

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

Organisation: Narrabri Shire Council

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Our Reference: 1800332 ST:AW
Your Reference:
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Mr. David Shoebridge MLC
Committee Chair
Public Accountability Committee
Parliament House
Macquarie Street
SYDNEY NSW 2390



Thursday, 20 August 2020

Re: Inquiry into the Integrity, Efficacy and Value for Money of NSW Government Grant Programs

Dear David,

Narrabri Shire Council would like to thank the Committee for the opportunity to make a submission to the inquiry into the integrity, efficacy, and value for money of NSW Government grant programs. Council has undertaken a number of projects/programs/events as a result of grant funding. These projects may not have been undertaken without the support of grant funds. These projects not only have Narrabri Shire Council support, but fill a community need and therefore have community support, as detailed throughout this submission.

Narrabri Shire is a rural LGA located in North West NSW, with a population of over 13,000. Narrabri Shire is located in the State electorate of Barwon. The Shire has been established on a strong agricultural foundation, with the resources sector becoming a vital part of Shire economics in recent years. Freight movement, education and science, processing and tourism also form part of Shire economics.

Such a diverse range of sectors, with increased diversification and growth on the horizon, may underpin Shire economic stability and success however there is also increased demand placed on Shire infrastructure, community facilities and community support services. Whilst Council works tirelessly to undertake projects/programs/events that meet demand and support community wellbeing, this would not be possible without NSW Government grant funding reviewed and distributed in a manner which reflects a comprehension of the needs of rural communities.

The ability to access funding for a range of purposes has enabled Narrabri Shire Council to support the following undertakings:

- Major infrastructure developments
- Job security
- Support of local business
- Boost local economics
- Enhance freight transport movement efficiency


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- Promote mental health wellbeing and support mental health programs
- Build new community infrastructure
- Refurbish current community infrastructure

Whilst this is not an exhaustive list of the undertakings of Narrabri Shire Council, it is an overview of what responsibly allocated grant funds have achieved for a rural community.

Council has reviewed the Terms of Reference relating to the Legislative Enquiry and would like to issue the following response:

The range and availability of funding programs including but not limited to:

- **Discretionary grants funds such as the Premier’s Discretionary Fund and the Deputy Premier’s Miscellaneous Grants**
- **Local Government funding such as the Stronger Communities Fund and the Stronger Country Communities Fund**
- **Arts funding such as the Regional Cultural Fund.**
- **Sports funding such as the Greater Sydney Sports Facility fund and the Regional Sports Infrastructure Fund**
- **Jobs for NSW Funding, including the review into Jobs for NSW**

Narrabri Shire Council has received a number of approved applications via several of the above listed funding opportunities. Council’s successful applications are for a diverse range of projects, with monetary values from the low thousands up to several million dollars. It is important to note that Council has also lodged many applications that have not received funding. What this suggests is an even playing field. Failure to receive funding for a number of worthy projects reflects an assessment process that takes in to account many aspects of a project, not just place, politics and population. The list of grant opportunities mentioned above is by no means an exhaustive list and comes directly from the Terms of Reference. This list, and Council’s knowledge of other grants clearly reflects a diverse range and extensive availability of opportunity for those actively seeking funding.

Discretionary grant funds are a feasible solution to projects/programs/events that will provide a public benefit but do not fit a specific grant fund. Council believes that a portion of funds put aside for discretionary use supports small projects in smaller communities which are important to that community. LGA’s with low population numbers who cannot access grant funding for various reasons, but have a worthwhile project, should have the opportunity to approach State leaders for assistance. Removal of this discretionary funding may result in worthwhile projects/programs/events not going ahead, impacting communities. Council supports these funds being delivered in a transparent manner with a shortened acquittal process being vital to ensuring funds are utilised for the nominated purpose.

Council wholeheartedly supports the processes followed in the above mentioned funding opportunities, as well as other opportunities which assists rural communities. It is imperative that funding programmes such as Stronger Country Communities Fund (SCCF) and the Community Building Partnership (CBP) continue as they stand, for rural communities to have funding opportunities that are not city centric. Failure to retain the programs in their current assessment format risks a lack of funds that are integral to supporting rural communities.

Whilst Council has not accessed the Stronger Communities Fund at a State level, Council has been fortunate to receive funding via the Community Building Partnership (CBP). The CBP is an electorate based grant, signifying that changes to grant assessment procedures based on questions of integrity, efficacy and value for money will most likely result in certain electorates missing out. It can be reasonably assumed that these "forgotten" electorates will be rural due to lower population numbers and therefore what could be seen as decreased value for money. The same reasoning can be applied to SCCF.

Council has had moderate success with applications lodged via the Regional Cultural Fund (RCF). This fund has afforded Council the opportunity to put forward worthwhile cultural and creative projects for funding assistance. Not all applications have been successful. Again, this suggests an even playing field. If the process was flawed, this would be evident in certain LGA's receiving more funding than others, which Council believes is not the case. Council feels that the processes, in their current state, are effective, resulting in opportunities such as the RCF being a viable option for a wide range of applicants and projects.

