

# Bringing forward funding under the Regional Cultural Fund

Premier  
& Cabinet

Issue:	The Deputy Premier's office has proposed amending the Regional Cultural Fund to two \$50 million funding rounds.
Analysis:	Bringing funding forward will deliver more funds to the regional cultural sector much sooner than expected under the current timeline. There are a number of risks associated with this proposed approach that need to be mitigated. A draft letter proposing the approach has been prepared seeking the endorsement of the Hon. Don Harwin MLC, Minister for the Arts ( <b>Attachment A</b> ).

Document tendered by

Hon Courtney Houssos

Received by

Tina Morawski

Date: 1/2/2021

Resolved to publish Yes / No

## Key reasons

Bringing funds forward will deliver funding to successful applicants sooner

The current approved profile of the Regional Cultural Fund is:

Round	Funding	Announce Successful Projects
One (Open, two-step application)	\$25 million (including \$2 million digitisation funding)	May 2018
Two (Closed, one-step application)	\$25m million	October 2018
Three (Open, two-step application)	\$50 million	January 2019

The proposed approach is deliver two \$50 million funding rounds. A revised funding profile is provided below and in more detail at **Attachment B**.

Round	Funding	Announce Successful Projects
One (Open, two-step application)	\$50 million (including \$2 million digitisation funding)	May 2018
Two (Open, one-step application)	\$50 million (including \$3 million digitisation, \$25 million for previous applicants, \$22 million for new applicants)	December 2018

- Applications received by the Regional Cultural Fund in Round One demonstrated a strong demand and funding need for cultural infrastructure in regional NSW.
- In the Expression of Interest stage of Round One, 238 submissions were submitted with a total request of over \$185 million.
- 81 applicants were invited and submitted a full application with a total request of \$73.5 million. Of these, there were sufficient applicants of merit to awarding \$50 million of funding.
- Bringing forward \$25 million into Round One (for a total of \$50 million available) allows more of these meritorious projects to be funded, fewer applicants required to resubmit their proposal for consideration in a future round, and ensures the high demand for the funds is met.
- Create NSW have prepared and shared draft Guidelines for the revised Round Two with the Deputy Premiers Office.

There are a number of risks with this proposed approach that need to be mitigated

- Additional costs to applicants
  - By modifying Round Two to a one step application, applicants are required to provide significantly more detail regarding their project than they would for an Expression of Interest application. Applicants generally engage specialist support to complete a full application. A two-step process

This document was originally provided to the Legislative Council under standing order 52. Highlights and underlines were made by Mrs Houssos prior to tendering to the committee.



results in less applicants required to complete the detailed application and a higher chance of funding for these applications.

- *Risk mitigation:* review the detailed application forms to ensure a simplified application process and offer applicant support via Department of Premier and Cabinet Business Development Managers.

Unfairness resulting from merging a closed and open round

- Probity advice has previously been provided that applications from Rounds Two and Three should not be merged (Attachment C and D). Create NSW has already communicated publicly about future rounds and provided support to Round One non-shortlisted applicants (Worked With Cultural Infrastructure Project Management Office - WWCIPO) on applying in a closed round (Round Two). In an open round that combines WWCIPO and new applicants, WWCIPO applicants would have an advantage over applicants who are unlikely to be provided this level of support.
- *Risk mitigation:* Create NSW would communicate that Round Two includes separate funding streams for WWCIPO and new applicants. The assessment panel would assess WWCIPO applications separately to those that have not had access to this service. This would align the probity principles of fairness and equity.

Reducing the opportunity for regional communities who intended to apply for funding in later rounds

- The allocation of \$100 million RCF over four years was publicly announced as part of the budget papers, program guidelines, website material and media releases.
- By bringing forward all the funding to 2018 this may reduce opportunities for some applicants who intended to apply in a later round.
- *Risk mitigation:* A commitment of future funding, beyond Round One and Two, could ensure that applicants anticipating rounds in 2019 and 2020 may be able to access the fund.

The proposed approach requires the endorsement of the Minister for the Arts

- A draft letter outlining the approach has been prepared for the Hon. Don Harwin MLC, Minister for the Arts, seeking his endorsement of the proposal (Attachment A).

## Supporting information

### List of attachments

- Attachment A – Deputy Premier letter to the Hon. Don Harwin MLC, Minister for the Arts
- Attachment B – Revised Regional Cultural Fund Timeline
- Attachment C – Probity Advice 14 March 2018
- Attachment D – Probity Advice 8 January 2018

### Consultations undertaken in preparing this brief

Person consulted	Issue
Alex Bowen, Director Statewide Strategy & Planning	Advised on the probity advice on changing the funding profile of the Regional Cultural Fund.
Cultural Infrastructure Program Management Office, Create NSW	Advised on the proposal of two \$50 million funding rounds and risk mitigation strategies.

### Options considered in preparing this brief

Option considered	Why not preferred option or why option discounted
Maintain the current funding allocation in Rounds One, Two and Three	This current funding profile means fewer projects could be funded in 2018 and more applicants would be required to resubmit their proposal in future funding rounds.
Amend the funding profile to include tighter timelines and bring \$25 million forward into Round One from Round Three. (Round 1	This approach has been discounted as it still does not achieve the objective to fund more projects in 2018. Feedback has indicated that a closed Round Two and open Round three may be confusing to the marketplace.

Option considered

Why not preferred option or why option discounted

\$50m, Round 2 \$25m, Round 3  
\$25m)

Recommendations and actions

- Approve the revised profile for the Regional Cultural Fund to be \$50 million for Round One, \$50 million for Round Two.
- Approve and sign the letter to Don Harwin MLC, Minister for the Arts.

DPC final approver:

Approved 01 May 2018

Gary Barnes, Deputy Secretary Regional NSW,

Deputy Premier's comments

Date

Approved/Not Approved/Noted

OK 3/5  
3/5

Responsible Action Officer:

Manager Regional Grants, Regional Infrastructure and  
Networks.





The Hon. John Barilaro MP  
Deputy Premier  
Minister for Regional New South Wales,  
Minister for Skills and Minister for Small Business

Ref: A2498705

The Hon. Don Harwin MLC  
Minister for Resources  
Minister for Energy and Utilities  
Minister for the Arts  
GPO Box 5341  
SYDNEY NSW 2001

Dear Minister

*Don*

I am writing to seek your endorsement to change the funding profile of the Regional Cultural Fund (RCF).

As you are aware, the current RCF schedule has \$25 million each for Rounds One and Two for suitable arts and cultural projects, while Round Three has \$50 million. I propose to amend the RCF to two \$50 million funding rounds. The new funding profile would be:

- o Round One (announce successful projects in May 2018): \$50m
- o Round Two (announce successful projects in December 2019): \$50m

In Round One, 81 applicants were invited and submitted a full application with a total request of \$73.5 million of funding. Making additional funding available earlier in the program will allow more valuable arts and cultural projects to be funded sooner, and require fewer applicants to resubmit their proposal for consideration in Round Two.

I look forward to your support of this proposal, and your continued commitment to regional NSW and the regional cultural sector. If your office requires additional information or wishes to discuss this matter further, please ask them to contact Mr Chris Hanger, Executive Director, Regional Infrastructure and Networks, Department of Premier and Cabinet at \_\_\_\_\_ or on \_\_\_\_\_

Yours sincerely

*[Signature]*  
The Hon. John Barilaro MP  
Deputy Premier  
Minister for Regional New South Wales  
Minister for Skills and Minister for Small Business