

Answers to Questions on Notice - Department of Regional NSW - NSW Government grant programs Hearing 26 April 2021

#	Question	Response
1	<p>The CHAIR: Mr Hanger, when do you understand the guidelines were finalised and adopted? Not drafted, but adopted.</p> <p>Mr HANGER: We will take on notice the exact date but the draft, as Mr Presland has indicated, came through in about July. There were negotiations between the Commonwealth and the States over a number of months. Those were finalised towards the end of the year. I would say indicatively September or October.</p> <p>The CHAIR: Mr Presland says it is probably October or November but you will each come back and give us your answer.</p> <p>Mr HANGER: Yes.</p>	<ul style="list-style-type: none"> The National Local Economic Recovery framework was finalised in November 2020.
2	<p>The Hon. COURTNEY HOUSSOS: Can I just ask you, then, what was the rapid internal assessment process? Can you talk me through that? Who was on the assessment panel?</p> <p>Mr HANGER: Mr Wheaton might be able to jump in with details but it would be representatives from Resilience NSW, representatives from the Department of Regional New South Wales, both Public Works Advisory, who provide advice—essentially project assurance—which is to make sure that as best as possible projects are shovel-ready and ready to go. There may have been—</p> <p>Mr WHEATON: Internally, additional context to this is that we were undertaking this particular process. We were designing the guidelines for the open round, and we were also seeking to secure the commitment from New South Wales or the allocation of the matched funding. So we were headed towards—</p> <p>The Hon. JOHN GRAHAM: Mr Wheaton, that is understood. Can we just come back to Mr Hanger and finish that first answer, though, who else was on the panel. We are happy for you to take some of that on notice.</p> <p>Mr HANGER: Yes.</p> <p>The Hon. COURTNEY HOUSSOS: Perhaps you can come back with the specific people.</p> <p>Mr HANGER: Yes, we will come back with the specific people who were involved.</p>	<ul style="list-style-type: none"> The Department of Regional NSW in collaboration with Resilience NSW and the (then) National Bushfire Recovery Agency assessed all Stage One projects as suitable for funding under the National Local Economic Recovery framework.

3	<p>The Hon. JOHN GRAHAM: Mr Wheaton, when you say that projects were under consideration in every LGA, though, that is not what the Deputy Premier said when he was quizzed about why the Blue Mountains got nothing. His view and his answer was that none of their projects were eligible. They did not even make it to the starting cut. They were not under consideration; they were not eligible.</p> <p>Mr WHEATON: They were under consideration because we asked for them.</p> <p>The Hon. JOHN GRAHAM: Yes, but do you agree with the Deputy Premier that none of those projects were eligible?</p> <p>Mr WHEATON: That is right. Through that Cabinet process we were developing a full Cabinet submission at that time.</p> <p>The Hon. JOHN GRAHAM: Why were they not eligible?</p> <p>Mr WHEATON: They were not funded through that process because they did not meet what we had set as a \$1 million threshold to get that group of projects to a more defined—</p> <p>The Hon. JOHN GRAHAM: On the question of whether they were shovel-ready, do you accept that they were shovel-ready? Do you accept the evidence that was put by the council this morning that they were shovel-ready?</p> <p>Mr WHEATON: I would have to take that on notice to review all of those projects.</p>	<ul style="list-style-type: none"> • All projects put forward by the Blue Mountains City Council were less than the \$1 million minimum that was set as part of the development of Stage One fast-tracked priority local infrastructure package. • Shovel readiness was a consideration for all projects that were reviewed as part of the Stage One fast-tracked priority local infrastructure project selection process.
4	<p>The Hon. JOHN GRAHAM: I am asking about the Deputy Premier's evidence about eligibility so I might just return to that. Were these ineligible because they were not shovel-ready? Is that the evidence?</p> <p>The Hon. NATALIE WARD: He said he will take that on notice, and I take objection to the question.</p> <p>Mr WHEATON: I said I will take it on notice because we were reviewing, as we said, hundreds of projects and I would have to then go back to the 24-odd projects that had been identified by the Blue Mountains on whether our determination had been that they were or were not. They were smaller scale projects. I understand that Dr Dillon has asserted very clearly that they only put forward their shovel-reading projects and also had</p>	<ul style="list-style-type: none"> • See response to question 3.

