

**Submission
No 47**

**INQUIRY INTO INTEGRITY, EFFICACY AND VALUE FOR
MONEY OF NSW GOVERNMENT GRANT PROGRAMS**

Organisation: Brewarrina Shire Council

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The Council of the
SHIRE OF BREWARRINA



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**Submission to Legislative
Council Public Accountability
Committee
Inquiry into the integrity, efficacy
and value for money of NSW
Government grant programs
From Brewarrina Shire Council**

August 2020

Submission from Brewarrina Shire Council

1. Introduction:

Council welcomes the opportunity to present a submission to this inquiry and dispel any mystical illusion that the NSW Grants process is anything other than a well-conceived, managed and highly effective value for money package of innovative and effective grants, delivered in partnership with local government to achieve significant improvements for communities across rural and regional NSW.

2. Background: Who and Where is Brewarrina Shire ?

Brewarrina is a rural and remote community located in the north-west region of New South Wales on the banks of the Barwon River, 800 km's north west of Sydney.

The Shire has a total population of 1651 persons (ABS), spread over an area of 19,000sq km's and borders the state line of Queensland to the north and is surrounded by the shires of Walgett, Warren, Bogan and Bourke. The nearest major population and regional centre is the city of Dubbo, approximately 400 km's southeast of Brewarrina.

Brewarrina is the largest centre in the shire, incorporating two Aboriginal reserves situated close to town (Essie Coffey Bush Queen Village and Barwon Four). The population of Brewarrina represents about 52% of the total Local Government areas population.

In addition to Brewarrina, there are four other populated centres within the shire. These are Goodooga, Angledool, Gongolgon and Weilmoringle. The shire population has steadily declined over the past eight census counts, with close to 500 persons leaving the district since 1991. As at the last census date, the majority of the Brewarrina population was under 39 years of age, with one quarter younger than 15 years. A greater proportion of these younger people are amongst the Aboriginal population. Aboriginal people constituted 61.5% of the population at the time of the 2016 census.

The Brewarrina Shire is home to the Ngemba, Murri Warri, Euahlayi, Weilwan,

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Ualari and Barranbinya people. Brewarrina has great historical significance to the Aboriginal people of the region as the town was one of the great inter-tribal meeting places of eastern Australia with the unique fisheries or "Nghunnhu", sustaining hundreds of Aboriginal people during the tribal gatherings held prior to European settlement. The fisheries are elaborate man made stone constructions in the riverbed designed to trap fish. The Brewarrina Fish Traps is an Australian heritage listed site and is of spiritual significance to Aboriginal people.

Agriculture is a strong sector of the Brewarrina economy and the area is a major producer of wool, livestock and a significant producer of cotton and wheat.

3. Capability Statement; The Case for a different approach

The Brewarrina Shire Council has a small general rate base, just over \$1m and so relies heavily on Commonwealth Revenue Sharing Grant, Transport for NSW road and Aboriginal Communities contracts for service delivery as well as specific grants to maintain, operate and improve the facilities needed to service such a small population, over such a wide area.

Unlike metropolitan Councils, physical distance and small population centers are a major impediment to the delivery of cost effective and efficient services, including access to builders, tradesmen and professional staff.

With such a small budget, the Council is unable to gain economies of scale in the work that is performed and so the delivery of services to a small, remote, rural community is substantially more difficult and costly per head of population, than the delivery of works and services to larger regional or metropolitan centers.

Also, securing professional staff with the ability and capacity to wade through the volumes of grant funding opportunities and having projects prepared, costed and ready to go is at best, a dream. Negotiating the expectations of metropolitan based grant providers and administrators who have no understanding of the complexities of life in the "real world" is also fraught with potential failure.

4. Grant Funding Methodology;

a. Obtaining quotations:

One of the most significant hurdles to overcome is the expectation by government agencies charged with responsibility for assessing grant applications, that there is at least one, if not several qualified builders who are prepared to provide estimates and designs for work to be undertaken.

Finding qualified builders, licensed tradesmen and other professionals who can prepare quotations or undertake building work and plans is an extremely difficult task in rural and remote communities. As this is often the greatest and most important first step, it is unfortunately the graveyard of many grant submissions that fail before they get started.

