

**Submission
No 40**

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

Organisation: Port Macquarie Hastings Council

Date Received: 21 August 2020

21 August 2020

Refers to: D2020/201201

Mr David Shoebridge MLC
Committee Chair - Public Accountability Committee
NSW Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

Email: public.accountability@parliament.nsw.gov.au

Dear Mr Shoebridge,

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

Port Macquarie-Hastings Council appreciates the opportunity to provide a submission on the important matter that is NSW Government Grants Programs and offers the following points for the Committee's consideration. For ease of reading, we have used sub-heading and reference the sections of the Inquiry terms of reference in our submission.

1. Introduction - Port Macquarie-Hastings Council

The Port Macquarie-Hastings Local Government Area (LGA) is located halfway between Sydney and Byron Bay on the Mid North Coast, with 84,525 residents across a 3,686km² area. The LGA spans the electorates of Oxley and Port Macquarie. Port Macquarie-Hastings Council currently services 335 parks, 63 playgrounds, 17 community halls, 920km sealed and 458km unsealed roads, 54 sports fields, and 3 Libraries. It also includes 1 Regional Airport, 5 sewage treatment facilities, 4 water treatment plants, 2 'off creek' water storages of 12,500 ML, 1 environmental laboratory, 5 waste transfer stations, 137 bridges, 27 RFS and 3 SES facilities, 183km of footpaths and numerous other community assets.

2. Advocacy

We would like to take the opportunity to acknowledge and thank the Member for Port Macquarie and Member for Oxley for their understanding of our regional community, and advocacy efforts to ensure that the Port Macquarie-Hastings Local Government Area receives funding support.

3. Positive funding experiences

As a high growth regional Council and with limited ability to expand our revenue sources, grants are a critical source of income to support our projects in our community - both those delivered by Council and community groups/organisations.

Our experience with the following funding programs in regards to the process for application, assessment and recipient allocation has consistently been clear, transparent, fair and reasonable:

- Boating Now
- Bushfire Community Resilience & Economic Fund
- Coastal & Estuary Grants Program

- Council Passenger Transport Infrastructure Grant Scheme
- Everyone Can Play
- NSW Walking & Cycling Program
- Safer Roads
- NSW Infrastructure - Club Grants
- Recreational Fishing Trust
- Regional Cultural Fund
- Regional Destination NSW Flagship Fund
- Regional Sports Infrastructure Fund
- ReStart NSW
- State Library Subsidy

With reference to: a (ii) local government funding such as the Stronger Communities Fund and Stronger Country Communities Fund:

4. Stronger Country Communities Fund

This Program has demonstrably invested in our regional community. We have been beneficiaries of Round 1 and Round 2. We believe with a few ‘tweaks’ the program can realise some improvements in regards to the potential impact on delivery, capacity and value for money.

Round 3 (current) - acknowledging that we submitted two unsuccessful applications. We believe that no NSW Councils were recipients of Round 3 and that funding was allocated solely to community and sporting organisations.

Recommendation: We recommend that the guideline for future rounds clearly includes OR excludes local government from applying. This will realise efficiencies of staff resources in preparing submissions, and ensure that local government applications are authentically assessed as part of the competitive grants process.

As a result of Round 3 funding being allocated to volunteer groups, we have unexpectedly had to resource staff to be defacto project managers to ensure the delivery of some of the projects.

Whilst we applaud and encourage community volunteering and volunteer projects that add great local value, there is often a disconnect between volunteer groups being awarded the funding, and their capacity and capability to deliver the project. Some of the skills community recipient groups struggle to obtain/demonstrate include their inability to submit a realistic budget that includes all costings and factors in delays from quote to announcement; select fit for purpose and quality product; have ready access to project management skills; navigate relevant permissions; and ensure products, with warranty are consistent.

