

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

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Date Received: 23 August 2020

This submission addresses the integrity, efficacy and value for money generally in relation to the Heritage Near Me (HNM) grant program launched in February 2017 but also raises questions regarding two other specific Hawkesbury Electorate grant applications and their outcomes. This submission will address issues identified under sections b and c of the inquiry.

The Hon Dominic Perrottet was the Member for Hawkesbury 28 March 2015 – 22 March 2019. The first round of the HNM grant program was launched in February 2017, just after his promotion to the position of Treasurer.

1 Section (b) issues

Three heritage listed church organisations had applied for grant funding during the time that the Hon D Perrottet was the Member for Hawkesbury.

Church No 1 This HNM grant application was for the restoration of eight stained glass windows, project manager was a parishioner but also an active member of the local Liberal party, the Member for Hawkesbury and his then personal assistant visited the site and discussed the project. This church was awarded \$100,000.00 ie the maximum grant amount allowed under the HNM program administered by the HNM team. A letter of support from the Member for Hawkesbury was provided as part of the grant applicationⁱ

Note: Contrary to repeated advice from the HNM team this project was individually assessed and granted the maximum fund allocation in contrast to the 35 other grant applications within the Hawkesbury electorate. This issue will be discussed in more detail under section c.

Church No 2 Applied for a HNM grant also to repair and restore windows. The project manager was a church member. The writer has no knowledge regarding any attempt to seek a letter of support for the project from the Local member but no supporting letter was included with the grant application. This church was awarded only \$10,000.00 ie the minimum amount allowed under the HNM program.ⁱⁱ

Church No 3. This grant application was made under the NSW Heritage Grants program 2019 which opened late 2018 with a closing date of 8 February 2019. The project manager was a descendant of a person associated with the church and schoolhouse site. Despite repeated requests for a letter of support for the grant application no letter or offer to meet about this project was forthcoming from the Member for Hawkesbury.ⁱⁱⁱ

It is clear that for three Hawkesbury Church Heritage items that the local State member treated these grant applications in a different manner and with a differing level of interest which resulted in significantly different financial support and outcomes.

The Committee should seek further advice from the Hon Dominic Perrottet about his independence, his role and involvement in these three grant applications.

The author of this submission is also aware and concerned about issues associated with two other grant where the Member for Hawkesbury may have had an involvement and where funds have been awarded to projects which may have had difficulty meeting the grant criterion.

A grant was awarded to the descendants of Rose Cottage, Wilberforce. It has been claimed that Dominic Perrottet has family associations with this organisation. The outcome of this successful grant application has been the construction of a concrete slab on the site several years ago. This

bare slab on ground is currently secured by a security fence which has partially fallen over with grass growing untidily around the slab. It is further claimed that the Rose family do not have sufficient funds to undertake any further work to complete the project.

The Hawkesbury Mens Shed were granted \$81,000.00 to build a shed under the State Government My Community Project Program. Some associated members of this group are thought to be members of the local Liberal party. The grant for a building was awarded to an organisation who did not have a site allocated to them on which to locate / construct the building.

Whilst the author of this submission is supportive of the opportunity for community organisations and individuals to apply for grant assistance it does appear that there is a need for improvement in the manner in which grant are determined and assurances that sufficient additional funds are secured to complete the projects. The Rose Cottage grant unfortunately provides a sad example of the inability of the applicant to fund a completed project. The committee can investigate and form their own conclusion regarding the Hawkesbury Mens Shed grant.

Section (b) Issues for the Inquiry

The committee should seek details of the extent of involvement the Member For Hawkesbury as Minister and Treasurer in the assessment and establishment of priorities for the Hawkesbury HNM applicants, possibly as early as November 2017 and other grants as identified above,

- Church No 1 where he had a personal involvement and which had separated out from the other 20+ plus Hawkesbury applicants for an individual maximum funding allocation and
- and if not personally involved what knowledge he had regarding the remaining 20+ applications being assessed as “minor Hawkesbury projects”. Given that many of these applications involved “roofing repairs: rising damp remediations: and repairs to windows, doors and verandahs” and salt attack and rising damp, any competent, independent assessment of these applications would not have assessed these applications as “ minor Hawkesbury Projects”^{iv}. Applicants were led to expect up to \$10,000.00 from this grant process.
- To what extent was political support or influence exerted involving the determination of any other grants in the Hawkesbury electorate during his term as the Member for Hawkesbury?

