

**Submission
No 108**

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

Name: Mr Frank Ross
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Public Accountability Committee Members
Parliament of NSW
Macquarie Street
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Dear Committee Members,

Re Submission to the Inquiry into the Integrity, Efficacy and Value for Money of NSW Government Grant Programs

Thank you for the work you have done on this issue to date and the opportunity to make a submission to your Inquiry.

As you are aware from media reports and polling, public trust in the integrity and efficacy of NSW Government Grants Programs over the past two years has been diminished; and we are at a point where disbelief, cynicism and widespread contempt are a common response to Grants announcements. Even conservative media outlets such as the Sydney Morning Herald and the Australian Financial Review have condemned the “pork barrelling’ of the Premier, Deputy Premier and their Ministers. Your Inquiry is thus well merited; and an opportunity for the NSW Government to seriously address the culture and practice of incompetence/corruption in Grants Programs and thereby repair and restore some faith, respect and trust in this area.

We in the Eurobodalla Shire over the last two years have witnessed a number of incompetent and/or corrupt grant funding processes. The most salient ones appear to be:

1. Bushfire Recovery Grants;
2. Bateman’s Bay Regional Aquatic, Arts and Leisure Centre; and
3. Bateman’s Bay Coastal Walking Trail.

A summary of the main details is set out below.

1. *Bushfire Recovery Grants*

One of the more salient examples of misallocation of these grants in Eurobodalla Shire relates to Evacuation Centres. The 2020 Bushfires demonstrated that at least 2 of the Shire’s 3 Evacuation Centres (Moruya and Narooma - with the third - Bateman’s Bay being better resourced) are grossly inadequate for any serious crisis like a major fire, flood or storm. The bushfire crisis also demonstrated there is a clear need for Evacuation Centres at Bodalla, Potato Point and other localities.

In January – February 2020, on the basis of fire officer’s advice, we had to evacuate our house 4 times. The Moruya Emergency Centre (500 metres away) was too overcrowded and

poorly resourced to enable any serious prospect of staying there. The Fire Service was unable to provide an officer to address the concerns of people at daily briefing meetings at the Evacuation Centre – this was left to a Council officer who could only reiterate information about keeping safe and repeatedly advise that a lack of resources meant that they could not do anything more. The outbreak of dysentery at this Centre due to inadequate cleaning was an additional indicator of the grossly inadequate lack of resources and planning.

Due to the above situation, we were forced to return to our house and take our chances; and, out of compassion for displaced people who could not get into the Evacuation Centre, made our house a de facto Evacuation Centre for a number of people for several days over each of the major fire incidents in that bushfire season.

Our Council is on record as a climate change denial body. In the latter half of 2019, it declined to seriously respond to advice from the NSW Rural Fire Service and other authorities that the bushfire fire threat for the impending summer was at the catastrophic level. In September 2019 the Council declined to accept evidence of climate change, instead asserting that it was normal climate variability and refused a motion to declare a climate emergency.

Apparently as a result of the above climate change denial position and the fact that the local State Member, Andrew Constance and the Mayor, Ms Innis, are political allies of long-standing and are located in/have interests in the Bateman's Bay area, our Council is only proposing to make minor upgrades to the Moruya and Narooma Evacuation Centres. These relate mainly to toilet and shower facilities.

The above politicisation of funding priorities and apparent contempt for real community need for better resourced/new Evacuation Centres, indicates that the system of grants needs to move to one based on independently assessed needs rather than the preferences and political loyalties of Ministers.

2. Bateman's Bay Regional Aquatic, Arts and Leisure Centre

This Centre's development to date has already been demonstrated by various media outlets as a complete NSW Government grants fiasco – with the local Shire ratepayers left to pay the multi-million dollar bill for decades. The Public Accountability Committee will undoubtedly receive many submissions relating to this matter. As a considered summary, I refer you to abstracts from the following article:

In too deep: when Gladys' and John's rorts go wrong

by [Elizabeth Minter](#) | Jan 5, 2021 | [Government](#)

<https://www.michaelwest.com.au/batemans-bay-rort-goes-wrong/>

Gladys Berejiklian's [defence of pork barrelling](#) will hardly enthuse ratepayers in Batemans Bay, or taxpayers for that matter. The local government debacle over a leisure centre, which got the tick from Deputy Premier John Barilaro in dubious circumstances, is the quintessential object lesson in why governments should do their homework before they start throwing money around for political reasons.

Thanks to Coalition pork barrelling before the 2019 federal and NSW elections, the community of Batemans Bay is losing its 50-metre pool, which is being downgraded to a 25-metre indoor pool, local assets are being sold off, and ratepayers will be paying through the nose for years to come for a sub-par facility. All because a project that didn't have a solid business case was pork-barrelled, in defiance of grant conditions, to the tune of [\\$51 million](#).

*....
Despite the \$51 million in grants, Eurobodalla Shire Council now faces a \$19 million (and growing) deficit to cover the cost of building the aquatic centre. The council is cutting services, selling off reserves and has just evicted dozens of community groups from the Batemans Bay Community Centre so it can lease out the facility to obtain rental income. The Community Centre has reportedly been earmarked as a site for a retail/residential development, even though Batemans Bay is awash with unused retail space.
And this is just to fund the construction of the centre, which is then projected to run at a loss for at least the first 10 years, creating an ongoing burden for Eurobodalla ratepayers.*

The Bateman's Bay Leisure Centre project was ranked [No 72 by the independent assessors](#), while a Bega gallery project ranked No 1 in the funding priorities. The Leisure Centre was awarded \$8 million, but the Bega project did not receive a cent.

Moreover, it appears the project was promised the \$8 million **three months** before the relevant funding round had even opened. [Round Two of the Regional Cultural Fund](#) opened on July 1, 2018 and closed on September 21, 2018, yet the local paper [The Bay Post](#) reported on March 26, 2018, three months before Round Two opened, that Eurobodalla Shire Council would receive \$8 million.

*....
If your parliamentary officers research media reporting on this matter in the Shire, you find there is much evidence-based opposition of real substance to this development. The community will support real action by the Committee on this issue.*

3. Bateman's Bay Coastal Walking Trail

In January 2021 Eurobodalla Shire Council announced funding of \$5.3 million for this proposed Trail had been approved by the NSW Government. It has only been proposed (in 2010) as a concept by consultants followed by plan development by Council officers – with no indications of priority for implementation to the Shire. This funding is in advance of any independent assessment, public consultation or Council consideration and endorsement of details of the route and long term maintenance arrangements and costs etc.

The “fast tracking” of the process appears to be an initiative of the State Local Member, Mr Constance. Perhaps he is driven by competition from other Government members for available funds?. In any respect there is a clear lack of due process regarding value for money, community consultation and strategic evaluation of options. This proposal should be deferred until due process is conducted and made available to input from the community.

Background information is available at:

<https://www.esc.nsw.gov.au/council/major-projects/current-projects/infrastructure-and-planning/batemans-bay-coastal-walking-trail>

<https://www.beagleweekly.com.au/post/will-you-be-affected-by-the-proposed-batemans-bay-coastal-walking-trail>

Conclusion

I trust that the Public Accountability Committee Members will accept the above evidence of incompetence and/or possible corruption of process; propose in their Report to Government that particularly reprehensible matters (such as the Bateman's Bay Regional Aquatic, Arts and Leisure Centre) be put in the hands of an independent administrator; and also propose legislative remedies/different funding mechanisms in their Report to mitigate against future waste of Government funds and corruption of due process. Only by such measures will public faith in the Government be restored.

Yours sincerely,

FJ Ross
21 February 2021