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23 February 2021

Mr Paul Grainger

Senior Investigator
Independent Commission Against Corruption
Level 7/255 Elizabeth Street
SYDNEY NSW 2000.

By email: property@icac.nsw.gov.au

Dear **Mr Grainger**

Statement of Information in response to Notice to Attend and Produce a Statement of Information and Documents [Ref E17/0144/AS-25-015] dated 10 February 2021 (Notice)

I refer to the Notice.

The information contained in this Statement of Information is provided on the basis that it is true and correct, to the best of my knowledge, information and belief.

Senior executives of Infrastructure NSW who were involved in managing the application for Restart NSW Fund funding which is the subject of the Notice no longer work with Infrastructure NSW. Two of them work in other Government agencies, one left the public sector and one is deceased.

The information in this Statement of Information has been compiled from a review of the documents which Infrastructure NSW considers relevant, being those produced to the Commission on 29 January 2021.

1. What was the involvement of Infrastructure NSW in the assessment of any grant of funds to enable the construction of the project?

Infrastructure NSW's statutory function is to make recommendations to the Treasurer under section 8 (a) of the *Restart NSW Fund Act 2011* (the **Act**).

On 1 June 2017, the Department of Premier and Cabinet (**DPC**) requested that Infrastructure NSW review and consider certain projects, including the Australian Clay Target Association project at Wagga Wagga (**the project**) [INI.001.003.2538 – the relevant attachment appears to be INI.001.003.1935].

On 2 June 2017 and 2 August 2017, Infrastructure NSW provided two recommendations to the Treasurer to approve the allocation of funds from the Restart NSW Fund [INI.001.001.0307 and INI.001.002.0045].

2. Was the project funded from the Restart NSW Fund?

Yes.

3. If yes, what assessment was made of the suitability of the project to be funded from the Restart NSW Fund under the relevant legislation?

Please see the following documents:

- Department of Industry (**DOI**) *Australian Clay Target Association Facility Cost Benefit Analysis* undated [see INI.001.003.1509], which was emailed to Infrastructure NSW on 19 April 2017 [INI.001.003.1508].
- *DPC Addendum – ACTA CBA* undated but prepared prior to 1 June 2017 [INI.001.003.1935].
- Infrastructure NSW briefing note to Treasurer dated 2 June 2017 [INI.001.001.0307].
- Infrastructure NSW briefing note to Treasurer dated 2 August 2017 [INI.001.002.0045], which addressed the conditions set out in the decision of the Expenditure Review Committee dated 14 December 2016 [INI.001.001.0353], which Infrastructure NSW assumes was made following consideration of Cabinet Submission for December 2016 [INI.001.001.1099 and its attachment INI.001.001.1639].

4. Who made the determination that the project was suitable and would be funded under the relevant legislation and the associated fund?

Hon Dominic Perrottet, MP, NSW Treasurer, following Infrastructure NSW's recommendation in its briefing note dated 2 August 2017 [INI.001.002.0073].

5. Under what criteria was the decision referred to in point 4 made?

Infrastructure NSW's recommendations did not specify on what basis the project met the purpose of the Restart NSW Fund as defined in section 6 of the Act.

However, we make the following observations.

Section 6 of the Act provides:

6 Purpose of Restart NSW Fund

- (1) *The purpose of the Fund is to improve economic growth and productivity in the State, and for that purpose:*
- (a) *to fund major infrastructure projects, and*
 - (b) *to fund infrastructure projects that will improve:*
 - (i) *public transport, and*
 - (ii) *roads, and*

- (iii) *infrastructure required for the economic competitiveness of the State (including the movement of freight, inter-modal facilities and access to water), and*
- (iv) *local infrastructure in regional areas that are affected by mining operations, and*
- (v) *hospital and other health facilities and services, and*
- (vi) *workplaces for law and justice officers, teachers, nurses and other staff providing services to the public.*

(2) *In this section, a reference to **funding a project** includes a reference to funding the planning, selection, implementation and delivery of the project.*

In the DPC Addendum – ACTA CBA [INI.001.003.1935], DPC’s Investment Appraisal Unit (IAU) reviewed a memorandum (which Infrastructure NSW assumes was Appendix D to the ACTA business plan – new club house and site upgrade dated April 2017 [INI.001.003.1728]). That memorandum sought to clarify certain aspects of the ACTA Business plan revised Final Business Case dated March 2017 [INI.001.003.1576].

The IAU’s written appraisal [INI.001.003.1935] of the memorandum said:

Based on the information provided, specifically the list of potential conference events that may be attracted (all of which are nationally, rather than internationally, focussed), IAU considers it highly unlikely that the project will attract a material number of specific purpose international visitors to NSW. IAU does accept, however, that there is scope for the conference facility to attract interstate visitors to Wagga Wagga and NSW. (page 2)

...

The analysis also assumes that the new venue will result in the prevention of some NSW residents travelling interstate to attend a conference. (page 3)

...

Based on the inclusion of additional interstate visitors and retained NSW residents resulting from the proposed conference venue, and on the assumptions in GHD’s memorandum and in this addendum, it is estimated that the project represents a net benefit to the referent group of \$535,000 and achieves a benefit/cost ratio of 1.10 over the 25 year assessment period (page 3).

Infrastructure NSW therefore believes the relevant criterion for the project was section 6(1)(b)(iii) of the Act - *infrastructure required for the economic competitiveness of the State (including the movement of freight, inter-modal facilities and access to water – on the basis that the project would promote increased tourism visitation to Wagga Wagga.*

This criterion in the Act has supported Restart NSW Fund grant funding for other tourism-generating projects such as Old Dubbo Gaol, Newcastle International Hockey Redevelopment, The Iconic Koala Hospital and Infrastructure to grow camping and outdoor recreation in Dungog and District.

Yours sincerely,



Brad Kelman
General Counsel

Encl. Documents referred to in this Statement of Information, numbered:

- INI.001.003.2538
- INI.001.003.1935
- INI.001.001.0307
- INI.001.002.0045
- INI.001.003.1509
- INI.001.003.1508
- INI.001.001.0353
- INI.001.001.1099
- INI.001.001.1639
- INI.001.002.0073
- INI.001.003.1728
- INI.001.003.1576