As a consequence of the Round 3 funding allocations, we have changed our approach to issuing future letters of support to community groups and been forced to take a more inflexible approach. Council now asks that community groups looking to seek grant funding for a project relating to Council-owned land or facilities submit a detailed budget, provide strong direction on the identification of projects, note our strong caveats including subject to DA, compliance and approvals, that any gap in funding and delivery is the responsibility of the

pmhc.nsw.gov.au

PORT MACQUARIE OFFICE

17 Burrawan Street, Port Macquarie NSW 2444
t 02 6581 8111 f 02 6581 8123

WAUCHOPE OFFICE

49 High Street, Wauchope NSW 2446
t 02 6589 6500

LAURIETON OFFICE

9 Laurie Street, Laurieton NSW 2443
t 02 6559 9958

applicant, and that the products purchased are subject to Council approval. This is to ensure consistency of warranties and products such as lux lighting are all by the same installer and brand, use the same brackets to lower onerous future costs of maintenance that Council is responsible for, and try to retain some efficiencies with our assets maintenance program.

5. Fixing Local Roads program

We are beneficiaries of this funding program and each year it enables us to continue to improve our significant road network for our community.

With reference to: (a) the range and availability of funding programs:

6. Emphasis on shovel-ready projects

One of the on-going challenges local government is facing when it comes to grant funding, is an increased emphasis by funding bodies on the need for projects to be 'shovel ready' - particularly in light of bushfire and COVID-19 recovery and a strong desire of other levels of government to see money injected into economies now.

While we appreciate the desire for immediate community/economy impact, this practice places increased pressure on local government to be investing heavily in project definition and design as often grants criteria is for works to be 'shovel-ready' with tight completion deadlines.

Recommendation: We would request that future funding have two stages, with Stage 1 funding for permissions, planning, engagement and detailed design and Stage 2 funding for implementation/construction.

With reference to: (b) the manner in which grants are determined:

7. Monetary co-contribution / matched funding

Sometimes it is unclear in NSW grant guidelines as to whether there is an expected monetary contribution from Council. Often the guidelines state that a Council contribution will be considered 'favourably', however it is unknown what weighting this has in the assessment process. This is in contrast to Commonwealth funding programs which typically have clear guidelines such as the grant is for 50% of project costs, with Council's to match a monetary \$1 for \$1 contribution.

Recommendation: Guidelines clearly state if monetary co-contribution is a requirement, or indicate what weighting in assessment is allocated to monetary contribution.

8. Timing of announcements

Under the Integrated Planning and Reporting (IPR) framework to which councils are required to work, when establishing works programmes and budgets there are prescribed processes and timelines, including the requirement for community consultation. With very limited information often available on the timing of grant funding announcements it is difficult to align the project management resourcing of grant funded projects and allocation of any co-contribution funding within the IPR framework. This typically results in many 'new' grant-funding projects being added to our annual Capital Works Program during the year and the need to amend our Operational Plan multiple times.

Recommendation: Guidelines that more closely align grant funding allocation/announcements to the Local Government Integrated Planning and Reporting Framework would assist project resourcing and planning.

9. Support from Grant Management Offices and Department of Regional NSW

We would like to note that we have consistently experienced an exemplary high level of support from the staff at all of the respective grant management offices and especially from our Business Development Manager, North Coast Department of Regional NSW.

We truly commend these staff for their expertise, dedication and exemplary approach to facilitating our requests. We have truly valued their friendly, efficient and knowledgeable support in the coordination of agreements, variations and reporting obligations.

In conclusion

Port Macquarie-Hastings Council thanks the Public Accountability Committee for consideration of our submission. The effect of grant funding to invest in the rejuvenation and creation of our regional community facilities, infrastructure and programs enables hugely positive outcomes on all aspects of community life in our regional local government area.

If you have any queries or require further information, please do not hesitate to contact me at _____, or Acting Director Strategy and Growth, Liesa Davies

Yours sincerely

Jeffery Sharp
Acting General Manager

Cc Mayor Peta Pinson
The Hon. Leslie Williams - Member for Port Macquarie
The Hon. Melinda Pavey - Member for Oxley