



**The Hon. John Barilaro MP**  
Deputy Premier  
Minister for Regional New South Wales  
Minister for Industry and Trade

Mr David Shoebridge MLC  
Chair, Public Accountability Committee  
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Dear Mr Shoebridge ~~David~~ *David*

Please find enclosed answers to questions on notice in relation to the hearing of the Inquiry into Integrity, Efficacy and Value for Money of NSW Government Grant Programs on Monday 8 February 2021.

Yours sincerely

~~(The Hon. John Barilaro MP~~  
~~Deputy Premier~~  
Minister for Regional New South Wales  
Minister for Industry and Trade



#	Question On Notice	Response
1	<p><b>The Hon. JOHN GRAHAM:</b> How did they get zero?</p> <p><b>Mr JOHN BARILARO:</b> Mr Graham, I would have loved to have funded the Blue Mountains or Snowy Monaro—</p> <p><b>The Hon. JOHN GRAHAM:</b> Why didn't you?</p> <p><b>Mr JOHN BARILARO:</b> Because the projects weren't ready under the criteria. They had to be able to be completed within six months or started within six months. They had to meet the eligibility criteria, which had a \$1 million minimum threshold. There was a number of criteria. If I had interfered in that, you would be asking why did I interfere in the bureaucratic process. Those projects were identified. Unfortunately for the Blue Mountains—I will say this: As the Minister for regional New South Wales, the Blue Mountains doesn't come into my scope. So I am fully aware of what is available in the regions and may be not as much aware in the Blue Mountains. But my agency, can I say, did reach out to the Blue Mountains to work with them to make sure they get funding. But the beauty now is—</p> <p><b>The Hon. JOHN GRAHAM:</b> And was that the case for the Central Coast as well?</p> <p><b>Mr JOHN BARILARO:</b> Absolutely.</p> <p><b>The Hon. JOHN GRAHAM:</b> Their projects just weren't eligible. That is why they didn't get anything.</p> <p><b>Mr JOHN BARILARO:</b> Again I don't know exactly what the Central Coast put forward. I am happy to take that on notice and answer that on notice.</p>	<ul style="list-style-type: none"><li>• To date, the Central Coast LGA has received more than \$25 million in commonwealth and state government bushfire recovery grant support.</li><li>• In New South Wales, the Bushfire Local Economic Recovery (BLER) funding is being delivered as a staged package (<a href="#">Document A</a>).</li><li>• For the Stage One NSW BLER early co-funded fast-tracked projects, a list of shovel ready projects from the Central Coast LGA were considered as part of the Department of Regional NSW internal project assessment.</li><li>• This followed the Department of Regional NSW working with Central Coast Council to develop the list of shovel ready projects to support recovery efforts, both from the 2019-20 bushfires and the impacts of COVID-19.</li><li>• In the context of the multiple other funding opportunities that were available at the time or would be imminently available to council for their submitted list of projects, none of the Central Coast projects</li></ul>

		<p>were deemed suitable to be fast-tracked for co-funding with the Commonwealth.</p> <ul style="list-style-type: none"> <li>• For the Stage One NSW BLER early co-funded industry recovery projects, only three eligible applications were submitted from the Central Coast LGA through the open application process of the Bushfire Industry Recovery Package Sector Development grants.</li> <li>• One application was successful (\$194,000 for Snives Hives Meadery) which was aligned with the apiculture sector recovery.</li> <li>• Central Coast will be prioritised for funding under the Stage Two NSW BLER \$250 million open round.</li> </ul>
2	<p><b>The Hon. COURTNEY HOUSSOS:</b> Will the 71 fast-tracked projects all be given until June 2023 to deliver the projects?  <b>Mr JOHN BARILARO:</b> I will have to take that on notice. I am confused about dates. They have six months to commence and I assume that is probably correct, yes.  <b>The Hon. COURTNEY HOUSSOS:</b> Then they have almost three years to complete the project?  <b>Mr JOHN BARILARO:</b> Probably. Can I take that on notice to give you a firm answer?</p>	<ul style="list-style-type: none"> <li>• 22 priority, fast-tracked, shovel-ready local infrastructure projects in high and moderate bushfire impacted areas were identified as suitable for early co-funding and met the national Local Economic Recovery Fund criteria (set by the Commonwealth) as part of a process managed by the Department of Regional NSW.</li> <li>• In July 2020, at the time of the project identification process for the Stage One NSW BLER early co-funded fast-tracked projects were required to be completed by June 2022 (set under the Commonwealth Local Economic Recovery framework).</li> </ul>

