

#	Question On Notice	Response
1	<p>Stronger Communities Fund –</p> <p>Mr DAVID SHOEBRIDGE: Before your Minister signs and approves a guideline for the distribution of a fund in the order of—initially it was \$212 million but it eventually became \$252 million—there would be advice, wouldn't there, to the Minister?</p> <p>Mr HANGER: Yes, there would be. That advice may have come from the Office of Local Government, who administered the program.</p> <p>Mr DAVID SHOEBRIDGE: We have separately asked the Office of Local Government and they have been required to produce all of the material they have. No such advice exists, at least according to the Office of Local Government. Could I ask you on notice to review the records of your department and provide to this Committee any such advice to Parliament?</p>	<p>A search of the Department of Regional NSW records management system did not return any records of ministerial advice on the Stronger Communities Fund Guidelines. The Office of Local Government administers the Stronger Communities Fund.</p>
2	<p>Mr DAVID SHOEBRIDGE: I also have a very specific question that I would like your answer on. The guidelines that have been provided to the Parliament contain the signature of the Minister for Local Government dated 27 June 2018. They contain the signature of the Premier dated 25 June 2018. They contain what appears to be the signature of the</p>	<p>A search of the Department of Regional NSW records management system did not return any records of ministerial advice on the Stronger Communities Fund Guidelines. The Office of Local Government administers the Stronger Communities Fund.</p>

	Deputy Premier but it is undated. Can you provide the answer on notice as to when exactly and by what method the Deputy Premier signed the guidelines?			
3	<p>Mr DAVID SHOEBRIDGE: You see, one of the difficulties we have is that we have a series of emails from the Deputy Premier's office approving funding of millions of dollars to individual programs or individual projects to regional councils, but we have not to date been provided with any merit assessment or any indication of how those projects were identified and approved for funding by the Deputy Premier. So I am going to ask you now: Are you aware of any documentation within your department or any process in your department whereby the Deputy Premier was advised of, and notified of, these projects for funding for the Stronger Communities program?</p> <p>Mr HANGER: No.</p> <p>Mr DAVID SHOEBRIDGE: I am only talking about for grants.</p> <p>Mr HANGER: The program was overseen and run by the Office of Local Government. All the administration in regard to sort of project selection and process we would expect them to hold and be able to provide. I have indicated if we are able to provide material, we will take that on notice and happily come back to the Committee</p>	A search of the Department of Regional NSW records management system did not return any records of ministerial advice on project selection or process under the Stronger Communities Fund. The Office of Local Government administers the Stronger Communities Fund.		
4	The ACTING CHAIR: Obviously, you administer a range of grants, could you provide on notice	<table border="1"> <tr> <td>Program name</td> <td>Application form</td> </tr> </table>	Program name	Application form
Program name	Application form			

an indication about which ones do have an application form and which ones do not?	Bushfire Community Resilience and Economic Recovery Fund - Phase 1	Yes
	Bushfire Industry Recovery Package	Yes
	Bushfire Local Economic Recovery Fund – fast tracked projects	No
	Bushfire Local Economic Recovery Fund – Open Round	Yes
	Connecting Country Communities	Yes
	Deputy Premier’s Discretionary Fund	No
	Drought Stimulus Package	No
	Growing Local Economies	Yes
	Infrastructure and Jobs Acceleration Fund	No
	Newcastle Port Community Contribution Fund	Yes
	Port Kembla Community Investment Fund	Yes
	Regional Communities Development Fund	Yes
	Regional Cultural Fund	Yes
	Regional Growth Environment and Tourism Fund	Yes
	Regional Sports Infrastructure	Yes
Resources for Regions	Yes	
Stronger Country Communities Fund	Yes	

