind applications being unsuccessful.

The grantee experience with the BCRRF provides some useful considerations for future small scale immediate response grants. The flexibility of the grant allowed Councils to identify necessary projects for their communities. This was seen as a strength of the program. The combined application and funding deed process ensured funding was quickly distributed to grantees, however the approach would be improved with a simplified variation process.

The funding deed process for each program was managed differently, with varied experience for grantees. BCRRF grantees found the funding deed process quick which enabled them to a large extent to spend the funds as initially intended. Other program grantees found the funding deed negotiations to be inefficient, with the extended timeframe impacting project delivery. This sentiment was echoed by program administrators.

The evaluations have recommended that all future grant programs targeted at businesses contain clear guidelines that are easily interpretable and are written in plain English to improve accessibility by members of the business community.

The design of future programs should better differentiate applicants with regards to their project type and industry, including different requirements during the application phase.

It is recommended that DRNSW maintains structured and consistent communication with grantees throughout program administration. This includes providing updates on application progression, assessment and during funding deed negotiation to manage grantee expectations and concerns and ensure grantees are equipped with the information needed to navigate the grant programs.

Delivery support

A range of delivery support options were provided to grantees under the suite of bushfire recovery programs. The evaluations found that this additional support from the Department is sensible for recovery programs but requires greater role clarity and communication around the different support mechanisms available. In particular:

- NSW Public Works support was found to have merit but requires refinement to improve how support is allocated and ensure consistent quality of support.
- The Grants Management Office was efficient and responsive to BLER grantees' needs, however BIRP Stream 2 grantees would have benefitted from more support.

- BIRP Stream 1 grantees positively viewed the grant application and funding processes support from the Rural Assistance Authority (RAA).

It is recommended that the Department provide tailored support to grantees throughout delivery based on the project type and the grantees capacity and experience in grant program delivery. Where support is provided, it is important to ensure roles and expectations are clear at project commencement.

Outcomes

Despite delays and the impacts of COVID-19 and multiple flood events in NSW all programs have made progress towards outcomes and are on track to achieve them at the conclusion of each program.

BIRP Stream 2 grantees indicated that the program has been instrumental in their business recovery. BLER Stage two grantees indicated that the program has empowered communities to respond to and recovery from future bushfire emergencies. The speedy rollout and broad scope of the BCRRF has resulted in early recovery outcomes being achieved.

All the evaluations noted however that planning for outcomes data collection did not occur early enough in the process, resulting in challenges collecting the necessary data from grantees to be able to determine the full extent the program is delivering on its outcomes.

It is recommended that for future programs the Department plan the evaluation approach, including the development of program logic and outcomes monitoring frameworks during program design, and align data collection requirements to outcomes. It is also necessary to ensure that intended outcomes are collected at application stage and monitored through progress and completion reports. Outcomes should be realistic and aligned to the program logic.

Response to key recommendations

Recommendations already implemented

The bushfire programs subject to this evaluation were developed at a time where there were limited best practice guidance resources available. Since this time the NSW Grants Administration Guide has been introduced and the Department of Regional NSW has developed a Process Manual to guide staff in administering grant programs to comply with the NSW Grants Administration Guide. The internal Process Manual provides additional guidance for staff on actions that should be undertaken to ensure best practice grants administration.

The Process Manual was released to staff in late August 2022 and is supported by the following resources:

- a suite of accompanying templates that embeds these requirements in any new grant program or recommendations for funding.
- checklists that are required to accompany approval briefs at the program design and assessment outcomes stages of the grant lifecycle, to provide assurance to decision makers that all mandatory requirements have been complied with.
- assurance that Conflict of Interest registers are in place and overseen / managed by independent probity advisor for every program administered by Regional Development and Programs since the release of the manual.
- guidance for the development of Plans for every grant Program administered by the Regional Development and Programs Group to ensure a documented and consistent approach to how applicants are communicated with.

All new recovery programs will adhere to the Grants Administration Guide and the Process Manual.

The Department is also working to refine delivery support mechanisms for grant recipients in future grant program design.

Programs launched since the bushfire programs were rolled out have had Monitoring and Evaluation Plans developed prior to the implementation of the program. Monitoring and Evaluation Plans include a Program Logic and Theory of Change that articulate the outcomes and data collection requirements.

Appendices

Appendix A – Evaluation Recommendations

BCRRF

Theme	Recommendations
Program administration	Where programs use a combined application and funding deed a separate variation process be developed.
Monitoring and evaluation	<p>Build in a mechanism to report against relevant items or activities for each grant, providing a ‘long view’, for example activity 1, activity 2 etc.</p> <p>To be able to see greater detail of fund utilisation, include date and cost information against activities in the Project Expenditure section of the completion and acquittal form. Having this data would provide additional insight for no additional impost on the grant recipients and should be considered for future grants of this nature.</p> <p>DRNSW should consider investigating the possibility of developing an automated ‘evaluation dataset’ from SmartyGrants.</p>

BLER Stage 1

Theme	Recommendations
Assessment process	Ensure priority projects are ready with additional assessments.
Project delivery	Tailor the types of support dependent on organisation’s capability and capacity.
Monitoring and evaluation	<p>Separate fields should be created to report against key periods of the grant lifecycle (whether a project milestone has been approved for payment release, or when the payment has been made etc.).</p> <p>Collect periodic data on program outcomes.</p> <p>Consider a more transparent data sharing arrangement with PW to help track outcomes.</p>

