

**Submission
No 13**

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

Organisation: Tenterfield Shire Council

Date Received: 19 August 2020



Birthplace of Our Nation

19 August 2020
CAS-16609-T63W

OUT20/5C203CC3

Ms Tina Higgins
Director Committees
Public Accountability Committee
Parliament of New South Wales

By Email: public.accountability@parliament.nsw.gov.au
CC: contact@deputypremier.nsw.gov.au

Dear Ms Higgins,

Re: Integrity, Efficacy and Value for Money of NSW Government Grant Program submission Tenterfield Shire Council.

Tenterfield Shire Council is writing to express our feedback in accordance with the terms of reference, regarding the Public Accountability Committee inquiry and reporting on the integrity, efficacy and value for money of NSW Government Grant Programs and our experience from a regional community perspective.

Council has been successful in receiving over \$16 million in funding, spread over 2018/2019 and 2019/2020 financial years, to provide the Tenterfield Shire community with upgraded facilities, parks, roads and bridges.

Rural Councils, like Tenterfield, benefit greatly from the opportunity to be able to apply for and secure grant funding, such as the Stronger Country Communities Fund. These funding activities have greatly assisted Council to address the needs of the community and provide support that benefits both State and Federal government initiatives for local needs.

All correspondence should be addressed to:

The Chief Executive

Tenterfield Shire Council

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a) The Range and availability of funding programs including but not limited to:

Examples of projects that have been completed due to the success of grant funding that our council has been fortunate to be awarded are:

- *Building/repairs of bridges – this has given community members access to their properties without adding hours of travel time to towns or nearby villages and significantly enhances the regional productivity.*
- *Repairs/renewal to unsealed roads – to provide safe and improved travel for the community and visitors to our shire to connect with nearby towns and villages. This supports regional economic activity and enhances the volume and quality of local products in addition to supporting community connectivity and access to services.*
- *Restoration Work on Heritage listed buildings – Providing economic and social resilience to our region by attracting tourists to the shire and preserving the history of NSW in such a way that it is accessible to all.*
- *Improving community assets like halls and museums – These improvements assist in providing a setting for community members to connect and foster community participation in civic life.*
- *Improvements on shires parks, fields and open spaces – These improvements have provided the community and visitors to the shire a backdrop allowing access to local services and businesses providing support to maintain the population in rural areas, to ensure overall economic stability, and provide the basis for regional prosperity across all sectors.*

All of these projects have improved the lifestyle of not only Tenterfield Shire Council residents but on a regional level supporting economic and social outcomes that are far reaching.

As can be seen from the funding obtained the projects have been varied and targeted a wide range of essential services that the community would not have been able to support locally. This program has enabled the local business and residents to support the consumption of assets and services provided to persons who do not directly contribute economically to our local economy, but rely on the connection of services to facilitate wider prosperity.

To this end the variety of eligible projects and the distribution of the finding across our area is very welcome and goes some way to addressing the inequity of former funding programs that focused only on the economic outputs and relied on funding assessment that did not view regional Local Government in a favourable light.

b) The Manner in which grants are determined, including:

- i) The oversight of funding determinations;
- ii) The transparency of decision making under grants schemes;
- iii) The independence of the assessment of projects;

- iv) The role of Members of Parliament in proposing projects for funding, and
- v) The scope of Ministers' discretion in determining which projects are approved.

Council is satisfied with the way current funding is assessed on merit, however would question the cost benefit of some applications as the amount of detail and assessment under some programs is rigorous, given the relatively small return for successful projects.

It is considered that the assessment of grant applications should always be transparent, accountable and clearly based on merit recognising that the definition of merit is key in the ability to access and deliver under funding arrangements.

Agencies and any other external groups should continue with the role of unbiased grant assessment against clear and concise grant criteria to make recommendations to elected representatives based on merit, however traditional interpretations of merit such as a BCR are not considered an adequate measure for LGA's like ours to use. This is due to it not accounting for the wider social and economic value created for the community and region.

The role of liaison between local Councils and Ministers is required to ensure that the needs of local communities are considered, however the announcement of grants in line with political agendas (the photo opportunity) and to wider community groups (versus directly to Council) adds to pressure on the resources of Council to deliver under funding deeds that contain requirements that the average community group cannot support.

Considerable assistance is required by Council to support a political process that is not able to be recovered from the funding available. This also reduces the real reported cost of administration and continues the model of cost shifting to Local Government to achieve results in line with community expectations.

It is extremely disappointing when our organisation contributes a high level of resources into preparing an application of sometimes a very low value, in collaboration with the community, for it to be deemed unsuccessful due to the political process. In saying this, the support from our representatives, both locally and in wider NSW Government circles has seen very positive outcomes over the past 2 years. We are sincerely appreciative.

In fact, if it was not for the support of the NSW and Federal Government for bushfire recovery and water security (drought), this Council would have faced a dire economic reality as the quantum required would be outside the of the financial capacity of residents to support given our SEFA Ranking is in the lowest 15 areas identified.

Tenterfield Shire Council considers the scope of Ministers' discretion in determining which projects are approved accurate and based on community need. There could be improvements on timeframes in determining approved projects that would minimise delays and enhance project delivery ensure a cost benefit return. A more central reporting structure and liaison for the number of grants would also

increase efficiency, although Council understands that given the wide number of departments administering funding this has been unachievable in the past and not likely to change.

c) Measures necessary to ensure the integrity of grants schemes and public confidence in allocation of public money,

Significant grant funding applications must have relevant information supplied in them so that the grant provider/assessor is adequately able to make assessment of all applications based on the grant criteria. Council considers this process to assess grant applications on comparative merit to ensure transparency and accountability of public funds is upheld at all times and has no reason to believe that any duplicity or surreptitious acts have occurred based on political motives.

The design around projects applied for from grant funding is based on the needs/wants of the community, this is either portrayed through community representations, correspondence or maintenance schedules in Council work programmes.

Where community groups are the single applicant (Sporting Clubs, various voluntary associated bodies etc.) this process is harder to demonstrate as the governance structures in regional areas, particularly voluntary community groups, are not as robust as those adhered to by the Government sector. Although harder to demonstrate, it has proven not impossible, and Council has been committed to this process despite the additional administrative burden as Council have a social contract with our community.

d) Any other related matter.

Without funding being made available to small and many regional Councils, rural communities like ours would be unable to completely mitigate a decline - due to the recent environmental and economic shocks - to our sustainability to our triple bottom line.

With council budgets continually impacted by wider policy decisions (cost shifting and rates capping), the program design for SCCF is very supportive in that it provides opportunity for funding without the usual funding provider requirement for a matching contribution or greater from the applicant.

Due to the tyranny of distance the scale used in BCR calculations is often missing and at best, misleading. This usually condemns regional areas, which if it was not for programs like SCCF, would put regional NSW in an extremely difficult position.

If you require further clarification please feel free to contact me by telephone on .

Yours faithfully,

Terry Dodds
Chief Executive

cc The Hon John Barilaro, Deputy Premier,
Parliament of NSW