5	<p>Regional Growth Fund –</p> <p>The Hon. COURTNEY HOUSSOS: I understand. I have one final matter about the Regional Growth Fund. I understand it has six different funds that sit underneath it. Can you tell me about the approval process for something outside of a specific fund? Actually, sorry, let me ask you firstly, do the six funds all get signed off individually by individual Ministers? Is that correct?</p> <p>Mr HANGER: It will vary. Some of those funds are funded out of Restart NSW. These include Growing Local Economies, Resources for Regions until round seven—</p> <p>Mr WHEATON: The Regional Growth - Environment and Tourism Fund.</p> <p>Mr HANGER: All Restart NSW. I talked through the approval process there briefly but I will cover off again is—</p> <p>The Hon. COURTNEY HOUSSOS: That is okay. The one I am interested in is the Regional Cultural Fund.</p> <p>The ACTING CHAIR: Perhaps before you go to that, could you provide us on notice with the approval process for each of the funds in that broader fund?</p>				
	<p>Program name</p>	<p>Lead Agency</p>	<p>Assessment methodology and process</p>	<p>Final approval</p>	
	<p>Stronger Country Communities Fund</p>	<p>Department of Regional NSW</p>	<p>As per the published Program Guidelines.</p>	<p>Deputy Premier for Rounds One – Two. Deputy Premier in consultation with the Minister for Regional Youth for Round 3.</p>	
	<p>Regional Cultural Fund</p>	<p>Create NSW</p>	<p>As per the published Program Guidelines:</p>	<p>Minister for Arts, in consultation with the Deputy Premier.</p>	
	<p>Regional Sports Infrastructure Fund</p>	<p>Office of Sport and the Department of Regional NSW</p>	<p>As per the published Program Guidelines.</p>	<p>Minister for Sport, in consultation with the Deputy Premier.</p>	
	<p>Growing Local Economies</p>	<p>Department of Regional NSW</p>	<p>As per the published Program Guidelines</p>	<p>Expenditure Review Committee</p>	
	<p>Connecting Country Communities</p>	<p>Department of Regional NSW</p>	<p>As per the published Program Guidelines</p>	<p>Commonwealth Mobile Black Spot Program Rounds 1 & 2 – Commonwealth Government</p>	

					NSW Mobile Black Spot Program – Managing Director, NSW Telco Authority
		Resources for Regions	Department of Regional NSW	As per the published Program Guidelines	Expenditure Review Committee
		Regional Growth - Environment and Tourism Fund	Department of Regional NSW	As per the published Program Guidelines	<i>Round 1:</i> All projects <i>Round 2:</i> Streams 1-4 approved by the Expenditure Review Committee. <i>Round 2:</i> Stream 5 – Approved by the Far West Joint Organisations of Councils
6	<p>The Hon. COURTNEY HOUSSOS: Yes. A \$30 million grant was given to the Riverina Conservatorium of Music for the construction of a new recital hall. We have been told that it was approved under the Regional Growth Fund and I am trying to get a sense of who would have approved that.</p> <p>Mr HANGER: There are two elements to that project, stage one and stage two. Stage one of the project is essentially a refit of the building. I do not know if you know the conservatorium</p>	<p>The \$10 million Stage One of the Riverina Conservatorium of Music was funded in the 2019-20 NSW Budget under the Property NSW Building Refurbishment Program. Information that informs NSW Government decisions made by Cabinet or Cabinet sub-committees is governed by the convention of Cabinet confidentiality.</p> <p>The \$20 million public funding commitment for Stage Two of this project was made subject to the full project scope and costings which will also confirm the project timing. A business case including an options analysis for Stage Two is expected to be finalised by the end of 2020 and will inform future funding decisions.</p>			

	<p>well but it is currently on leased premises at Charles Sturt University. That lease is due to expire this year and it needs to move premises. The first stage is a fit-out of the facility to enable that to occur, into a disused government building in the CBD in Wagga Wagga. It is essentially funding that was signed off by government through the Expenditure Review Committee to enable the move of the conservatorium into that new facility.</p> <p>The ACTING CHAIR: When you say "essentially signed off by ERC", who signed this off?</p> <p>Mr HANGER: Well, ERC has approved the funding.</p> <p>The ACTING CHAIR: On the recommendation of which Minister?</p> <p>Mr HANGER: I believe that will be through Property NSW because it is a government building that they are moving into, but again I can check.</p> <p>The ACTING CHAIR: So some Minister has to take this to ERC.</p> <p>Mr HANGER: That is correct.</p> <p>The ACTING CHAIR: You are saying that would have been the Minister responsible for Property NSW.</p> <p>Mr HANGER: It could have been—</p> <p>The ACTING CHAIR: I am happy for you to clarify that on notice.</p>	
7	<p>The ACTING CHAIR: I think it is very important that a government delivers on its election commitments. The Government is entitled to</p>	<p>The \$10 million Stage One of the Riverina Conservatorium of Music was funded in the 2019-20 NSW Budget under the Property NSW Building Refurbishment Program. Information that informs NSW Government decisions made by Cabinet</p>

