



LEGISLATIVE COUNCIL

PUBLIC ACCOUNTABILITY COMMITTEE

MEDIA RELEASE

UPPER HOUSE COMMITTEE REPORTS ON THE LACK OF TRANSPARENCY AND ACCOUNTABILITY IN NSW GOVERNMENT GRANT PROGRAMS

FOR IMMEDIATE RELEASE

30 March 2021

The Public Accountability Committee has just tabled its first report on the integrity, efficacy and value for money of NSW Government grant programs. This report focuses on grants to local government, in particular the tied grants round of the Stronger Communities Fund.

Committee Chair Mr David Shoebridge MLC said: 'The fund was originally established to assist councils created from the NSW Government's failed council amalgamations, but morphed into a brazen pork-barrel scheme. The scheme was designed with so few checks and balances that \$252 million of public money was handed out on a purely political basis: to resolve legal disputes between local councils and the NSW Government, to gain an advantage in the 2019 state election and to punish any council that had objected to being forcibly merged. This scheme was never meant to benefit the public, it was always about the politics, and if certain useful projects were funded along the way then that was by accident not by design.'

Mr Shoebridge continued: 'The fund guidelines were revised to make the scheme almost entirely discretionary, with criteria that were deliberately vague and secret. There was no application and no assessment process. The act of identifying a project also amounted to approving the project. There were serious gaps in documentation recording decisions, with key funding briefs missing and working advice notes destroyed. Despite problems with recordkeeping, documentation that was produced to the Upper House shows the Premier and Deputy Premier approved most projects under the tied grants round.'

Mr Shoebridge further stated: 'The committee also considered grants to local government and found that the current grants system is broken. Current grant processes lack transparency, accountability and oversight. The vast array of grant programs is wasteful, inefficient and open to abuse. The committee made a number of recommendations to improve grants and recommended a fundamental overhaul of the system. Grants should not be the primary means by which local government is funded. Instead, funding should be linked to existing strategic planning processes and provided on a multi-year basis through a public formula.'

The committee now turns its attention to bushfire relief grants. The committee will hold further hearings in April and May. Hearings are open to the public and will be webcast live via the Parliament's [website](#). The report, along with all other inquiry documentation, is available on the inquiry [webpage](#).

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For further information please contact Committee Chair, Mr David Shoebridge MLC, on 9230 3030