

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

Name: Name suppressed

Date Received: 21 August 2020

Partially
Confidential

Inquiry into the integrity, efficacy and value for money of NSW Government grant programs

TERMS OF REFERENCE 1. That the Public Accountability Committee inquire into and report on the integrity, efficacy and value for money of NSW Government grant programs, and in particular:

- (a) The range and availability of funding programs, including but not limited
- (b) The manner in which grants are determined.
- (c) Measures necessary to ensure the integrity of grants schemes and public confidence in the allocation of public money.
- (d) Any other related matter.

The comments provided by _____ are based on personal experience and related to that personal experience in being involved in, and a provider of, community sport and recreation programs for more than 55 years.

It is with regret that due to limited time available a more comprehensive response has not been possible. The comments in this report out of necessity may be a little brief for which I apologise.

If the committee seek further details I am happy to appear before the committee.

TERMS OF REFERENCE

Inquiry into the integrity, efficacy and value for money of NSW Government grant programs

- (a) The range and availability of funding programs, including but not limited
 - (i) Discretionary grants funds such as the Premier's Discretionary Fund and the Deputy Premier's Miscellaneous Grants
 - (ii) Local government funding such as the Stronger Communities Fund and Stronger Country Communities Fund,
 - (iii) Arts funding such as the Regional Cultural Fund,
 - (iv) Sports funding such as the Greater Sydney Sports Facility Fund and the Regional Sports Infrastructure Fund,
 - (v) Jobs for NSW funding, including the review into Jobs for NSW.

- (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,
 - (v) The scope of Ministers' discretion in determining which projects are approved,

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

- (d) Any other related matter.

2. That the Committee report by 31 March 2021.

Mr David Shoebridge MLC The Greens Chair

The Hon Robert Borsak MLC Shooters Fishers and Farmers Party Deputy Chair

(a) The range and availability of funding programs, including but not limited to:

(i) Discretionary grants funds, such as the Premier's Discretionary Fund and the Deputy Premier's Miscellaneous Grants

Having undertaken the review of hundreds of grant applications lodged with the NSW Department of Sport and Recreation in the 1980's & 1990's in relation to the provision of sport and recreation facilities across the state, I consider there is merit in providing the Premier & Deputy Premier with discretionary opportunities to support projects of extremely high value to the community that may not meet all current guidelines. The merit of such projects needs to be demonstrated by broad community support as well as local sporting organisations.

I am aware of some LG agencies that "have other priorities" that have seen community based organisations denied support or the support is so convoluted that it is seen as nothing other than roadblocks even when that community project provides a much wider opportunity and usefulness than an LGA project. Some LGA have such restrictive policies (mostly out-dated) that seem to ensure good projects are deigned.

(ii) Local government funding such as the Stronger Communities Fund and Stronger Country Communities Fund.

The applications from LG to the State should be supported by a broad community group/organisation as my experiences suggest many applications are for "pet" Council projects that at times have limited community benefits.

(iii) Arts funding such as the Regional Cultural Fund – no personal experience

(iv) Sports funding such as the Greater Sydney Sports Facility Fund and the Regional Sports Infrastructure Fund.

It is amazing that some LGA are excluded from the opportunity to seek grants from these programs, particularly in relation to Wollongong LGA and Newcastle LGA.

I do not understand the NSW Government's exclusion of Wollongong LGA from both these programs as it would appear that the Wollongong LGA should be eligible for one or the other. Wollongong is a significant regional area of the state with the 3rd largest population of the state.

(v) Jobs for NSW funding, including the review into Jobs for NSW. – no personal experience

Clubs Infrastructure Grants

It has been noted that the Wollongong LGA has received only one grant in the last nine rounds of the Clubs Infrastructure Grants.

The Illawarra Sports Stadium has applied for funding assistance of \$300,000 under the ClubGRANTS 3 program for the last 7/8 rounds for the purpose of installing much needed air conditioning.

Temperatures inside the Stadium during summer periods have been recorded as high as 49.7c. It is little wonder that a number of State & Regional events have been cancelled or cut short due to extreme heat conditions at the Stadium. On many occasions a number of younger women have been hospitalised as a result of heat related incidents/problems.