		<ul style="list-style-type: none"> <li>• This was subsequently extended by the Commonwealth in late November 2020, with projects now required to be completed by June 2023.</li> </ul>
3	<p><b>The CHAIR:</b> So what do you say to them, those people, about the \$10 million of bushfire local economy relief that did not go to them but went to a multinational corporation like Visy Corp? How do you say to them, "You haven't got a home. We're not funding your home, but I'm going to give \$10 million of bushfire relief to a hugely profitable multinational"? How do you explain that?</p> <p><b>Mr JOHN BARILARO:</b> Firstly, I think your question comes with bias because you are anti-forestry, so I am going to say that up-front. To just single out Visy—there are many businesses and industries that received funding regardless of how big or small they are.</p> <p><b>The CHAIR:</b> Answer the question though.</p> <p><b>Mr JOHN BARILARO:</b> Then we are in partnership with companies like the Minderoo Foundation, who makes their money out of a billionaire, out of mining.</p> <p><b>The CHAIR:</b> Answer the question.</p> <p><b>Mr JOHN BARILARO:</b> I will answer the question. The question is simple. We have put up \$10 million because of the devastation that happened to the forestry industry in the south—1,200 direct jobs out of Visy alone. Guess what? They have matched it with \$10 million. This does not just shore up new jobs; it shores up those 1,200 jobs for the future. That is actually what that investment is all about. That was what the sector development investment was all about. Would you argue that Tim Salway, the dairy farmer from the South Coast that lost everything plus two family members who received about \$550,000 or \$600,000 to support him to get back on with his dairy farm, is not worth it? You cannot cherry-pick Visy versus Tim Salway.</p> <p>The reality here is the economic impact, the loss of jobs in those industries that absolutely were destroyed—forestry, the Batlow orchards, our dairy industries, cattle, agriculture. That is why we had a range of funds from \$75,000 to \$50,000 to \$10,000 to \$3,000 supporting these individuals. But you want to pick out Visy because they have a billionaire owner or a billionaire industry. Come down to my region. Come and talk to Kristy McBain, the Labor member for Eden-Monaro or, previously, Mike Kelly, the greatest champion of Visy ever in my region, the Labor member who backed in those 1,200 jobs out of my region, or that region. I</p>	<ul style="list-style-type: none"> <li>• The Visy project was assessed by an independent panel and met all assessment criteria through the open application and merit-based assessment of the Bushfire Industry Recovery Package Sector Development Grants.</li> <li>• The Visy project is critical to the town of Tumut and will support the creation of 30 full time positions directly and retain up to 1,200 positions for local forestry and forestry-related manufacturing.</li> <li>• The assessment documents for the Visy project and all the Bushfire Industry Recovery Package Sector Development Grants are Cabinet-in-Confidence.</li> <li>• Details of all successful projects under the Bushfire Industry Recovery Package Sector Development Grants are on the NSW Government website.</li> </ul>