In Brewarrina, the local building contractors and tradesmen have been able to meet their statutory obligations to undertake building and design works by aligning themselves with appropriately qualified companies or jointly tendering and subcontracting for such work. This is primarily because the nearest major building firms are located some 4 hours away.

It is therefore literally impossible to obtain three quotations and most difficult to obtain one, particularly if the project is likely to be over the tendering threshold, in which case the contractor is unlikely to spend any time on preparing a detailed quotation if at the end of the day, they are unable to compete with those who might tender.

It is difficult for a local contractor to justify their time and effort to prepare a detailed plan and quotation simply to meet council's grant submission requirements.

b. Preparation of Applications

It is a difficult task for small rural councils to attract and retain professional staff with the innovative skills necessary to prepare and submit substantial grant funding submissions. In the Case of Brewarrina Shire , a dedicated team of Executive Staff have sorted through the paperwork and managed to prepare and submit successful applications.

a. Capacity for analysis, research and match funding.

Grant submissions usually require extensive evidence and economic analysis to support cost benefit requirements. This process involves very strict criteria and difficult economic analysis. Councils in the metropolitan and regional centers have had an inherent advantage having access to a larger pool of resources both human and physical as well as the financial capacity to engage consultants to prepare glossy grants applications. The larger metropolitan and regional councils also have significantly greater access to own source funding and so have a distinct advantage in terms of matching funding sought from government.

The location, close to other building and consulting activity, as well as the financial capacity to fund projects from own source revenue, mean that the larger metropolitan and regional centers have traditionally had greater success. This greater success does not, however translate into greater need or social benefit derived from grant funded programs.

5. Value for Money - Economic Rationalist, Big project thinking

The economic rationalist efficacy of funding of community facilities and services is not correlated to the value for money in the delivery of grant programs. Quite clearly, the lowest economic cost for the State Government is not to fund a grant program or contribute less to the cost of community infrastructure that is being built.

Much of the hype in government of the past has been about delivering the big iconic regional or state significant projects, because the greatest number of people are seen to receive a benefit. Such programs have the highest Benefit Cost Ratio and can be managed from the comfortable lounge chair in Macquarie Street. No need to

venture into the outback.

6. State Government improved Community Grant Programs

The current Government and this Premier and her cabinet realised that the priority should be about delivering the best possible outcome for the community, every community, not just those with the biggest council budget.

Funding for regional, rural and remote communities was identified and communicated to the communities. Specific allocations were targeted to address community needs. Specific program funding pools were targeted to regional and rural local government authorities and the guidelines stripped down to make the application process simpler.

This reference is to programs such as the Stronger Communities fund, drought stimulus packages, connecting country communities, fixing country roads and the Stronger Country Communities fund. The Government agencies ran a very proactive series of briefing sessions to inform communities that a pool of funding had been identified for rural and regional areas.

The Department of Premier and cabinet, Roads and Traffic facilities, RestartNSW and Regional Development all provided liaison staff who lived in the regions, were aware of the realities of working in the rural and remote areas and were dedicated to assist Councils in preparing grant submissions. They listened to the community representatives and were empathetic rather than bureaucratic in their approach to the issues facing regional centers with past application processes and community needs.

With funding available from the Government, this was a unique opportunity to target long outstanding construction projects such as sealing of the Goodooga Road that has, and is, continuing to deliver significant long term employment opportunities and ensured the revitalization and economic prosperity of a an isolated remote, aboriginal community.

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These regional staff visited and worked with Councils, assisting in dealing with the complexities of the application process. The forms were simplified and the written criteria easier to address, with Council staff able to respond from a community based perspective.

There were templates for estimates preparation and programs that specifically targeted regional and rural Council's and the high level of economic gymnastics required to meet BCR was removed for smaller grant applications under \$1m and made simpler for larger grant submissions.

7. Integrity of the process:

The role of government is to promote the best interests of the community and where there were roadblocks the political leaders focused *on the process* to ensure that proposals that can and would deliver significant benefits to communities and did not simply get buried in the too hard basket.