	<p>make whatever commitments it likes. The Executive of the Government then has to subsequently make an administrative decision to allocate \$20 million to fulfil that election commitment. Who made that decision?</p> <p>Mr HANGER: That decision would have been as part of the funding for the other election and public commitments that the Government makes. It is ultimately signed off by ERC.</p> <p>The Hon. NATALIE WARD: Is it on the Treasurer's recommendation?</p> <p>Mr HANGER: Yes.</p> <p>The ACTING CHAIR: I invite you to clarify that on notice. You have again referred to the ERC process. Could you clarify who is the Minister who took that to the ERC, who provided that recommendation? It may indeed be the Treasurer or it may have been the portfolio Minister. Could you clarify that on notice?</p>	<p>or Cabinet sub-committees is governed by the convention of Cabinet confidentiality.</p> <p>The \$20 million funding commitment for Stage Two of this project was made subject to the full project scope and costings which will also confirm the project timing. A business case including an options analysis for Stage Two is expected to be finalised by the end of 2020 and will inform future funding decisions.</p>
8	<p>The Hon. NATALIE WARD: Can I just ask a follow-up on that point? Isn't there another option? It could have been a Minister, it could have been a particular person or it could have been part of a bundle of election commitments. Could that be another possibility? I am not trying to quibble with it but is there another option? Each local member says, "This is what I want for my electorate, which I should do", and that bundle goes to ERC as election commitments.</p> <p>Mr HANGER: Typically they are all bundled up; that is correct. The ACTING CHAIR: Correct, although taken to ERC by a Minister would be</p>	<p>The \$20 million funding commitment for Stage Two of this project was made subject to the full project scope and costings which will also confirm the project timing. A business case including an options analysis for Stage Two is expected to be finalised by the end of 2020 and will inform future funding decisions.</p>

	the usual practice. Rather than speculate, if you could clarify on notice.	
9	<p>Mr DAVID SHOEBRIDGE: The first part of my question is probably going to be dealt with on notice. Your exact words were "should have been". Is that because you do not have any specific knowledge sitting there now? Mr HANGER: Sorry, in reference to—</p> <p>Mr DAVID SHOEBRIDGE: You said the decision should have been made by ERC.</p> <p>The Hon. NATALIE WARD: It might help, Mr Shoebridge, if you clarify which decision you are referring to.</p> <p>Mr DAVID SHOEBRIDGE: The second round of the funding of the conservatorium. You said that it should have gone to the ERC.</p> <p>Mr HANGER: I will clarify on notice but my understanding is that was part of the funded election commitments for the Government and so would have been signed off as a bundle, as they often are, by ERC. I will take that on notice and clarify that.</p>	<p>The \$20 million funding commitment for Stage Two of this project was made subject to the full project scope and costings which will also confirm the project timing. A business case including an options analysis for Stage Two is expected to be finalised by the end of 2020 and will inform future funding decisions.</p>
10	<p>Mr DAVID SHOEBRIDGE: But my understanding is that there is a multiple-stage process before something gets to the ERC. There is the initial uploading of a project. Can you take us through the stages that a project goes through before it gets to the sign-off by the ERC?</p> <p>Mr HANGER: For an individual project, it can also be that the ERC decides to provide funding for a project or a program and that work then commences. To talk through the</p>	<p>The \$10 million Stage One of the Riverina Conservatorium of Music was announced in February 2018 and funded in the 2019-20 NSW Budget under the Property NSW Building Refurbishment Program. Information that informs NSW Government decisions made by Cabinet or Cabinet sub-committees is governed by the convention of Cabinet confidentiality.</p> <p>Project documentation for Stage One including detailed design, costings and project plans are held by Property NSW as the project lead.</p> <p>The NSW Government public commitment of \$20 million to Stage Two of this project is subject to the full project scope and costings which will also confirm the project timing. A business case including an options analysis for Stage Two is</p>