	<p>tell you what, the devastation would be beyond the numbers you could put on your calculator.</p> <p><b>The CHAIR:</b> Can you table with this Committee the assessment that your department did regarding why you prioritised \$10 million to a multinational?</p> <p><b>Mr JOHN BARILARO:</b> Yes, absolutely. I do not have it here with me, but I am happy to table all those Sector Development Grants given to all businesses, all industries and all those that received funding from this Government.</p>	
4	<p><b>The CHAIR:</b> Weren't the State Nationals also signing off on this project?</p> <p><b>Mr JOHN BARILARO:</b> No but we—</p> <p><b>The CHAIR:</b> Are you saying no?</p> <p><b>Mr JOHN BARILARO:</b> What I am trying to say is there were no donations to the State National Party.</p> <p><b>The CHAIR:</b> No, but wasn't it your Federal National colleague who signed off on the project?</p> <p><b>Mr JOHN BARILARO:</b> On the sector development funding?</p> <p><b>The CHAIR:</b> Yes.</p> <p><b>Mr JOHN BARILARO:</b> I will have to take that on notice. I am not aware if that was the case.</p> <p><b>The CHAIR:</b> Deputy Premier, you have been answering questions fairly today. You know it was your Federal ministerial colleague—</p> <p><b>Mr JOHN BARILARO:</b> No, I am not sure—</p> <p><b>The CHAIR:</b> —who received \$1.5 million in funding from Mr Pratt—from a successful, profitable multinational corporation. You know that they received the funding and that is the context in which they got \$10 million.</p> <p><b>Mr JOHN BARILARO:</b> Mr Shoebridge, I do not know what donations—until you have just flagged it. I do know the donations go across all party lines, so let us not pretend, again, that this is somehow just Coalition parties that receive funding. Let us make that clear. I do not know, in the sector development grants, if I was the signatory only, or did it take signatory from also the Commonwealth? I said that and I am happy to come back and take that question on notice. But you cannot make that assumption and just assume. Legal donations, regardless of where they go, are legal.</p>	<ul style="list-style-type: none"> <li>• Under the national Bushfire Local Economic Recovery framework, the Commonwealth (through the National Bushfire Recovery Agency) was responsible for the review and co-endorsement of all successful projects to be co-funded through the BLER.</li> </ul>

5	<p><b>The CHAIR:</b> Deputy Premier, you say that there are probity officers and a probity audit done.</p> <p><b>Mr JOHN BARILARO:</b> Absolutely.</p> <p><b>The CHAIR:</b> Was there a probity audit done of the \$177 million, and can you table it with us?</p> <p><b>Mr JOHN BARILARO:</b> I am not sure if that is the case at this stage. The probity officer or the audits are done also at the end of the program. I am happy to take that question on notice.</p> <p><b>The CHAIR:</b> You cannot satisfy us, sitting here now, that there was a probity audit done?</p> <p><b>Mr JOHN BARILARO:</b> I just do not know. I can tell you that every single fund that I administer up to this point has always had a probity officer role and a probity audit. I just do not know, and I am happy to take the question on notice and give you that answer.</p>	<ul style="list-style-type: none"> <li>• A Probity Plan is in place for the NSW Bushfire Local Economic Recovery program. An independent Probity Report will be finalised at the completion of the program.</li> <li>• A Probity Plan is in place for the NSW Bushfire Industry Recovery Package. A Probity Report has been completed.</li> </ul>
6	<p><b>The Hon. JOHN GRAHAM:</b> I will return to the Blue Mountains question. I have looked at those 23 projects that are there. You are telling me all of these are ineligible?</p> <p><b>Mr JOHN BARILARO:</b> On the advice.</p> <p><b>The Hon. JOHN GRAHAM:</b> Some of these are RFS upgrades.</p> <p><b>Mr JOHN BARILARO:</b> Yes.</p> <p><b>The Hon. JOHN GRAHAM:</b> Some of these are urgent repairs.</p> <p><b>Mr JOHN BARILARO:</b> Have you got the figures against them? I do not have them here in front of me.</p> <p><b>The Hon. JOHN GRAHAM:</b> I am looking at the projects that have been submitted.</p> <p><b>Mr JOHN BARILARO:</b> Are any individual projects—</p> <p><b>The Hon. JOHN GRAHAM:</b> But they are all out.</p> <p><b>Mr JOHN BARILARO:</b> For instance—let us just test one—are any individual projects at \$1 million or above?</p> <p><b>The Hon. JOHN GRAHAM:</b> I do not have that detail here.</p> <p><b>Mr JOHN BARILARO:</b> I cannot answer that. On the advice that I was given, those projects were ineligible against the criteria. I am happy, again, to come back to this Committee or to give this Committee the documentation for why they were ineligible.</p> <p><b>The CHAIR:</b> And, to be clear, where the criteria were published.</p> <p><b>Mr JOHN BARILARO:</b> Absolutely. We are happy to find all that.</p>	<ul style="list-style-type: none"> <li>• To date, the Blue Mountains has received almost \$30 million in commonwealth and state government bushfire recovery grant support.</li> <li>• For the Stage One NSW BLER early co-funded fast-tracked projects, the Department directly sought project options from Blue Mountains Council but none of the projects were deemed suitable to be fast-tracked. This was in the context of multiple other funding opportunities that were available at the time or would be imminently available to council.</li> <li>• The Commonwealth criteria for the national BLER are published on the National Bushfire Recovery Agency website.</li> </ul>

