

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

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Dear Mr Shoebridge

I welcome the opportunity to contribute a submission to the Inquiry into the Integrity, efficacy and value for money of NSW Government grant programs.

As the Member for Ballina since March 2015 I have had hundreds of constituents raise with me directly their concerns about the lack of knowledge in the community about the processes for applying for grant rounds administered by the NSW Government. Often the community (including me) only hear about grants when they are announced in the media or when a Liberal or National (LNP) Minister or Parliamentary Secretary is cutting a ribbon.

There is a genuine expectation in the community that public monies will be managed in a fair and transparent way. When people hear that only LNP seats have benefited from a particular funding round or that LNP seats have disproportionately benefited from a funding round, it diminishes our democracy in every way. Trust in elected officials to manage public monies relies on openness and transparency and access. The way that the grants outlined below have been managed by the NSW Government have completely lacked transparency and openness and the partisan way that funding has been delivered has brought both the Government and our democracy into disrepute.

Stronger Country Communities Fund

In late 2018 a number of community organisations reached out to me for letters of support to assist their applications for grants under the Stronger Country Communities Fund. The \$400 million allocated under the Stronger Country Communities Fund is a lot of money and a number of outstanding organisations in my electorate applied for very worthwhile projects to be funded. Those organisations that applied did so in good faith and put countless hours into preparing their applications (often as volunteers), making sure that applications adequately met selection criteria and that their organisation submitted their applications and letters of support on time.

It was shocking for our community and for those applicants in my community who submitted applications to learn in 2020 that the system was rigged. We learnt under Freedom of Information research conducted by Greens NSW that the scheme in the lead up to the 2019 State election allocated three times the amount of funding to residents in coalition held seats than it did to residents in non-Government held state electorates.

Greens analysis of the first \$300 million in grants in rounds one and two of the Stronger Country Communities funding showed a huge skew towards Coalition seats where the average funding was \$153 per resident, as compared to \$53 per resident in non-Coalition seats.



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Information came to light that the announcement of all successful grants was manipulated for maximum partisan benefit by the Deputy Premier's office. Successful recipients of grants were required to sign non-disclosure agreements binding them until Government MPs could make the announcement to local media. In non-Government seats like Ballina those announcements were quarantined for a Nationals Parliamentary Secretary, Ben Franklin MLC – who also was the Nationals candidate for the Ballina 2019 State Election.

Stronger Communities Fund

We learnt in 2020 that the NSW Premier distributed \$250 million in council grants without any signed paperwork. We know that the Premier directly approved \$100 million in grants under the Stronger Communities Fund but that the only records of her approvals are in the form of emails from advisers that have since been destroyed.

No signed approvals exist on the public record for 249 grants rubber stamped by the Liberal National Government under the Stronger Communities Fund between June 27, 2018 and March 1, 2019 – literally the lead up to the 2019 State election.

Sadly, when repeatedly asked about blatant pork barrelling under the Stronger Communities Fund and the Stronger Country Communities Fund the Premier of NSW has stated that, "It's not an illegal practice."¹

Bushfire Local Economic Recovery Fund

On January 28, 2021 applications closed for community grants under the \$250 million Bushfire Local Economic Recovery Fund with funding provided by the federal and state Coalition governments. However, 2 months prior on November 2, 2020 the Federal Agriculture Minister David Littleproud and the NSW Deputy Premier John Barilaro announced that 71 projects in NSW had been fast tracked under the Bushfire Local Economic Recovery Fund – amounting to \$177 million under the scheme had already been allocated; 5 days after the funding round opened on October 27, 2020.

We have since learnt that of the "fast tracked" \$177 million only \$2million went to a non-Coalition seat. That is despite the huge impact of bushfires in places like the Blue Mountains or the electorate of Ballina that suffered a \$90 million impact from the Black summer bushfires. It appears there were no application forms to fill in to access a Bushfire Local Economic Recovery grant. An organisation or council had to be tapped on the shoulder by the Deputy Premier or a Coalition MP in order to be considered. Apparently, fast tracked projects meant that there were no business plans provided for projects put forward.

Some Coalition MPs seemed to be in the know about the \$177 million being announced in October 2020. Stephen Bromhead MP announced on October 15 - 18 days before the "official" announcement of the fast tracked \$177 million in grants that his community would

¹ www.crikey.com.au/2020/12/02/gladys-berejiklian-pork-barrelling



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be receiving monies. Angus Taylor MP and Wendy Tuckerman MP announced on October 23 - 10 days before the “official” announcement – that the electorate of Goulburn had won a \$2 million grant to extend the walking track alongside the Wollondilly River²

How can a funding grant round that opened on 27 October 2020 have been open and transparent and independent if 3 Coalition MPs were announcing they had funded projects in their electorates 12 and 4 days prior to the applications opening?

Bushfires do not recognise electoral boundaries and the Deputy Premier’s hand picking of pet projects to fund under this scheme demonstrates the partisan and blatant pork barrelling that has become de rigour for the Coalition.

Conclusion

The administration, management and trusteeship of public monies are the highest responsibilities that a public official can have. Tax payers and the community assume that governments and politicians will apply the highest standards of transparency and accountability, will not waste public monies and will distribute tax payers dollars to communities based on need and merit and not based on political aspirations. There is zero tolerance in my community - and I believe in all communities across NSW, for politicians funnelling public monies into electorates where their particular political party will benefit. Neither is the idea of quarantining announcements of public monies to only Liberal and National MPs, at the expense of community stakeholders and democratically elected representatives who are not members of the Coalition.

Seeing the disproportionate amounts of public monies that went to Liberal and National seats in the administration of the Stronger Country Communities Fund, and the lack of transparency in the selection process leads members of the community to suspect maladministration and blatant corruption.

The lack of paperwork and transparent processes for selection of projects, and the finding that destroyed emails were the major process for assessing worthy projects delivered funding through the Stronger Communities Fund, brings grant funding in NSW under the Liberal National Government into complete disrepute.

The fact that non-government electorates did not receive funding under the Bushfire Local Economic Recovery Fund, and that Liberal and National MPs announced they had received funding under the scheme before the scheme opened, demonstrates an extreme lack of public oversight and is a misuse of public monies.

I am proud to say that as a parliamentarian in the NSW Legislative Assembly that the use of public monies through the proper use of parliamentary entitlements is administered with extremely stringent guidelines, processes and oversight. Why is it that the government

² Minter, E, Bushfire Rorts: Coalition targets bushfire recovery funds for Coalition seats, www.michaelwest.com.au/bushfire-rorts-coalition-targets-bushfire-recovery-funds-for-coalition-seats/



administers public monies under grants funding in a way that is so far from the standard set by the administration of parliamentary entitlements?

Thank you for the opportunity to contribute to this important Inquiry.

Tamara Smith MP
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