

**Submission
No 68**

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

Organisation: Clarence Valley Council

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Ms Monica Loftus
Principal Council Officer
Public Accountability Committee
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Dear Ms Loftus

Inquiry into integrity, efficacy and value for money of NSW Government Grants programs

Grants are very important to the Clarence Valley Council. Out of a budget of approximately \$150 million grants represent about one third of Council's income and fund nearly all new capital projects. While some of this is regular, such as the Federal Government Assistance Grants (FAGS) and the State Government Fixing Country Roads, other grants allow Council to take forward critical projects which support the social, economic and environmental fabric of the community as outlined in the Clarence 2027 Community Strategic Plan. In this severely bushfire-impacted Council and now due to COVID-19 long term impacts, the importance of these state funded grants for projects to support local jobs (most are contracted out) cannot be over emphasized.

Council has worked hard over the last 10 years to develop a strategic framework of concept plans to meet community expectations as outlined in Council's 4 and 10 year plans. Hence when grant opportunities are offered by either level of Government Council is ready to apply with advanced community supported concepts following consultation.

Council using this approach combined with business cases and cost benefit analysis for projects over \$5 million has been very successful in its applications over the last few years.

For example two economic transformational projects long sought by the community have been successfully applied for to compensate for the impacts of the Pacific Highway bypass (opened two months ago) these include:

- The 2019 grant for the \$7.6 million Grafton Regional Gallery upgrade and new gallery space from the Regional Cultural Fund, this came from a concept plan developed in 2006 and strategic land purchased by Council to expand the gallery. A full business plan was developed with a positive cost benefit analysis using NSW Treasury guidelines.

- The development of a concept masterplan in 2011 for the Grafton Waterfront although unsuccessful at a state level for funding under the State Regional Environment and Tourism Fund has now obtained a \$6.5 million Federal grant with \$2 million from Council funds. Again this concept plan had a completely developed business plan with positive cost benefit. This project has been sought by the community for the last 50 years and is always the top priority in any consultation.

Under the Restart NSW program, Council was successful in obtaining grant funding for two road projects to underpin the tourism and boat building economy. These projects are:

- The \$5.7 million upgrade of Yamba road to enable continued tourism traffic access to Yamba. The Clarence Valley now has over 1.2 million tourist visits per annum supporting over 2.5 million bed nights adding over \$250 million to the local economy and supporting 1,200 jobs directly (many of these jobs are located in Yamba). The \$4.4 million Restart NSW Country Regions Grant along with \$1.3 million of Council funds allows the construction of two crucial roundabouts which will contribute to new jobs and the growth of tourism in Yamba without traffic bottle necks.
- \$4.3 million to upgrade (\$3.8 million Restart) the access to newly-zoned land to expand boat building at Harwood. Harwood Marine employs approximately 60 people and the new sealed road will mean that 17 hectares of land rezoned in 2015 can now be used to expand this business and also bring in other boat building and repair businesses potentially creating hundreds of jobs. This type of industrial land with deep river/port access is rare.

Council implemented an Open Spaces Strategic Plan in 2012 which was supported by the Section 94 Plan (now 7-11) under the EP&A Act to steer development contributions. Out of this plan was developed a range of community sport infrastructure projects for detailed design and submitting if possible for grants when available. The Stronger Country Communities Grants have been very useful in helping fund these important assets along with co-funding from Council, the Federal Government and community groups. Examples include:

- The \$550,000 towards the \$1.4 million development of a Regional Playground at Jacaranda Park in response to Council's playground strategic plan using a community design process.
- \$355,000 towards new change rooms and toilets at the Yamba Sports Complex and a \$500,000 contribution to the \$1 million soccer fields amenities at Rushford Park Grafton. These projects used a combination of grants as well as Council, Federal and Section 94 funds.
- The \$250,000 additions to the Yamba Museum operated by the Port of Yamba Historical Society also included an acknowledgement of the Yaegl community through an Aboriginal garden.
- The upgrade of the cricket fields at Grafton (\$289,000) and Iluka (\$295,000).

The point to the above examples is that the projects put forward by Council have a long strategic history and in many cases have concept plans going back decades and are represented in Council's strategic planning frameworks. These are not political whims but come from well-researched, transparent community led processes over many years.

In 2020 Council will be spending a record \$70 million in its capital works program. Most of this program is supported by grants from either the State or Federal Government.

Following the dual economic hits by the bushfires and COVID-19 it's never been a better time to support regional economies. Around \$30 million of these funds will be contracted directly to local businesses supporting jobs in the construction industry in this important time. Council would encourage the

committee not to hinder the allocation of grants but to increase these to support the economy in recovery over the coming years.

A good example of how these grants help local communities is the \$7.6 million Grafton Regional Gallery upgrade and new gallery extension. The head contractor for the gallery extension is based on the North Coast in Kempsey. Local Grafton architects were used for design and construction oversight and onsite trades and materials have an 80% local sourcing element. The project has generated over 80 jobs in construction including a significant Aboriginal employment component. These are the sort of projects that should be supported in the construction led COVID-19 recovery.

Council accepts that all projects should have developed project plans and business cases and the bigger projects over \$5 million a full cost benefit analysis. We might add developing a business case with a full cost benefit for these larger projects costs between \$10,000 and \$20,000 to develop to submission standard so they are not a minor endeavour.

Thank you for the opportunity to make a submission on this important financial sustainability issue for regional councils.

Kind regards

Ashley Lindsay
General Manager