	<p>excluded one which they thought might not have been. The threshold of which then the Blue Mountains did not get a project, and it is likewise other local government areas in high-impacted areas had also not received a project for the same reasons, whether it be the \$1 million threshold or not deemed to be shovel-ready.</p>	
5	<p>The Hon. JOHN GRAHAM: Yes, I understand that and that is the view the agencies have put in the questions on notice. In relation to the Blue Mountains, they have said these were not suitable. That is the case you are making now: there was other funding available and these are not suitable. That is not what the Deputy Premier turned up and said. He said these were not eligible. I want to know why was the Blue Mountains not eligible at all for the 23 projects it put forward? You cannot tell the Committee whether it was because they were not shovel-ready. Was it because they hit the \$1 million threshold? Is that why you ruled all of them out and they got zero dollars?</p> <p>Mr HANGER: There will be a range of reasons. As Mr Wheaton has indicated, we will take on notice and provide a response that talks through why none of those projects were successful under that round. They were, however, projects that have been funded elsewhere.</p> <p>The Hon. JOHN GRAHAM: Yes, I understand where you are about to head. When you responded on notice up to now, you did not say they were ineligible. You said they were not suitable for the reasons you are—were they ineligible? Are you saying they were all ineligible?</p> <p>Mr HANGER: Ineligible, unsuitable, we will take that on notice and clarify because there is a range of projects in that mix that were put forward.</p>	<ul style="list-style-type: none"> • See response to question 3.

6	<p>The Hon. COURTNEY HOUSSOS: Does that mean that those councils in those areas did not receive a phone call in the same way that the Blue Mountains and the Central Coast did? Or did they get a phone call as well?</p> <p>Mr WHEATON: For all of the eligible 47 local government areas?</p> <p>The Hon. COURTNEY HOUSSOS: Yes.</p> <p>Mr WHEATON: I will take that on notice to respond specifically, but I would hazard a guess that there would have been many councils who had submitted their priorities very clearly in the advocacy document. I think the general manager of Snowy Valleys had indicated that they had done work to pretty clearly set out—and had quite early engagement with the Government, the Opposition and other stakeholders and whatever means it was possible—what their priority projects were through that process. So in terms of then formally reaching out consistently to everybody across all of those 47, as I said, we were originally looking at all councils—low, medium and high impacted. As the process evolved—and it was evolving—we then chose to focus on just the moderate and high. We set the threshold of the \$1 million to then refine that list to a package of projects that was considered.</p>	<ul style="list-style-type: none"> • Following the request from the Commonwealth to rapidly identify known, priority, shovel-ready projects for early co-funding, the Department of Regional NSW worked with Resilience NSW, local Department staff, NSW Government agencies, local councils, the National Bushfire Recovery Agency and other stakeholders to identify potential shovel-ready projects that would align with the national Local Economic Recovery criteria and were suitable for early co-funding. • Where known priority projects were not identified as part of the initial process, contact was made directly with councils to put forward projects.
7	<p>The CHAIR: Then could I ask you to take on notice to provide us with the list of the 16 projects and details of the 16 projects that were knocked off the original 38 fast-tracked projects put forward by the department.</p> <p>The Hon. SHAYNE MALLARD: Point of order: Mr Wheaton has clearly said twice that it is Cabinet-in-confidence. The SO 52 ruled it Cabinet-in-confidence. Pushing on him again to get the same answer seems to me to be unproductive because he has made it clear it is Cabinet-in-confidence.</p> <p>The CHAIR: To be clear, there was no ruling in the SO 52. Maybe there was an assertion that it was Cabinet-in-confidence. But what I am asking Mr Wheaton to do is really to take it on notice.</p> <p>The Hon. SHAYNE MALLARD: Same answer.</p> <p>The CHAIR: Will you do that, Mr Wheaton?</p> <p>Mr WHEATON: Sure, I will take that on notice. What I can say is that, of</p>	<ul style="list-style-type: none"> • This information is Cabinet in Confidence.