		<ul style="list-style-type: none"> <li>• The Guidelines for the Stage Two NSW BLER \$250 million open round were explicitly drafted to allow projects submitted in high impact areas (especially those without a fast-tracked project) to be prioritised. Blue Mountains will be prioritised for funding under the Stage Two NSW BLER \$250 million open round. The Guidelines are published on the NSW Government website.</li> </ul>
7	<p><b>The Hon. COURTNEY HOUSSOS:</b> Let me specifically draw you to the project in St Ives, the Snives Hives. They were given \$194,000 to expand to Somersby on the Central Coast. One of the assessment criteria— I am referring to your document that is available—says there needs to be local support and participation. Now this is \$194,000 to expand a private company to an area where the local MP did not even know the grant was available.</p> <p><b>Mr JOHN BARILARO:</b> I cannot answer that. I don't know. You are asking me the specifics of a whole heap of grants and I am happy to come back and offer this Committee why that particular project was funded.</p> <p><b>The Hon. COURTNEY HOUSSOS:</b> I am giving you an example of one that does not conform to your criteria.</p> <p><b>Mr JOHN BARILARO:</b> You are saying that, but the agency would have ticked it off because it meets criteria. So let me come back to this Committee formally, through the agency, on why and how that particular project—</p> <p><b>The Hon. COURTNEY HOUSSOS:</b> And can you tell me how many local jobs will be created by that funding?</p> <p><b>Mr JOHN BARILARO:</b> I am happy to do that.</p> <p><b>The CHAIR:</b> Sorry, Mr Deputy Premier, you said one of the criteria is a \$1 million threshold. I can read to you 50 of these projects that have budgets of \$260,000, \$80,000, \$50,000, \$390,000, \$275,000—</p> <p><b>Mr JOHN BARILARO:</b> But they might have been—</p>	<ul style="list-style-type: none"> <li>• The \$1 million threshold was only set for the fast-tracked known, shovel ready infrastructure projects which were identified as suitable for early co-funding and met the national Local Economic Recovery Fund criteria (set by the Commonwealth) as part of a process managed by the Department of Regional NSW.</li> <li>• Snives Hives Meadery was successful through the open and competitive application process of the Bushfire Industry Recovery Package Sector Development stream funded under the Stage One NSW BLER early co-funded industry recovery projects.</li> </ul>

	<p><b>The CHAIR:</b> —\$43,000, \$240,000. I could go on. That's just not true. That \$1 million criteria clearly was not part of it.</p> <p><b>Mr JOHN BARILARO:</b> No, but they may have been actually put in as a total package.</p> <p><b>The CHAIR:</b> No.</p> <p><b>Mr JOHN BARILARO:</b> No, you don't know that. I don't know that, so let me come back and give you those answers.</p>	<ul style="list-style-type: none"> <li>• All program information including the Bushfire Industry Recovery Package Program Guidelines are published on the NSW Government website.</li> <li>• This program was widely advertised and announced publicly on 20 April 2020 by the Premier and Deputy Premier.</li> <li>• The Bushfire Industry Recovery Package Program Guidelines sought grants for a minimum \$50,000 up to a maximum \$10 million.</li> <li>• The Snives Hives project is for the establishment of a meadery to make and wholesale honey wine on the Central Coast. The project will create at least 7 jobs.</li> </ul>
8	<p><b>The Hon. JOHN GRAHAM:</b> You have confirmed that you are relying on buildings impacted. And you have really confirmed to us that this report from the National Bushfire Recovery Agency, which went to all the States and which set out a range of other criteria, just was not considered in that narrow buildings impacted—</p> <p><b>Mr JOHN BARILARO:</b> I did not say that was not considered. I am sure my agency has that report and if it was considered as part of decision-making, can I come back to this Committee? I will take that on notice.</p>	<ul style="list-style-type: none"> <li>• The Bushfire Local Economic Recovery Fund is a staged program (<b>Document A</b>). Each stage has different program design, objectives and eligibility criteria.</li> <li>• The NSW Government has used a range of different evidence sources, including resources provided by the National Bushfire Recovery Agency, to inform program design.</li> <li>• Other social, economic and environmental factors are also considered in the context of bushfire impact and recovery needs of each community.</li> </ul>



