

**Submission
No 28**

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

Organisation: Lismore City Council

Date Received: 21 August 2020

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Attention: Mr David Shoebridge MLC, Committee Chair
Public Accountability Committee
Email: public.accountability@parliament.nsw.gov.au

Dear Mr Shoebridge

Inquiry into the Integrity, Efficacy and Value for money of NSW Government grant programs

Thank you for the opportunity to provide input into the Inquiry into the Integrity, Efficacy and Value for money of NSW Government grant programs. As a Local Government, Lismore City Council engages frequently with these programs and looks forward to ongoing improvements to support the delivery of funding to build community.

Integrity

- Responding to crisis: In preparing for recurrent grant programs such as the Building Better Regions Fund (BBRF) councils undertake considerable planning to ensure applications align with program objectives. Councils rely on the criteria documentation to ensure resources are efficiently utilised to deliver the best value for our community. In 2019 the Government altered the Round 4 program criteria for the BBRF program, in response to Drought Support. This objective change significantly impacted the preparation work undertaken to support Council's applications to this round, resulting in a significant amount of rework, to adjust the focus of applications.
- The NDDRA funding has been extremely challenging.
The funding works on the basis that:
 - Councils are unable to utilise their own resources,
 - Councils must undertake the work and then obtain funding
 - Councils must over justify any claims sometimes with months of evidence to secure funding
- Post the 2017 Cyclone Debbie devastating flood funding, Lismore City Council invested over 700 hrs just in following up funding promises. Beyond this I and the Mayor had to engage our Local Member and ultimately fly to Sydney to make representations to Ministers to obtain outstanding funding. The funding was finally received two years after the event. This created great stress in our organisation and our community. It also resulted in Lismore City Council having to invest another \$200,000 plus to access land to do remediation works as the land owner had become so frustrated at the time taken to undertake the repairs that he made a claim against council.
- Pre-election funding opportunities: These are often opaque and do not respond to the documented needs of a community or are not costed in accordance with the actual work that needs to be done. This results in a 'gift' of funds that results in implementation shortfalls.

- Assessment process: Council has experienced a significant lack of transparency regarding the assessment and outcome advice of applications lodged over the past two years. In August 2018, Council submitted an application to the Regional Growth Fund. Despite ongoing status updates, and the occasional request for additional information, it took over 18 months for final advice to be provided. This means Council has an active project in its Delivery Program that has to be administered and reported on but has no capacity to provide anything meaningful to our community. This creates unnecessary rework and reputational damage.
- Special Activation Precincts (SAP) and Local Activation Precincts (LAP) have been less than transparent. In the case of SAP's there was no readily accessible application process, no short list and no engagement across the regional cities or urban areas. Major funding announcements were made and many business cases that had been submitted in the lead up to these announcements were ignored.
- Local Activation Precincts have been outlined in a series of meetings and conferences and last week we became aware that there is a long listing process and a shortlisting process with an imminent announcement of the initial four LAP's. To date we have been unable to locate any policy document, strategy or direction as to how LAP's have been decided. As a regional city that is recovering from four major crises in under four years, we find this unacceptable. To compete for grant funding there must be a level playing field that supports the true nature of competition.

Efficacy

- Effective delivery: The delay between a grant application period to the delivery of funds often significantly diminishes the value and impact of a project. An example of this relates to the receipt of funds from the NSW Government in 2020 to deliver a Flood Grant, supporting businesses undertake repairs and improvements to premises. The delivery of this money was in response to a flood event in April 2017.
- Liaison: Like most councils, resourcing significantly impacts an organisations ability to plan and identify funding opportunities. Where a Government department identified to deliver account management support to councils, it could work hand in hand to support the identification of suitable funding for identified projects.

Value for money

- Upfront advice: Applications that frontload the amount of funding available, including the recommended available funding for individual projects would ensure councils do not over invest in project development and application preparation, unnecessarily. This would ensure an appropriate amount of resources are used commensurate to the amount of funding available.

Should you require any further information, please do not hesitate to contact me.

Yours faithfully

Shelley Oldham
General Manager