BLER Stage 2

Theme	Recommendations
Program design	<p>Plan evaluation approach, including development of program logic and outcomes monitoring framework during program design and align data collection requirements to outcomes.</p> <p>Detail all elements of the assessment process in funding guidelines.</p>

Theme	Recommendations
	<p>More strategic communication to develop community understanding of the rationale for the grants program and its design, both if competitive (as some groups will spend time on unsuccessful applications) and targeted (as some groups will not have the opportunity to apply).</p> <p>Greater engagement with affected communities to enable more community driven process in identifying and screening projects. This would also support promotion of the program and a clearer understanding of the eligibility criteria.</p>
Program administration	<p>Improve communication with applicants to ensure that they are aware they can access detailed feedback.</p>
Application assessment process	<p>Tighten processes to ensure that conflict of interest is appropriately managed. This should include active monitoring of conflict-of-interest declarations.</p>
Funding deed negotiation	<p>Provide more targeted support to applicants (such as local community organisations) that do not have experience in delivering grant-funded projects to ensure they understand evidential requirements.</p>
Project delivery	<p>More clearly communicate changes to Guidelines to applicants.</p>
	<p>Better reflect all available conditions for grantees in Guidelines.</p>
	<p>Enhance assessment of project management capability and capacity to improve targeting of supports.</p>
	<p>Adopt and articulate clearer roles in enhanced support models.</p>
Monitoring and evaluation	<p>Modify progress reports to better support the outcomes evaluation, while maintaining a low reporting burden for recipients. This will allow grantees to effectively report at the end of their project, setting the Department up for a more effective and robust outcomes evaluation.</p>
	<p>Implement requirement for grantees to collect data on a routine and sample basis. Common data collection activities include interviews and surveys with those engaged with and who have interacted with infrastructure, for instance, that has been delivered through funding. Provision of support to set up data collection activities should take place at the beginning of the project delivery, but there is still an opportunity to enable this for those projects which are yet to begin.</p>
	<p>Implement different reporting requirements for larger and more influential projects. For instance, requiring the grantees associated with larger projects to deliver monitoring, evaluation, and learning plans, to ensure they are working towards and achieving intended outcomes.</p>
	<p>Design methods through which the Department can monitor outcomes of projects post-completion. This may be through additional requirements in the funding deed, where the grantee may have to be</p>

Theme	Recommendations
	involved years after the project has been completed, for relatively low-burden engagements, such as interviews or surveys.
	Better delineate between categories that projects fall into. More specific descriptions and criteria regarding projects will allow the Department to investigate whether or not there are trends in outcomes for different project types.
	Clarify and explore the reasoning behind NSW Public Works' data collection. Specifically, the Department should reconsider whether or not they should collect data that does not have a clear use, especially with respect to the end-of-program outcomes evaluation. Limiting excessive data collection requirements can reduce the burden on NSW Public Works into the future.

BIRP Stream 1

Theme	Recommendations
Program design	All future grant programs targeted at businesses contain clear guidelines that are easily interpretable and are written in plain English to improve accessibility by members of the business community.
	Funding arrangements align with the practical challenges faced by businesses such as tight cash flow positions by making a part payment upfront, with evidence of expenditure required to access the following payments. This could potentially ease some of the financial burden for grant recipients. Risks associated with making upfront payments can be mitigated by collecting taxation details of the applicants.

BIRP Stream 2

Theme	Recommendations
	Better differentiate applicants with regards to their project type and industry, including different requirements during the application phase.
Program design	Plan evaluation approach, including development of program logic and outcomes monitoring framework during program design and align data collection requirements to outcomes.
	Plan to provide increased support and engagement with less experienced applicants, especially during competitive open-round processes. Applicants with little experience applying for grants may not understand requirements or have the capacity to fulfil requirements in full.

Theme	Recommendations
Program administration	Provide detailed and tailored feedback regarding unsuccessful applications.
	Find opportunities to provide feedback on unsuccessful applications in a short timeframe (such as when applications are ineligible).
Applicant assessment process	Detail the priority of different levels of assessment in the guidelines.
	Ensure assessment processes fully adhere to eligibility and suitability requirements or modify eligibility and suitability requirements in guidelines to be less stringent.
	Ensure conflicts of interest are documented appropriately and managed.
Funding deed negotiation	Consider the required detail collected during the application process to ensure the funding negotiation timeframes are as efficient as possible.
	Increase communication and use a more hands-on approach with grantees less experienced with government grant funding.
Project delivery support model	Engage consistently with grantees and increase the level of support provided, where resourcing allows. This may be through increased involvement from the BIRP (Stream 2) Bushfire Recovery Team or more consistent engagement from GMF.
Monitoring and evaluation	Establish a way through which the department can signal the data required in completion reports, so as to prompt grantees to monitor and collect this data while delivering the project. This will allow grantees to better report on outcomes, enabling more effective outcomes evaluation.
	Enhance and increase the level of engagement with grantees, to better understand the project and its delivery status. This may be through on-site visits or more regular reporting.
	The Department should also consider requiring grantees to collect data on a routine and sample basis. Data collection activities may be replicated across industries and may involve collecting the financial and operational data of those organisations involved. Analysis of this data yields insight as to the economic benefits of those businesses and industries.