Information relating to funding opportunities and the process required to apply is readily available for interested parties. The system in place ensures that councils receive a range of correspondence when funding becomes available. There is also an opportunity to sign up to a number of newsletters and websites which provide grant funding information. These avenues are available to all those actively seeking project funding. Council would suggest that there is substantial information available through a range of platforms that can further be broadened through establishing relationships with supportive Government agencies such as the Department of Regional NSW. Researching the various ways to access funding information is an important tool in understanding and accessing available funding opportunities.

Improvements can always be made however it is important to recognise that the improvement process is already being undertaken, for example, the recent review of Resources for Regions which resulted in several positive program changes.

The manner in which grants are determined, including:

- **The oversight of funding determinations**
- **The transparency of decision making under grant schemes**
- **The independence of the assessment of projects**
- **The role of Members of Parliament in proposing projects for funding**
- **The scope of Ministers' discretion in determining which projects are approved**

Council's experience with the grants assessment and allocation process has been predominantly positive. The opportunity to work with Government sectors such as the Department of Regional NSW throughout all application and project stages is an invaluable tool in the grant process and one that is available to all councils.

No applicant likes to have a funding opportunity denied however understanding why an application has been unsuccessful can be a vital part of preparing and lodging future applications. This information is readily available, often with a more in depth explanation available on request. In addition, should an application be successful, Council's experience is that information is readily available as to why the application was successful which can also be used in future grant applications.

The current, often multi-faceted approach to application assessment and funding, is an assurance of transparency of decision making. There is not one person responsible for overseeing the process from start to finish. The involvement of grant assessment teams, independent application assessors, the Public Works Authority (PWA) and other Government departments is, Council believes, a transparent approach to reviewing projects, assessing applications and determining funding outcomes.

In relation to Members of Parliament (MP) proposing projects for funding, this is a vital role that MP's undertake within their local communities, acting as a voice for Local Government. If they do not have a determining role in the funding allocation decision making process, this should continue to be an important aspect of their role. Providing that processes to assess, allocate and acquit grants remain a multi-faceted process, the integrity should be maintained.

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

Council is aware that the integrity of Government decisions, at any level of Government, will always be questioned by those in opposition and that public confidence in Government decisions will rise and fall. Undertaking best practice processes and procedures such as those currently in place ensures that integrity and transparency is maintained to the highest possible standard.

The definition of efficacy is *the ability to produce a desired or intended result*. This is the aim of lodging a grant application, having the application undergo a review process and ultimately undertaking a project (producing an intended result). The grant application highlights the results the applicant is aiming for and how they will achieve these results. Allowing for an application to be assessed via a transparent process and measured against certain benchmarks, as is the current process, will ensure applicants and funding bodies will be held to account throughout the life cycle of the project. The measures implemented now are enough to ensure integrity, efficacy and value for money. Council has no doubt that unethical behaviour will be identified through the current processes to ensure ongoing public confidence in the allocation of public money.

Council believes one of the ways the success of current assessment and funding decisions finds evidentiary support is in the length of time taken to make decisions and the multiple reviews undertaken, especially for larger projects. It would stand to reason that grant funds already decided by politics in a non-transparent manner, would receive a positive response in a much shorter time frame and without one or more of the following:

- Public Works Advisory (PWA) expense review – Larger projects such as Council's West Precinct Project (\$2,929,500.00 in grant funding) can be reviewed by PWA to ensure costs are realistic.
- Community consultation – Applications can be the subject of targeted community consultation, such as SCCF projects.
- Consultation regarding projects prior to lodging an application – A number of funding opportunities require consultation with local MP's or Government bodies prior to lodgement to ensure fit with community needs and program objectives.

The fact that Council has been involved in the above mentioned processes can be considered proof of a system that undertakes a number of fact checking activities to ensure success of strong applications that deliver value for money, not only for State and Local Government, but for the community.

In conclusion, Narrabri Shire Council would like to reiterate the following:

- The funding opportunities for regional and rural areas already exist. More opportunities would be welcomed.
- The processes in place are transparent and multi-faceted allowing for informed decision making.
- Any move to make changes to a system that is currently working well risks a weaker decision making system that negatively impacts rural LGA's.
- Council considers the ability for MP's to propose projects a necessary communication tool between communities and decision makers.
- Reviews of funding avenues and processes are already undertaken to ensure value for money.

- The very act of submitting a funding application is an applicant intending to produce a desired or intended result (efficacy).
- Lodging an application for an intended result does not guarantee the desired outcome, proving the checks and balances procedure currently in place are working.

Narrabri Shire Council is grateful for the opportunity to provide insight in to what Council believes to be sound grant funding practices. Should you require further information, please feel free to contact Councils Grants Officer on

Yours sincerely,

Stewart Todd
General Manager