Initially, the Illawarra Sports Stadium was given feedback, when requested, on where the application fell short. This is where the bureaucrats really turned the knife on a strong application in a Labor held seat. The feedback would show one area of deficiency, however, there may have been more, so in the following round the review would indicate a further deficiency instead of listing all the deficiencies of the application. That continued for a number of rounds.

In the following rounds, when all the identified deficiencies listed had been addressed, the review found the project did not have a contingency fund for any construction overrun costs. This was not the case as the Illawarra Sports Stadium had a no rise or fall contract for the project. In the next round it was determined that the community support for the project was insufficient or not strong even though the ISS had 23 letters of support, including such prominent agencies as LifeLine and State Sporting Associations.

In the last few rounds there has been minimal feedback and the only comment was that the application fell short “on merit”. This was another disappointment as in the early rounds the Illawarra Sports Stadium application was short listed, in the top 33 applications out of some nearly 300 applications. What made the matter more disappointing was that some projects of \$300,000 to \$500,000 were awarded to groups that catered for only 9 or 10 events a year, whereas the Illawarra Sports Stadium has up to 300 events days each year with more than 300,000 participants.

Ministerial Discretion

I personally support the opportunity for the Minister to have a level of discretion in supporting some applications that may not, for whatever reason, meet all requirements/guidelines. That should be limited to a handful of applications. Recent grant applications at the Federal level where the Minister’s office had an excessive input received funding when they were unworthy and without merit. Where a Minister may announce 200 to 300 grants annually for a range of sport & recreation grants, only a small number should have Ministerial discretion.

Having lived in both Newcastle and Wollongong (Wollongong since 1981), to preclude those areas from a number of grant programs notably the Greater Sydney Sports Facility Fund and the Regional Sports Infrastructure Fund, suggests that the needs of all community organisations and agencies are not considered to of equal value. We all live in the state of NSW

Grant Funding Programs

It is noted that some grant programs relating to sports development are only eligible to State Sporting Organisations &/or National Sporting Organisations. Where a community organisation operates as a State Organisation/National Organisation, those organisations should not be precluded from grant programs available to those State & National organisations.

The Illawarra Sports Stadium is such one organisation where the health and wellbeing of the community is paramount. The ISS ensures a range of services and programs for both school aged children and seniors where costs may exclude their participation.

Grants from Left Field

Sporting groups and agencies are continually seeking support from all levels government for a wide range of sport and recreation projects.

Over the years I have spoken to, or met, many senior officers in the NSW Government and have been advised the NSW Government will not consider funding of projects that have not reached DA stage at the local government level yet earlier this year the NSW Government announced a \$25m grant to Newcastle Basketball with NO DA in sight. (See press release below).

When the Illawarra Sports Stadium attempted to gain information as to how such double standards continue to arise, no information was available.

Experience has shown me that some LGA are very successful in delaying or creating road blocks for community sport and recreation projects. Many good community projects do not materialise. This is particularly evident when an LGA has determined that a similar Council proposal has priority. Many of those projects come out of Council officers’ focus groups. Although they go on public exhibition, they appear to slip through public scrutiny. Some LGAs stop good community projects by passing on DA costs and requiring additional reports, such as Business Plans on the pretext they do not want to be encumbered by operational costs of that project.

BASKETBALLERS are rejoicing following today's announcement that a new \$25 million indoor sports stadium, to be operated by Newcastle Basketball, will begin within the next 12 months.

Today's state budget allocated \$13.4 million for an immediate start on the project with the remainder to be funded next year.

The new facility will be constructed at Hillsborough with 10 courts and seating for 4000 spectators and is the most significant investment in the history of basketball in the region.

"This is fantastic news for everyone involved in basketball and a range of other sports that will also utilise the facility," Newcastle Basketball general manager Neil Goffet said.

"The support we have received from the State Government, Lake Macquarie City Council and Lake Macquarie MP Greg Piper has been incredible.