These issues are probably not unique to the Hawkesbury.

2 Section (c) issues

This part focusses on the integrity and governance issues associated with the political interference, timelines not being met by the HNM team, poor administration and the devolution of grant administration responsibility from the Heritage Near Me team to Hawkesbury City Council which resulted in the identified outcomes not being properly funded or achieved.

The timelines and actions outlined below provide an overview illustration the lack of timely decision making and governance of the HNM team leadership, the lack of communication to applicants and the very real lack of interest and care for the Hawkesbury’s rich local and State heritage by our State representatives and the relevant State government department.

In February 2017 the Heritage Near Me Activation Grants program rollout with an April deadline for submissions.

By 11th July 31 grant applications had been received from Hawkesbury residents and by 19th September 2017 the number was 37. Advice from the HNM team was that Hawkesbury grant applications had all been place on hold.^v

Despite 20+ unresolved Hawkesbury grant applications remaining unresolved the HNM team launched the second round of grant applications on 31 October 2017 calling for further applications. 39 projects had been awarded funding before the call for second round applications.^{vi}

On November 2017 the HNM team sought tenders from consultants to prepare Schedules of Work for 18 – 20 Hawkesbury properties with a completion date to the HNM review panel by February 2018. Attachment A Invitation to tender documentation. This documentation confirmed a decision to classify the grants as “minor projects” under three groups, “roofing repairs and replacements: rising damp remediations and repairs to timber windows, doors and verandahs. No advice or communication about the HNM team decisions was provided to grant applicants

On 12th February 2018 a third round calling for further applications was launched. One should ask why further rounds were being launched when 20+ Hawkesbury applications remained and unresolved?

On 18th July 2018 email request for an updated tender covering 25 Hawkesbury properties with a revised completion date of 30 September 2018.^{vii}

On 27th July, 17 months after the launch of round 1, 25 of these 2017 Hawkesbury applicants received their first response to their first round submissions. This email identified the successful consultant to prepare Schedules of works despite no advice to the consultant or any formal engagement being in place. Attachment B

On 30 October 2018 the HNM team published the following on the OEH web site

“25 heritage properties in the Hawkesbury set to benefit from new funding.

A Local Heritage Strategic Project with 25 heritage home owners across the Hawkesbury has kicked off and is well underway. [REDACTED] are more than half way through developing schedules of remediation works for each local heritage property. We look forward to working with the applicants and architects to develop the second stage of the project, a remediation concept for delivery in early 2019.”

The full set of completed Schedules of Work were provided by 30 October 2018. These did include two report where the proposed work appeared to have been completed.

It took the HMN team a further 3 months to respond on 30th January 2019 that the director advised: *I am hopeful for an agreed “Stage 2” within the lifetime of the HNM program, which shall be completed on 30 June 2019.*^{viii} *“Stage 2 of the project subject to separate approval from the OEH it will involve the development of a further project plan, and will consist of the use of the “Schedules” as the basis for a request for Quotations for the delivery of these remediation works by local heritage builders and actual works.*

At that stage there will be scope to investigate a “Hawkesbury Heritage Festival” and the development of a pilot program for the development of a Heritage Skills Centre/ apprentice program in the Hawkesbury City Council LGA.^{ix}

Some 2.5 months later and in contrast to the Stage 2 commitment outlined above by HNM team members and with only 6 weeks before the HNM program deadline, an email dated 15 April was distributed to 25 Hawkesbury applicants. Attachment C is a copy of this second email.

Attachment D provides a copy of the response by the consultants engaged to undertake this project dated 21st April 2019 in response to the second email from the HNM team.

Section (c) Issues for the Inquiry

To what extent was the Member for Hawkesbury involved for the duration of the HNM program?

Why was one church grant application dealt with separately to all the other Hawkesbury grant applications?