	<p>those projects, there were five of them—I understand I keep on going on around the complexity of the environment at the time. We had projects that were under consideration for other funding programs at the same time. Five of them were actually withdrawn by New South Wales because they had actually received funding and we had put them through both processes. So they were still under assessment under another program and we had also put them up for Commonwealth consideration.</p>	
8	<p>Mr HANGER: There were multiple emails on 15 July to staff within the Central Coast Council area indicating that we were calling for projects that could be put forward for recovery programs. Again, I emphasise the context that we would have had to have been quite general in those conversations and requests because the guidelines were in draft. There were multiple programs that were currently running at the same time. But, yes, there has been correspondence with the council on those dates. The CHAIR: Could I ask you first to table that correspondence, if you would? I know it is on your computer, but perhaps just email it to the secretariat.</p> <p>Mr HANGER: Yes, we will take that on notice and—</p>	<ul style="list-style-type: none"> • See Document A.
9	<p>The Hon. SHAYNE MALLARD: Parallel to that process, Mr Hanger talked about the July emails to Central Coast Council. Your department, your people were communicating, similarly to that set of emails you just talked about and some phone calls, to all the local government areas that were eligible to be involved in the grants program at the same time, that July window?</p> <p>Mr WHEATON: I would have to take that on notice as to exactly, but I do not believe that it was a consistent broadcast asking for projects to be put forward because we had a pipeline of projects. We also had local intel from the recovery committees. We have staff under what is called our regional development network who are able to identify these projects. We run the growth fund programs—</p>	<ul style="list-style-type: none"> • See response to question 6.

10	<p>The Hon. SHAYNE MALLARD: Mr Shoebridge asked you to table the Central Coast, and because the allegations were made today—and may be made again in another half an hour—I would like you to table that communication chain on notice for the Blue Mountains City Council.</p> <p>Mr WHEATON: I will say on the record that I am really reluctant for my staff and any engagement with council staff—not necessarily the CEO—about a he-said, she-said, "didn't get back to the phone calls" process as part of this. We are not accepting that the communication is perfect. We had many, many councils and other stakeholders that we were trying—lots of staff at that point in time. We have had people—and I do not want to even name names—tweeting positions of my staff members saying that they did not get back to phone calls, making that person identifiable and causing duress. We have the record of the engagement with the Blue Mountains council. We can provide that to you.</p>	<ul style="list-style-type: none"> • See Document B.
11	<p>Mr WHEATON: \$20.9 million. That is, 58 per cent of the projects are contracted; 11.6 per cent of the total funding has been paid. That is a total of \$37.9 million that we are expecting to pay in this financial year on contracted. There will be funding transfer to allocate a certain percentage of the total amount. If you are interested around our programs when we usually allocate funding depending on the scale of it—but these ones for the fast-tracked in particular are bigger and some of the industry recovery package projects are bigger as well—of the 12 months from when they are notified it is usually around 10 per cent of money that will leave the building for those projects. We are at 11.6 paid and they were announced in about November and we will be around 20 per cent by the end of financial year which we will be closing in on.</p> <p>The CHAIR: Mr Wheaton, could you just give us an updated spreadsheet on notice just about where those projects were at?</p> <p>Mr WHEATON: Yes, sure.</p> <p>The Hon. COURTNEY HOUSSOS: Each of the 72.</p> <p>Mr WHEATON: The status of them?</p> <p>The Hon. COURTNEY HOUSSOS: Yes, so where each one is at.</p> <p>Mr WHEATON: Sure.</p>	<ul style="list-style-type: none"> • See Document C.

Document A

Department Regional NSW (DRNSW) engagement with Central Coast Council on BLER stage one early co-funded fast-track projects	
Date	Activity
13 Jul 2020	Email from DRNSW to Central Coast Council Re: Request to share any shovel ready projects.
15 Jul 2020	Email from DRNSW to Central Coast Council Re: Request to share any shovel ready projects.
15 Jul 2020	Email from Central Coast Council to DRNSW Re: a list of shovel ready projects

[REDACTED]

From: [REDACTED]@dpc.nsw.gov.au>
Sent: Monday, 13 July 2020 11:46 AM
To: [REDACTED]
Subject: Shovel Ready projects

Hi [REDACTED],

Could you please provide the information discussed in the following format:

LGA	Project Name	Description	Amount required	Shoval ready status
				i.e. DA approved, Business Case Developed, Community Consult complete.

