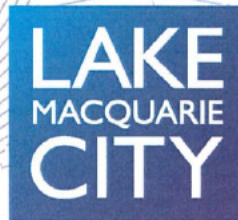# INQUIRY INTO INTEGRITY, EFFICACY AND VALUE FOR MONEY OF NSW GOVERNMENT GRANT PROGRAMS

Organisation: Lake Macquarie City Council

Date Received: 26 August 2020

26 August 2020

Mr David Shoebridge MLC, Chair
Public Accountability Committee
Public.Accountability@parliament.nsw.gov.au

Dear Mr Shoebridge

Subject: **Submission - Inquiry into the integrity, efficacy and value for money of NSW Government grant programs**

Thank you for the opportunity to provide a submission to the Public Accountability Committee's inquiry into the integrity, efficacy and value for money of NSW Government grant programs. Lake Macquarie City Council regularly applies for grant funding from the NSW Government and has had mixed success in obtaining grant funding. Council staff have prepared this submission seeking government efforts to:

1) simplify grant processes,
2) improve the awareness of grant programs and their intended outcomes,
3) improve consistency in decision-making, and
4) improve the consistency and alignment with the Australian Government.

The attachment provides some suggestions for how the above may be achieved.

When successful, grant programs provide Council with the financial assistance it needs to deliver projects and programs that offer social, economic and environmental benefits to our City and the wider Hunter and Central Coast regions. Unfortunately, with increasing costs and reduced revenue sources, councils can often become reliant on grant funding to deliver transformation projects. This issue is further exacerbated by councils competing with each other over limited grant-funding pools for similar projects.

I welcome the Committee's inquiry and encourage government policymakers to consider the recommendations made by both the Committee and organisations making submissions.

Should you require further information, please contact me on

Yours sincerely

Morven Cameron
Chief Executive Officer

Attachment 1 – Submission from Lake Macquarie City Council staff

Simplify grant processes

Preparing grant applications can be a time consuming and resource-intensive exercise for applicants. Simplified processes could:

- deliver savings for government agencies managing multiple grant sites/registers,
- reduce costs for applicants,
- improve the quality of data and the integrity of applications,
- provide clear connection between grant applicant data and grant program objectives,
- improve the accessibility of grant programs, and
- ensure the community can quickly access available grant opportunities (see below).

Suggestion:

The Committee consider the simplification of grant processes by exploring options such as:

a) improving the consistency of application processes (e.g. forms) across grant programs,
b) providing a single repository for grant information, similar to the Australian Government's Grant Connect, and
c) Populate forms with previously supplied information from applicants.

Improve the awareness of grant programs and their intended outcomes

As an applicant, the awareness of NSW grant programs varies, often relying on knowing when and where to look or who to contact. Improved knowledge of grant programs by applicants could:

- improve the achievement of grant program objectives,
- improve the pool of candidates and therefore increase the variety of projects and applicants,
- achieve better alignment between potential projects and the grant outcomes,
- improve the quality of applications by ensuring applicants have as much time as possible to prepare their applications, and
- build relationships, collaboration and rapport between State agencies and prospective applicants.

The Australian Government's Grant Connect website (https://www.grants.gov.au/) is a practical example for the Committee to consider. Acting as a centralised and comprehensive database of grant programs, including both forecast and current grant programs. Grant Connect enables prospective applicants to search, subscribe and apply for grant programs. Grant Connect also provides high-level information on the awarding of grants, which improves the transparency of grant programs.

Suggestion:

The Committee consider opportunities to improve the communication of grant programs, such as the use of a single repository for grant information with subscription processes, similar to Grant Connect.

Improve consistency in decision-making

To the best of our knowledge, grant programs we have participated in have been conducted with probity and integrity.

There is an opportunity to encourage earlier engagement between potential applicants and grant decision-makers, particularly for grants of higher-value where considerable resources are needed to prepare applications. Pre-lodgement meetings could provide applicants with more information about the grant program, the weighting of criteria and the interpretation of criteria. This process could be underpinned by an Expression of Interest process whereby prospective applicants could inform grant assessors of their interest in the program.

The Expression of Interest process could provide valuable insights to the Government about the level of interest in grant programs, which can, in turn, inform future decisions about budget allocation. It could also deliver savings to applicants who would not have to invest in the significant cost of a full application up-front.

We acknowledge the benefits of a process similar to that outlined above for the Government's Regional Growth Fund, where we have access to a Business Development Manager who notifies us of grant opportunities, guides project selection and provides additional information.

Suggestion:

The Committee consider introducing pre-lodgement meetings for grants of significant value (e.g. anything where more than $1 million could be awarded to a single applicant) and feedback meetings for unsuccessful applications.

Improved consistency and alignment with the Australian Government

Council staff have received feedback from the community that the use of different eligibility criteria between the NSW and Australian Governments can be confusing.

For example, a recent grant application by a constituent from the Lake Macquarie City Local Government Area (LGA) was deemed ineligible for a grant program because they were classed as not being in a regional area under the *Australian Statistical Geography Standard Remoteness Structure (2016)*. Many, if not all, NSW grant programs for regional NSW recognise the entire Lake Macquarie City LGA as 'regional'. What further exacerbates this issue is that had the applicant's location been approximately two kilometres west, they would have been eligible for the grant program.

In theory, there is an opportunity to seek matched funding for a project concurrently from both the State and Australian Governments. In practice, the grants rarely open simultaneously, and references to matched funding must be stated as 'outcome pending'. The applicant is left with the risk that they receive funding from only one source and have to find the matched funds from their budget. This uncertainty can preclude applications where the organisation cannot guarantee being able to fund the shortfall.

Suggestion:

The Committee consider advocating for improved consistency between NSW and Australian Government eligibility criteria.

We recommend the Committee ask the State and Australian Governments to align grant closing and outcome dates to allow applicants, particularly for community grant programs, to seek funding from both sources where appropriate.