Who resolved to place the applications on hold without the approval of or advice to the round 1 grant applicants from HCC LGA?

Who was involved in the assessment as a “minor” funding classification for the Hawkesbury applications?

Why those involved in the HNM project management team did not initially resolve and delayed until June 2018, the resolution of the tender assessment for the Hawkesbury, a project initially established with Stage 1 completion date, Schedule of works by February 2018 and stage 2, actual remedial works by early 2019?

Why were 2 additional rounds (November 2017 & February 2018) seeking additional grant applications offered while this Hawkesbury project was stalled?

Why many of the Hawkesbury applicants had no response to their grant applications submitted in by April 2017 until 27 July 2018?

Who was responsible for the decision to not attempt to complete the identified stage 2 works for the Hawkesbury applicants?

Who was responsible for the decision to devolve the management of the distribution of the \$10,000.00 each grant funds to HCC?

Who determined the allocation of only \$250,000.00 for distribution across the Hawkesbury applicants where documentation and repeated advice was that many of these projects would require the maximum grant allocation offered under the program to be successfully funded?

Who determined that *“Payments proportional with the details of your EOI, and commensurate with the equitable distribution of HNM funds from the state-wide program across NSW shall be project managed and distributed by HCC on behalf of the HNM”*?

Why were the initial established timelines for this project not implemented?

Why was an indicative budget estimate not included in the initial request for expression of interest for all applicants?

The delay in timelines by the HNM team and their interim advice to both consultants and some individual owners implied that there was sufficient funds retained to support more major works

Considerable distrust from owners of heritage items regarding the HNM program and OEH has result from this extremely poorly managed project by the HNM team which has potential impact on Council who have been both underfunded and given insufficient time to successfully complete this HNM project on behalf of the HNM team.

This submission can confirm that political interference may have occurred throughout the extended time frame associated with the resolution of the Hawkesbury HNM project as outlined below in an email to a HNM team member dated 2.04.2019.

I rang prior to the recent election and asked about my grant application, and was told to wait until the election was finished. I was wondering if there is any news as to whether I was successful as you can understand I have waited several months overall.

I participated in one of the local workshops funded by heritage near me, and am eager to have works begin, because as I stated in my application it is urgent due to water getting into house through cracks and getting into the foundation, every time it rains.

Kind regards,

HNM project outcomes for all but one Hawkesbury applicant.

Schedules of works were prepared for 23 properties based on the continuous advice of the HNM team for remediation works which would require in excess of the minimum \$10,000.00 grant allowance with some identified as requiring more than the maximum \$100,000.00 grant allowance.

In conclusion to address the integrity, efficacy and value for money

There is no integrity if owners are kept in the dark about decisions made on their behalf and without their involvement. If a roof is leaking delays or wall decaying due to salt attack excessive delay in decision making simply increase exponentially the eventual cost of any remediation. The implied offer identified on the OEH HNM website on 30 October 2018 “ *a remediation concept for delivery in early 2019* ” could be regarded as disingenuous.

It could be claimed that there was no efficacy in the eventual outcome for all but one Hawkesbury applicant

There is no value for money in providing a Schedule of works to a grant applicant requiring considerably more financial outlay and then offering them only \$10,000.00

Attempts to resolve this inequitable treatment of Hawkesbury residents with those involved in the HNM project and subsequently the current member for Hawkesbury have been unsuccessful.

Can I therefore express my gratitude to the members of this committee for the opportunity to raise these issues on behalf of Hawkesbury grant applicants in a more public forum.

- i Source: Verbal advice from Robyn Preston and the eulogy for the project manager during his funeral in the Church.
- ii Source: The second email from the HNM team to the 2017 grant applicants dated 21 April 2019.
- iii Source: Project manager
- iv Source: Request for tenders from a Heritage Project offices
- v Source Phone advice from a HNM officer between 17th June and 19th September 2017
- vi Source: HNM website newsletters and general publicity
- vii Source: Email correspondence HNM team member
- viii Source: Email correspondence from the HNM team project leader.
- ix Source: HCC Heritage advisory committee Meeting papers 7 March 2019