



Old Bega Hospital (R.180050) Reserve Land Manager

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The Hon Gladys Berejiklian MP
Premier of NSW
GPO Box 5341
SYDNEY NSW 2001

Dear Premier

We manage the Old Bega Hospital as volunteers on behalf of the community. We have applied for many grants over the years, with some success. We recently learnt that our application for a grant under the Regional Cultural Fund (round 2) was not successful. We are writing to seek your intervention to find an alternative source of funding and to release a previously agreed conditional grant of \$500,000 from the Regional Assistance Fund.

The Old Bega Hospital is a heritage listed precinct owned by Crown Lands. Following a bicentennial restoration in 1988 it became a thriving community centre for the region. A fire in May 2004 gutted the main building, the heart of the community centre. The government self insured the building, but to date has failed to find funding to restore it: the main building has become a heritage listed ruin, gradually depreciating, surrounded by a fence to keep the community out. The outbuildings continue in community use, but the core of the centre has been gutted.

The Reserve Land Manager has been actively seeking funding to restore the main building to community use. The problems it faces are manifold. We will elaborate them here. The point of this letter is that your intervention is now required: the community has got to the end of its tether.

Crown Lands

Crown Lands owns the site and the buildings. The Minister appointed a Reserve Trust (now renamed Reserve Land Manager under the *Crown Lands Management Act 2016*) to manage it. The Land Manager is run by a Board, whose members are also appointed by the Minister: they are community volunteers. The Board and its members do not get a brass razoo from Crown Lands: even the paper this letter is written on comes from community rents and donations, not from Crown Lands. Crown Lands talks of a partnership with the Trust, but we get little sense of it. When we seek Crown Lands active support for what we propose, we get responses such as 'Crown Lands thinks it would be premature' or 'Crown Lands has no objection' or 'it may just become a heritage listed pile of bricks'. Crown Lands double checked our proposals for restoration of the building by engaging Public Works Advisory to prepare a report. Crown Lands refused many requests to release the report to the Board before finally letting us have it. In releasing the report on 28 May 2018, the Director Regional Operations for the East Coast for Crown Lands was emphatic that 'it isn't representative of any Departmental preference of any of the options put forward. The Department is open to consideration of all options at this stage.'

Crown Lands has an internal fund, the Public Reserves Management Fund (PRMF, now renamed the Crown Reserves Improvement Fund) to provide financial support for project proposals (not day to day administration). It appears that funding under the PRMF is manifestly inadequate to meet the capital needs of the Crown Land estate. It appears that Crown Lands has no strategy for getting funding from other sources to help meet the needs. At no point has Crown Lands provided positive assistance to the Board in seeking external funding. It appears to have no concept of that role. The Board has provided many many hours of volunteer work developing and pursuing proposals, getting grants and engaging professional assistance, doing administrative tasks (collecting rent, negotiating licences, dealing with users, maintaining accounts, dealing with and doing everyday and long term maintenance, arranging insurance, doing health and safety work, meeting at least monthly) that in total would be worth hundreds of thousands of dollars if provided commercially, all at no cost to the government. When advertising for board members, Crown Lands says 'the rewards are priceless'. In practice the rewards at the Old Bega Hospital have been sorely lacking. We have been ripped off by Crown Lands for far too much for far too long.

Andrew Constance

Andrew Constance is our local member. He makes the right noises, when we can find him. He delivered the \$500,000 'Barilaro' offer, more on which below. But what he promises and what he delivers are miles apart. At the opening of the Men's Shed on the site in 2015, he pointed to the burnt out building and said fixing that was next on his list. That elicited a loud cheer from the assembled multitude. But it is not fixed. He said he was going to get Mr Barilaro to the site so that he could see first hand what the \$500,000 was for. Mr Barilaro came and went, more than once, and to the best of our knowledge has yet to set foot on the place. He said he would get us together with Council to organise a joint submission to get the Regional Gallery onto the OBH site. No meeting was organised. He said he would get you to the site when you came down here to announce move of the TAFE to a new site. As far as we know, you never set foot on the site. We asked Mr Constance to assist with coordinating funding from several sources (more on that below). Nil result. We are a long way from Sydney. We rely on Mr Constance to pursue the community's interest in the Old Bega Hospital project: he is our representative in government. It is a small amount of money in State terms, we see other local projects funded, but notwithstanding all the work by the Board and others over many years, notwithstanding the promises and the community support, we do not see funding for the Old Bega Hospital.