Cheers

[REDACTED]

Regional Development | Department of Regional NSW
[REDACTED]@dpc.nsw.gov.au
nsw.gov.au/regionalnsw



**Regional
NSW**

The Department of Regional New South Wales acknowledges that it stands on Country which always was and always will be Aboriginal land. We acknowledge the Traditional Custodians of the land and waters, and we show our respect for Elders past, present and emerging. We are committed to providing places in which Aboriginal people are included socially, culturally and economically through thoughtful and collaborative approaches to our work.

[REDACTED]

From: [REDACTED]@centralcoast.nsw.gov.au>
Sent: Wednesday, 15 July 2020 4:29 PM
To: [REDACTED]
Subject: RE: Shovel ready projects
Attachments: Central Coast Council - COVID-19 Economic Stimulus Submission.pdf; CCC - Shovel Ready Projects 15 July 2020.xlsx

Hi [REDACTED]

Please find attached a copy of the COVID 19 Economic Stimulus Submission to the NSW Treasurer.

Also attached is a list of shovel ready projects that have recently been compiled to prioritise projects for the Federal Government Local Roads and Community Infrastructure Program. As such, this is not a complete list of shovel ready projects, just those that meet the LRCIP criteria, however it may be useful.

The LRCIP criteria included:

- to provide stimulus to protect and create local short-term employment opportunities; and deliver benefits to communities, such as improved road safety, accessibility and visual amenity
- projects must be physically completed by 30 June 2021.

Let me know if I can provide any further assistance.

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
Central Coast Council
PO Box 21 Gosford, NSW 2250
m: [REDACTED]
e: [REDACTED]@centralcoast.nsw.gov.au



COVID-19 information and updates

We are continuing to monitor daily developments in response to COVID-19. Find out the latest

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 Please consider the environment before printing this email

From: [REDACTED]@dpc.nsw.gov.au>
Sent: Wednesday, 15 July 2020 4:11 PM
To: [REDACTED]@centralcoast.nsw.gov.au>
Subject: Shovel ready projects

Hi [REDACTED],

As discussed, could you please provide a list of any shovel ready projects that you have.

Thanks

Cheers

[Redacted signature block]

Regional Development | Department of Regional NSW
[Redacted] @dpc.nsw.gov.au
[Redacted]
nsw.gov.au/regionalnsw



The Department of Regional New South Wales acknowledges that it stands on Country which always was and always will be Aboriginal land. We acknowledge the Traditional Custodians of the land and waters, and we show our respect for Elders past, present and emerging. We are committed to providing places in which Aboriginal people are included socially, culturally and economically through thoughtful and collaborative approaches to our work.

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Document B

Department Regional NSW (DRNSW) engagement with Blue Mountains City Council (BMCC) on BLER stage one early co-funded fast-track projects	
Date	Activity
17 Jul 2020	Meeting: Greater Sydney Councils meeting (including BMCC). DRNSW raised interest in any projects that may be known by BMCC for priority projects submission
23 Jul 2020	Phone call from BMCC to DRNSW regarding sending a package of projects for consideration
23 Jul 2020	Phone call from Resilience NSW to BMCC asking for councils to send their projects for consideration by 24 July
24 Jul 2020	Email from BMCC to DRNSW sharing projects for consideration
4 Sep 2020	Phone call between BMCC and DRNSW regarding any progress in considering BMCC projects

Document C

BLER Phase 1 Project Status List as of 13 May 2021

Stage	Projects contracted	Amount Paid \$
Stage 1 – Early co-funded projects – Sector Development grants	38	\$27,174,807
Stage 1 – Early co-funded projects – fast-tracked local infrastructure projects	10	\$5,442,000
TOTAL	48	\$32,616,807