

**Submission
No 109**

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

Organisation: Queanbeyan-Palerang Regional Council

Date Received: 22 February 2021

22 February 2021

The Director
Public Accountability Committee
Parliament House
Macquarie Street
Sydney NSW 2000

Email: public.accountability@parliament.nsw.gov.au

Dear Sir

Inquiry into the Integrity, Efficacy and Value of NSW Grant Programs

Thank you for the invitation to submit to the Inquiry, received on 3 February 2021. Our submission is arranged on the terms of the Inquiry.

a) The range and availability of funding programs

Council alerted to availability of grants through press releases and direct correspondence with funding agencies. We rely on receipt of grants to provide or augment capital funding for infrastructure and community facilities, or community, cultural, economic and environmental programs. Over one-quarter of Council's budget is normally reliant on grants to deliver services or provide infrastructure.

On declaration of natural disasters, Council arranges its staffing and contractors to assist in response, under guidance of the lead state agency (eg RFS, SES, Police) in the knowledge those costs would be reimbursed by government. Damage to infrastructure is assessed, claims lodged and works undertaken when endorsed by the relevant agency (eg TfNSW) or by insurance provider in cases of property.

However, such was the magnitude and urgency of the 2019-20 bushfires that a different approach was required. Council quickly engaged with neighbouring LGAs, then with state agencies and NGOs in this region, to establish immediate evacuation, support and initial recovery activity. LGAs did not have the skillset or financial capacity to provide financial support to impacted residents, business and farmers, nor to craft recovery measures to assist those impacted to find temporary accommodation and sustenance, or to contemplate rebuilding homes or business.

Designed to coordinate recovery activities locally, and assist individuals recover, communities rebound, and business rebuild, Commonwealth and NSW grants were allocated by Council into the areas listed below:

- *QPRC received direct stimulus*

This funding was from the Commonwealth government and provided directly to LGAs that were significantly bushfire affected. It was used to:

- Subsidise private works relating to dam cleaning, waste disposal fees, DA and inspection fee, rates rebates, Braidwood Showground fees and to support BlazeAid.

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- Fit out a recovery centre and arrange repairs to the evacuation centre and recovery camp at the Showground.
 - Recruit a fixed-term local Bushfire Recovery Coordinator
 - Recruit a fixed-term economic development officer to work with businesses in the affected areas.
 - Initiate a TV advertising campaign to help restore local economies in Braidwood and Bungendore
 - Second a community development officer to engage with the community to restore and build resilience in affected communities
 - Provide financial support to local wildlife recover groups
 - Hold the balance in reserve for unfunded infrastructure repairs.
- *Bushfire Community Resilience and Economic Recovery Fund –(BCRERF)- Phase 1 (\$250,000)*

This funding was a joint initiative of the NSW and Commonwealth governments. QPRC submitted an online application and the funds were released following the execution of the funding agreement on 23 March 2020. The funding was used for:

- Marketing and ecommerce support for local small businesses, intended to help businesses fund costs associated with marketing, promotion and online development.
- Support of community and business events to attract visitors to the LGA.
- Beautification / placemaking projects to enhance the 'stickiness' of the region to passing highway traffic and enhancing tourism outcomes.

Completion date for all projects is 28 February 2021.

- *Destination NSW Micro Event Stream (\$10,000)*

QPRC submitted an application for this funding and was advised of success on 25 March 2020. Destination NSW are currently in the final negotiations prior to execution of a Funding Agreement. This includes providing public liability insurance documents, negotiating a new extended date for the event due to COVID complications, confirmation that QPRC is a COVID-safe business, event listing and road closure details. The event will be a Bungendore Street Party and Busking Competition.

- *Bushfire Community Recovery and Resilience Fund, Phase 2, Stream 1 (\$250,000)*

Council received an email directly from Resilience NSW and submitted a successful application. The funding round was non-competitive and only available to eligible councils. The applications needed to include a council-led community grants program. This funding will be applied to Disaster Resilience Action Plan for the Braidwood area (\$80,000), plus a Council-led community grants program aimed at disaster recovery and economic recovery (\$170,000).

- *Festival of Place – Summer Fund Program (\$10,000)*

This project was successful for an 'After the Smoke' event at Araluen planned for March or April 2021. It was a non-competitive process for impacted Councils.

QPRC has a range of other grants for bushfire recovery (e.g. Phase2, Stream 2) pending.

As our recovery activities matured, it has been clear that Community recovery following severe bushfires in particular takes a significant amount of time. Over time the focus has changed from community recovery and support to resilience and preparedness.

Ideally, natural disaster grants should be broadened to enable the design and replacement of infrastructure on the basis of 'build back better', so they are above flood levels or resilient to future bushfire events for example, and lessen the likelihood of future claims to repair or replace.

b) The manner in which grants are determined

Generally, grants are lodged and determined by the relevant agency, with (at times) the views of the local MP sought. Agencies are available to assist enquiries pre-lodgement, while assessors enquire of Council for further information post-lodgement. The engagement with Regional NSW and Resilience NSW has been particularly useful in relation to the natural disaster grants. As indicated above, some grants have been non competitive and specifically for LGAs significantly impacted by the fires of 2019-20.

On occasions, community groups apply for grants held by council (as the grant principal) or reference panels utilised to assist recommendations for allocation of grants (eg Stronger Communities Fund).

In relation to bushfire funding, the LGAs and agencies formed a regional recovery committee, and together with local recovery committees, identified barriers and issues to resolve, and programs and projects to fund. The Local Recovery Action Plan guided the applications for, and the allocation of funding from the grants received.

c) Measures necessary to ensure integrity of scheme and confidence in allocation

It is appropriate a public end to end process continues to oversee the application, engagement, assessment and acquittal of grants, which in turn should be cleared against the criteria and feasibility or best value of proposals.

However, the applications for bushfire financial assistance and grants, while well meaning, were difficult for impacted residents and business or community groups to navigate, in their state of distress, and required the assistance of council recovery staff.

A survey designed by the regional recovery committee and undertaken by ServiceNSW, identified the difficulty in understanding and navigating claims and applications and

directing funds appropriately. Some application design, fast-tracking distribution and rethinking governance is suggested.

d) Any related matter

More broadly, it is acknowledged that councils should prepare a business case for significant (infrastructure, economic) grants to support applications. Guidance from DPC/RegionalNSW in recent years has improved the veracity of that documentation. Similarly, the lodgement and monitoring of applications via portals is efficient - except to the point the portal may fail as multiple lodgements occur at the close date.

However, there is often a significant time gap between an 'announcement' to InfrastructureNSW clearing a business case through gateways, to the relevant agency drafting and executing grant deeds, to Treasury profiling/phasing the funding across (at times) multiple years, and the funding being received in council accounts. That in turn causes councils to manage client and community expectations and require changes to budgets and delivery years as a consequence of that delayed timing from announcements to receipt of grants.

The initial stimulus provided which was untied allowed Council in consultation directly with the community to determine the most effective use and application of the funds. This has permitted QPRC to be agile and responsive in its approach.

Yours sincerely,

Peter Tegart
CEO
Queanbeyan-Palerang Regional Council