Council

Council does not own the Old Bega Hospital. Crown Lands does. Crown Lands, as we understand it, has tried to get Council to take over the site. Council does not have funds to repair the building, and sensibly refuses to take on liability for it. Council has resolved to put the Old Bega Hospital into its strategic plans. But when it came to the point of providing a letter of support for the Old Bega Hospital restoration proposal to the Regional Cultural Fund, it said it could not because the proposal could be seen to be competing with a proposal by Council to renovate the Regional Gallery. Both projects are designed to benefit the community and in our view Council, the community's representatives, could and should have supported both. Council does provide in kind support to the Board, it expedites development approvals and it refunds fees. It assists both in kind and financially with the annual Spring Fair. Its consultation on zoning of both the OBH site itself and the surrounding land leaves something to be desired. But ultimately the Old Bega Hospital is not Council's responsibility.

Funding buckets

The major issue the Board has faced in getting the building restored for the community is that government funding sources are divided into many small buckets, each with limiting eligibility criteria, funding limits and timetables. That poses major coordination problems, especially if one is trying to attract matching funding e.g. from the Commonwealth. The OBH project is too small for separate budget funding, so we rely on program funds. Most programs are too small to provide funding of the order of the \$2m to \$5m that we

require, and while we can apply, we have no hope of success. Other programs cover whole electorates, and while in principle could provide funding at scale, in practice have to fund many small projects rather than a few large ones. Some sources are tiered, which gives larger projects some chance of success. In practice, we have found no single 'bucket' that could provide the funds we require. We have tried the Public Reserves Management Fund, Club Grants, Community Building Partnerships. We can get small grants, but big ones simply are not available. We have sought, at Ministerial level as well as departmental level and through Andrew Constance, to get coordination among the buckets so that we can approach the Commonwealth for matching funding. From our end, the problem seems insoluble. The issues to be addressed are both scale (the project is too big for any one fund) and multiple objectives (ideally it will be an integrated project: community *and* heritage *and* arts *and* Crown Lands).

Office of Environment and Heritage

OEH is an exception to our manifold problems. The Heritage Near Me program understood the chicken and egg problem we face: if you don't have funding for design and business case development, you won't have a 'shovel ready' project to meet the requirements for substantive funding. It addresses that through the Heritage Activation Grants program. We applied for that and were granted the maximum available \$100,000. OEH worked with us when they perceived we were operating outside their guidelines. They understood and extended timelines when required. We understand the program was terminated in 2018.

Philanthropy

The Board has considered philanthropic funding. It received one offer of \$100,000 but that was withdrawn when it became clear that Crown Lands was not supporting the project. The principal difficulty is that Crown Lands owns the site and could decide to sell it at any time. That means the Board has to ask donors to contribute in the knowledge that their donations may end up swelling government coffers, rather than supporting community facilities. A more minor point is that tax deductible donations for heritage buildings are only available via the National Trust. The Commonwealth has directed the National Trust that it is not to conduct campaigns for State owned assets. There is a workaround in the form of the Foundation for Rural and Regional Renewal, but it is not straightforward. The Friends of the Old Bega Hospital Inc have accumulated over \$50,000 in community donations and proceeds from raffles and open days that will be put to good use in fitting out the building once construction work is complete.