		<ul style="list-style-type: none"> <li>• In the Stage Two NSW BLER \$250 million open round, bushfire impact indicators 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.</li> </ul>
9	<p><b>The CHAIR:</b> Yes. Can we just go back to the skydiving facility? More than \$11 million allocated for a skydiving facility at Kempsey Airport—you would have recalled signing off on that, wouldn't you, because it is quite a big chunk of money?</p> <p><b>Mr JOHN BARILARO:</b> Firstly, this would all have come to ERC and they would have all been signed off. I have no problem that ERC signed off on this \$11 million; I have said that before.</p> <p><b>The CHAIR:</b> Do you know what the skydiving facility is, Deputy Premier?</p> <p><b>Mr JOHN BARILARO:</b> You want me to recall hundreds of different projects across—actually, there is 2001 projects under my Stronger Communities Fund across the regions. I cannot recall.</p> <p><b>The CHAIR:</b> But I am asking you about the \$11 million you signed off towards the end of last year.</p> <p><b>Mr JOHN BARILARO:</b> I am happy to give this Committee the brief that sits behind that decision.</p>	<ul style="list-style-type: none"> <li>• The Macleay Valley Skydiving Adventure Park was funded through the Stage One NSW BLER early co-funded fast-tracked projects. The approval submission is Cabinet-in-Confidence.</li> <li>• As required under the national BLER, the Commonwealth government (through the National Bushfire Recovery Agency) also reviewed and endorsed this project for funding.</li> </ul>

<b>BUSHFIRE LOCAL ECONOMIC RECOVERY (BLER) PACKAGE</b> <b>AUSTRALIAN AND NSW GOVERNMENT CO-FUNDING – OVER \$500 MILLION</b>			
STAGE 1		STAGE 2	STAGE 3
<b>EARLY CO-FUNDING - \$180 million</b> Announced October / November 2020		<b>OPEN ROUND - \$250 million</b> Announcements from June 2021	<b>FUTURE PROJECTS AND PROGRAMS</b>
<b>Bushfire Industry Recovery Package – Sector Development Grants</b>  50 projects - \$72.3 million	<b>Fast-tracked known, shovel-ready infrastructure projects</b>  22 projects - \$107.8 million	<b>BLER Fund Open Round</b>  > 650 applications received requesting over \$1.6 billion. Under Assessment.	NSW continues to work with the Commonwealth government to consider the final projects and other initiatives to be funded in the overall BLER package in NSW.
<ul style="list-style-type: none"> <li>• 50 industry recovery projects through the the Bushfire Industry Recovery Package Sector Development Grants</li> <li>• Open application round with guidelines</li> <li>• Competitive, merit-based assessment</li> <li>• Open October-July 2020</li> <li>• Widely promoted and advertised</li> <li>• 178 applications received requesting \$275.9 million</li> <li>• Targeted six key industries: Forestry, Dairy, Apiculture, Horticulture, Viticulture, Aquaculture</li> </ul>	<ul style="list-style-type: none"> <li>• 22 fast-tracked local priority projects in high and moderate bushfire impacted areas</li> <li>• Projects identified through an internal Department process to rapidly identify and review projects</li> <li>• Projects required to be:               <ul style="list-style-type: none"> <li>○ shovel ready; and</li> <li>○ align with Local or Regional Recovery Action Plans, NSW Regional Economic Development Strategies Bushfire Addenda or other community and council recovery priorities</li> <li>○ meet the national Local Economic Recovery Framework</li> </ul> </li> <li>• Process leveraged project pipeline of other NSW Government grant programs and local consultations</li> <li>• Threshold of \$1 million+ set to deliver significant economic benefits and in context of other funding opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Open application round with public guidelines</li> <li>• Competitive, merit-based assessment</li> <li>• Opened for applications 27 October 2020 and closed 28 January 2021</li> <li>• Widely promoted and advertised</li> <li>• Open program will prioritise funding to the highest impacted areas. This will ensure funding will be provided to areas that did not have a fast-tracked project.</li> <li>• Will fund projects that retain and create new jobs in regional areas, build resilience and increase preparedness for future bushfire seasons</li> <li>• More than 650 applications received requesting over \$1.6 billion</li> <li>• Projects anticipated to be announced from June 2021</li> </ul>	