"Now we can get started and hopefully have the development application lodged as quickly as possible and get this finished before the existing stadium falls to the ground."

The new facility will allow Newcastle Basketball to continue its push for entry into the Women's National Basketball League.

Any return to the men's National Basketball League would be heavily reliant on private investment but that is certainly an option to be considered.

"The number of events this will attract to the region is hard to

The Impact of a Marginal Seat on Grant Funding.

History has shown for more than 50 years that a marginal seat has a much greater chance of grant and support funding from both state and federal funding sources than a safe seat of any persuasion. The importance of a marginal seat has become more critical as the political environment has seen the rise of minor parties in both state and federal governments. The ISS has noticed that when two projects put forward by a safe seat and a marginal seat are judged to be of equal merit, the balance is heavily weighted in favour of the marginal seat.

It is the opinion of this writer that this would be very difficult to address/judge as the exact level of bias is due to the shades of grey in this area. Past experience has also shown that “value to the community” is not well understood from those assessing the projects as many submissions from community groups do not always have the resources to present the project in the same light as an LGA submission. LGA submissions are generally seen as having more merit than that of other community groups because the perceived thought/feeling is that the LGA authority has better understanding of the needs of the community which is not always the case when LGAs have “other priorities.”

The value of LGA support

The case of the \$25m grant to the Newcastle BB is a perfect example where Lake Macquarie Council strongly supported the Newcastle Basketball Associations submission and has endeavoured to support the proposal while other LGAs do not seem to value proposals from community organisations. This is particularly noticeable when community projects are seen as having a negative impact on the Council project even when such projects demonstrate that the Council project will require ongoing operational support and the community project does not.

This impact is not so evident in country and rural Councils

(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,
- (v) The scope of Ministers’ discretion in determining which projects are approved,

(i) The oversight of funding determinations

There may be ways of ensuring a more appropriate system for determining funding, however, it may come at a significant cost. It is not possible to guarantee an absolute way of determining the fairness. One suggestion to ensure greater fairness would be that all applications are short listed. This would permit direct representation by the proponent for those short listed.

(ii) The transparency of decision making under grants schemes

In NSW there appears to be an unhealthy thought that some sports of high profile are more important than others. This is particularly noticed when those high profile sports have high media exposure. Statements by some high profile parliamentarians indicating that one sport has greater merit than another are most unhelpful. Australians generally recognise physical exercise and sports of all types contribute to the health and well-being of a community.

(iii) The independence of the assessment of projects

From my knowledge and experiences the assessment panels provide solid and comprehensive reviews of submitted applications in assessing and prioritising application for possible funding support

iv) The role of Members of Parliament in proposing projects for funding.

There needs to be a system in place where the community has an opportunity to brief the Local Member's office' on the value of the project to the community and to assist those applications that are not well-constructed applications that may not fully reflect the broader view of the community and not just some sectional interest group.

- (v) The scope of Ministers' discretion in determining which projects are approved,
As noted previously, the Minister's discretion could be available for specific or a small percentage of grants to be awarded where a proponent group can demonstrate high community value and support, but for whatever reason does not present well to the review panels assessment criteria.

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

Impact of large and high profile sports in the community

There needs to be a broad education of members of parliament surrounding the value in all types of sport and recreation activities and operations.

It is noted that the NSW Rugby League seems to be pushing the Government, having funded a large Stadium in Sydney, to now seeking the development of a number of smaller stadiums in the suburbs of Sydney, similar to the new Bankwest Stadium at Parramatta.

Such Stadiums may accommodate up to 20,000 eating their meat pies and drinking alcohol HOWEVER the actual users, the players, are very small

In a state where more than 25% of school children age are overweight or obese, and the level of overweightness in adults is increasing each year, more should be done in primary schools to ensure children are given a range of sport and recreations skills in a number of sports to help assist in developing a lifelong interest in sport and recreation.

It should be noted that all new Stadiums should be developed in such a manner that they can be converted to oval type Stadiums in future years as interest in some heavy contact sports declines as the community becomes more aware of the long term negative impact of injury on some parts of the body.