John Barilaro

In 2015 Andrew Constance managed to get an offer of grant from the then Deputy Premier, Troy Grant, following the Board's unsuccessful application to the Public Reserves Management Fund the year before for \$500,000 to replace the roof. We understand the funding program was the Regional Assistance Fund, and it is now managed by John Barilaro as Minister for Regional Development. The Board entered into a funding deed with the Office of Regional Development in 2015, with the condition, among others, that no funding would be released unless by 31 October 2016 the Board found a further \$1.74m from other sources to complete the project. As the Board was unable to do that (for reasons outlined in this letter) it wrote to Mr Barilaro in September 2016 seeking both an extension of the period of the offer and a relaxation of the conditions. In November 2016, Mr Barilaro agreed to extend the period of the agreement, but said that changing the conditions would require 'further consideration by Departmental officers'. In September 2017 the extended period was again drawing to a close, and the Board wrote to Mr Barilaro on 6 September 2017 to seek a further extension of the period of the offer and agreement to undertake the project in stages, as strongly recommended to the Board by Andrew Constance and Crown Lands. In the absence of a reply, we raised the matter with Andrew Constance, with the Departmental officer nominated in the deed and with Mr Barilaro's office. All undertook to pursue the matter. As at January 2019 we have had no response to our September 2017 letter. We need your help to get the funds released. We applied to the Commonwealth Building Better Regions Fund for \$500,000, based on the Barilaro offer and our Regional

Cultural Fund application. In the absence of funding from NSW we were unable to demonstrate matching funding and have had to withdraw our application.

A solution to all these problems emerged with the Regional Cultural Fund. As usual, it required a shovel ready proposal. It also required a business case. Happily, the Board had decided to appoint an architect in 2017, notwithstanding Crown Lands' advice that 'At this time [1 September 2017, i.e. 13 years after the fire] the department believes that it may be premature to sign up the services of the Architect'; and by the September 2018 closing date for RCF Round 2 the Board was in a position to put in an application. \$100,000 funding for the architectural work came from a OEH Heritage Near Me Heritage Activation grant. The funding was insufficient to employ a consultant to prepare a business case in addition to the architect, so the Board prepared the business case itself, using its own, entirely volunteer, capabilities. All the relevant documentation is on our website.

Basically, the Board was in the best position for over a decade to get funding: it had professional plans, it had professional costings, it was ready to lodge a development application, it had a one off funding program (the Regional Cultural Fund) which had the capacity to fund the project and with which the project had strong alignment, it had a co-contribution in the form of the \$500,000 offer from Mr Barilaro (Mr Constance advised that the Board should assume the offer would be renewed, and with RCF funding we would finally meet the condition re finding the rest of the funds required), it had a string of minor grants demonstrating support for the centre, and it had an (in its view) excellent business case to support its application. The project has always enjoyed wide community support, and the Board had letters of support from Council, the Chamber of Commerce, members of parliament and from SouthEast Arts, among others. It supported its application with hundreds of letters and postcards to Mr Constance. The Board also applied to the Commonwealth Building Better Regions Fund for a \$500,000 matching grant. There is no likelihood that we will be in this position again in the foreseeable future. The need to act, to bring this all together, is urgent.

The Regional Cultural Fund decided not to fund the project. Nor did it fund a proposal from Council for renovations to the Regional Gallery in Bega. Whatever the reasons for the rejection, the Old Bega Hospital is still there, the community is still there, and they are not going away. The building was and remains a community asset. It needs to be restored, it needs to be returned to the community, it needs to serve its community purposes. Crown Lands may think that after 14 years it is premature to restore it. Crown Lands may think that it is OK for it to become a heritage listed pile of bricks. We do not. Politics is the art of the possible. The building is broken and it needs to be fixed. The PWA report confirms it is possible to fix it. So let's fix it. Please. The building reminds the community every day of the need for the government to act.

We invite you to come to Bega, to meet the community, feel the building, and work through how we are going to do this.

Yours sincerely

Jay Ellard
Secretary