<p>example of the passage through to ERC of the Growing Local Economies program, which we oversee, an applicant—</p> <p>Mr DAVID SHOEBRIDGE: If that is the one under which the Riverina Conservatorium was done, then yes, please do.</p> <p>Mr HANGER: The process would typically be—and generally is—that a business case is submitted or an application is submitted for a program. The application is assessed; the business case is assessed. The outcomes of that inform ERC, which will then determine whether that project is funded. In Growing Local Economies, you have an application form and business cases that need to be submitted. Those projects are then independently reviewed by Infrastructure NSW, who provide a recommendation. Treasury will write a submission and advice because that program is funded out of Restart NSW. Then ERC and then ultimately the Treasurer will sign off on funding for a project through Growing Local Economies.</p> <p>Mr DAVID SHOEBRIDGE: To the extent that that material is in your domain, could you provide that relevant material to the Committee on notice? That is the business case, the application and whatever other material you have a copy of for the Riverina project. Did the Premier have any role whatsoever, either by reference to her opinion, by email, directly or indirectly, in</p>	<p>expected to be finalised by the end of 2020 and will inform future funding decisions.</p> <p>No stage of this project has been funded from a NSW Government grant program.</p> <p>The Ministerial Register of Interests is kept by the Department of Premier and Cabinet. Matters relating to Ministerial declarations of interest should be referred to the Department of Premier and Cabinet.</p>
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	<p>relation to either of those rounds of funding for the Riverina project?</p> <p>Mr HANGER: I am not aware, but she would obviously be sitting in the ERC</p> <p>Mr DAVID SHOEBRIDGE: All right. Do you know if this was a project that was supported by Mr Maguire—is that your understanding—the local member?</p> <p>Mr HANGER: Yeah. I understand that, as the local member, he was quite supportive of that project.</p> <p>Mr DAVID SHOEBRIDGE: At what stage were these two projects funded? What dates?</p> <p>Mr HANGER: I will confirm. I believe the first was 2017 and the second commitment would have been approximately mid-2018 when the by-election was on, but I am happy to confirm those dates.</p> <p>Mr DAVID SHOEBRIDGE: Are you aware whether or not a conflict of interest was ever placed on the record by the Premier, given she was in a close personal relationship with Mr Maguire</p>	
11	<p>The ACTING CHAIR: Thanks for all those contributions. I will ask all Committee members to be conscious of not impeding any of the current investigations. I do not regard the question as being out of order in that the Parliament and this Committee also have a role to do. I will ask the witness to provide any information they can in response to that question.</p>	<p>The Ministerial Register of Interests is kept by the Department of Premier and Cabinet. Matters relating to Ministerial declarations of interest should be referred to the Department of Premier and Cabinet.</p>

	<p>Mr HANGER: I am not aware that a conflict of interest declaration has been provided. The ACTING CHAIR: And you have said you are not aware. Mr DAVID SHOEBRIDGE: [Inaudible]. The ACTING CHAIR: On notice, are you happy to confirm that? Mr HANGER: The? The ACTING CHAIR: You have said you are not aware. Understood. Mr HANGER: I am not aware. Happy to review. The ACTING CHAIR: On notice, could you confirm whether you do hold any record?</p>	
12	<p>The Hon. COURTNEY HOUSSOS: I just want to ask you, in terms of the Riverina Conservatorium, on the Regional Growth Fund website it is not on the website. At what point does it get put on the website? It has been approved, if the funding has been approved, why is it not on the website? Mr HANGER: Because the project, at this point, it is only stage one that is being delivered. Is it not? Stage one is not there? The Hon. COURTNEY HOUSSOS: Nothing is on the website. Mr HANGER: All right. We will have a look at that.</p>	<p>The \$10 million Stage One of the Riverina Conservatorium of Music was funded in the 2019-20 NSW Government budget. The project was not funded from the Regional Growth Fund.</p> <p>A business case including an options analysis for Stage Two is expected to be finalised by the end of 2020 and will inform future funding decisions.</p>
13	<p>The Hon. COURTNEY HOUSSOS: At what point with that normally get put on the website? Mr HANGER: When the final business case and an investment decision is made. So there is funding that has been reserved for the project, as there often is for projects, to ensure that they can proceed with confidence</p>	<p>Projects funded through the Regional Growth Fund are listed on the Regional Growth Fund website once funding has been committed and notification or a public announcement has been made by the Government.</p>