This is what proactive Governments do, *listen to their constituents* and respond by asking questions of their staff, *developing policy programs* and communicating those programs to those best placed to deliver outcomes and make things happen.

The cabinet meetings in communities such as Bourke were a great example of Government and Ministers being open and honest about understanding and listening to what the community needs and determining how best to deliver programs that meet those needs.

The Council lead deputations to meet with Ministers to promote road and infrastructure projects and those meetings were not held in secret. In fact, as a clear example of bi-partisanship, the local member, Mr. Roy Butler MP who is a member of the Shooters, Farmers and Fishers party was welcomed and participated in many of those round table discussions.

Once applications were submitted, the Council staff dealt with officers of

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Government who were not directly involved in determining the success or otherwise of applications. The projects were assessed on pre-determined criteria and as far as Council is concerned, the political leaders utilized their strengths to work with the Council and the bureaucratic process.

Council is required to submit regular reports on progress in the completion of projects including job cost reports, invoices and photographic evidence. The program staff visited a number of projects more than once and the Auditor General is required to audit the accounts of Council.

Therefore the Committee can be assured as to the integrity of the grant submission, assessment and acquittal process.

8. Efficacy of the process;

In terms of worth and effectiveness, the grants provided an economic stimulus to rural communities, especially those impacted most severely by drought, fire and now pandemic. The funding proved to be a lifeline not only for the upgrade of long awaited community infrastructure but local jobs for those employed in direct construction and indirectly in service, transport and sub-contract services.

It also enabled Council to renew community assets, address significant social needs and all of the projects provided long term economic, social and practical benefits to this community and did so on a high value for money basis.

In Brewarrina, the old open roof fibro pool amenities, kiosk and change rooms were renewed, addressing not only legacy maintenance issues with the old asbestos structure, but also providing an improved community facility. The most significant benefit was the delivery of a fresh and modern facility for the most popular place in town during the hot summer months.

The road and bridge projects in Goodooga delivered economic benefits for the rural, tourism and trucking industry with a positive Benefit Cost Ratio (BCR>1) , but the importance of the economic realities of the road, pale into insignificance with the

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impact that this project has had on the local community. Long term unemployed locals have come forward and accepted the challenge of learning to drive heavy earthmoving equipment, 13 or more of those unemployed now have jobs, delivering much needed social and sustainable community benefits.

If goodwill and community wellbeing are worth a dollar, than there are millions upon millions of dollars in goodwill and community benefit from the funding for this isolated aboriginal community.

In the past, grant application processes tended to be focused on the production of glossy applications, littered with consultant's reports churning out volumes of marketing analysis and economic benefits of a particular project.

However, with inspirational programs such as the drought stimulus packages and stronger country communities fund the focus has been on social outcomes including local job opportunities and the broader aspects of community wellbeing.

The Council considers that the true value of projects undertaken and completed is that they improved community wellbeing, reduced antisocial behavior and no doubt resulted in a reduction in potential mental illness.

When times are tough the wellbeing of the community is greatly enhanced through community engagement, sporting facilities such as club houses, community halls, tennis courts and pools are a magnet for families to get together and get away from the constant heat and dry dustbowl of the drought.

Council has also build facilities, roads and provided services that will have long lasting benefits for generations to come.

The process of grant application and submission wasn't all easy and the complexity of the process did reflect the higher inherent cost and clearly reflective of the nature of the program and the value of works to be done,

For example applications under Fixing Country roads program still involved number

crunching and economic analysis in accordance with strict criteria; however, that was more to do with the size and nature of the project and the need for the Council to establish its capacity to undertake the work.

9. Public Confidence in the grant schemes;

The grant programs referred to this inquiry and which this Council has been involved in, have established that the Government is willing and able to work with local government to deliver programs that are responsive to community needs in all communities across NSW.

The public has confidence that the government has delivered very popular and successful programs that empower regional areas and rural communities where there is the greatest need and historically limited capacity to meet those needs.

Council's experience has been that the public can be confident that not all grant programs are dependent on how close you are to Martin Place.