	<p>that the money is going to be available. But, very importantly, as we have talked about in regards to business cases, there needs to be an approval process and an understanding of the best way to deliver the project. The Hon. COURTNEY HOUSSOS: So can we publicly announce in the media but not on the website—is that right—until the business cases approved?</p> <p>The ACTING CHAIR: I think you have taken on notice that the fact that you will check why it is not on the website and respond to that.</p>	
14	<p>The Hon. COURTNEY HOUSSOS: Are there any projects that do not progress through their business case not being up to scratch, or it might be a public commitment but you cannot allocate the funding? Is there a time period that you have that allows that? Are there projects that can get stuck in that particular continuum forever?</p> <p>Mr WHEATON: Ah—</p> <p>The ACTING CHAIR: Then we are going to Ms Ward.</p> <p>The Hon. COURTNEY HOUSSOS: Sorry. Yes, this is—</p> <p>The Hon. NATALIE WARD: You can take it on notice, if you like.</p> <p>The ACTING CHAIR: The witness is welcome to answer the question.</p> <p>Mr WHEATON: Unless the Government has committed publicly to a time frame, there is no set time frame for when that \$20 million</p>	<p>Assessment timeframes for grant programs are usually determined by the relevant program guidelines.</p> <p>Some programs, including Resources for Regions and the Stronger Country Communities Fund are rounds based and assessments are bound by the program timeframes.</p> <p>Programs such as Growing Local Economies are run as an open application process. When a business case is submitted as part of the program assessment process, the Department often works with proponents to provide advice, gather additional information and support prior to business cases being independently assessed.</p>

	commitment would be realised for the community of Wagga Wagga.	
15	<p>The ACTING CHAIR: I am aware of a number of grant schemes that have MPs involved in the decision. I am not aware of another one that has Government MPs only involved in the scheme. Are you aware of one, Mr Hanger?</p> <p>Mr HANGER: Of another scheme that only has Government MPs? The ACTING CHAIR: Yes, in the assessment process. The Hon. NATALIE WARD: I am not running interference at all. It is important that you answer, but it might be that it is not within your remit to answer. If you want to take it on notice, I think it is important that we clarify this. I think you said it is not something you determine, but I think the Committee should hear. You might want to take that on notice. You might just not know.</p> <p>The ACTING CHAIR: The witness is entitled to answer in any way.</p> <p>Mr HANGER: I might take that on notice. I cannot think of any immediately, but I will take that on notice and come back to the Committee.</p>	<p>The Stronger Country Communities Fund Round Three Guidelines specify that government Members of Parliament will be asked to review projects. The views of elected government representatives are one of a number of inputs into the funding decision.</p> <p>Input from elected government Members of Parliament is included as part of the process as it is the elected government that is accountable to the public for the decisions that are made.</p> <p>The Stronger Country Communities Fund also requires projects to have evidence of community support which can include letters of support from key local stakeholders such as Members of Parliament (both government and non-government).</p> <p>Feedback from government and non-government Members of Parliament was submitted and considered by the assessment panel.</p> <p>Input from government Members of Parliament as well as other stakeholders was invited under all Regional Growth Fund programs.</p>
16	<p>Mr HANGER: All of the program guidelines spell out that input from a range of stakeholders will be taken into account. There is the facility to be able to take advice from those organisations and people who will be able to provide advice around projects.</p> <p>The ACTING CHAIR: Yes, agreed. You have taken on notice that question about whether</p>	<p>The input of a range of stakeholders can be sought in the administration of Government funding programs in accordance with program guidelines. Feedback from government representatives can be one of these inputs.</p> <p>Under the Regional Growth Fund, the Stronger Country Communities Fund Round Three Guidelines specify that government Members of Parliament will be asked to review projects.</p>

	<p>you are aware of any other programs. In relation to any other programs you specifically administer, do any of those have Government MPs making the assessment?</p>	
<p>17</p>	<p>Mr DAVID SHOEBRIDGE: A number of documents have been produced to the House under calls for papers which would cover the MP input, but there are very few, if any, records of actual MP input into any of the three rounds of Stronger Country Communities funding. Is that because those records are not held by your department?</p> <p>Mr WHEATON: No. They should be recorded as part of the full panel assessment process. It would be a comprehensive assessment spreadsheet that would have all of the different views—both MPs' and the department's—and the panel records and recommendations in a document. That record would be held by the department.</p> <p>Mr DAVID SHOEBRIDGE: It should have—if it was covered by a Standing Order 52—been produced by the department to the Parliament. Is that your understanding?</p> <p>Mr WHEATON: I would have to check to see whether there were any redactions or otherwise claimed over that, to see whether that information had or had not been provided. I understand that we have had a call for papers and all of the papers and records at the department would have adhered to that.</p> <p>Mr DAVID SHOEBRIDGE: Could you just confirm on notice that all of the</p>	<p>The Department of Regional NSW produced all documents captured by the Standing Order 52 on the Stronger Country Communities Fund, including relevant assessment documentation.</p>

	documentation about the MP inputs has actually been provided in accordance with the Standing Order 52? If for some legitimate reason it has not, could you identify that reason on notice?	
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