



## Council of Social Service of New South Wales

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8 December 2006

The Hon. Grant McBride MP  
Minister for Gaming and Racing  
Minister for the Central Coast  
Level 31 Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

Dear Mr McBride

Thank you for the opportunity to comment on the proposed changes to the Community Development and Support Expenditure (CDSE) Scheme Guidelines to commence on 1 September 2007. NCOSS notes that the substantive changes to the Guidelines are:

1. The introduction of a cap on 'in-kind' contributions to 20% of CDSE liabilities;
2. An increase in the proportion of Category 1 funds to 60% of CDSE liabilities;
3. A minimum 75% of Category 1 funds are to be allocated in accordance with the local committee recommendations;
4. Changes to the calculation on maximum allocation of administrative costs to \$1000 or 0.5% of category 1 funds (whichever is the greater) up to \$10,000;
5. The introduction of contracts for individual grants over \$10,000; and
6. The appointment of Ministerial representatives to local committees.

NCOSS understands that these changes have arisen following a review of the CDSE scheme. A report of the review has not been released. NCOSS would have preferred to comment on the guidelines following the release of a report on the review as this would allow NCOSS to assess the evidence base for the proposed changes.

The following comments are the result of consultations with NCOSS representatives on local CDSE committees in regard to the proposed changes.

**1. A cap on 'in-kind' contributions**

NCOSS supports a cap on in-kind contributions and considers that 20% is a generous amount.

**2. Increase Category 1 funds to 60% of CDSE liabilities**

Many NCOSS representatives on local CDSE committees consider that 100% of CDSE liabilities should be spent on Category 1 grants. NCOSS supports an increase in the proportion of CDSE liabilities to 60% as this is a substantial increase in Category 1 funding.

**3. A minimum 75% of Category 1 funds to be allocated in accordance with the local committee recommendations**

NCOSS understands that the intention of this change is to ensure local committees have a substantial role in allocating Category 1 funding. This objective is supported by NCOSS

because local NCOSS representatives are often frustrated by the lack of adherence to local committee decisions and some clubs allocating substantial Category 1 funding without reference to the committee. We note that many NCOSS representatives believe that all Category 1 funds should be allocated on the basis of local committee recommendations. In some areas more than 75% is already allocated by local committees but in other areas very little decision making is given to the Committee. There is concern that some clubs may insist that the remaining 25% be allocated by clubs without consulting local committees. NCOSS would prefer to see 100% of Category 1 funds allocated by local committees.

#### **4. Changes to the calculation on maximum allocation of administrative costs**

The effect of this change will be to limit administrative costs claimable to between \$1000 and \$10,000 per year. The changes in claimable administrative costs will vary between LGAs. For example, an area with six clubs currently could claim up to \$6,000 (or 10% of category 2 funds if category 2 funds are less than \$60,000). Under the proposed changes the amount claimable would most likely decrease (unless category 1 funding was more than \$1.2 million per year).

Some small local Councils, particularly in regional areas, are struggling to maintain the administrative support associated with the scheme because financial support from the scheme is limited. Changes to claimable administrative costs calculations should target those areas where small local governments are struggling to maintain the administrative support for local committees. NCOSS suggests that there be two rates of administrative assistance available to local Councils that convene and service the local committees, with a higher rate for smaller urban and rural councils that have a reasonable level of CDSE liabilities and a lower level for larger Councils who are already involved in grant making activities.

It should be noted that NCOSS is expected to have a role in supporting our representatives on local CDSE committees without any financial support to do so.

#### **5. The introduction of contracts for individual grants over \$10,000**

NCOSS is not opposed to contracts for individual grants over \$10,000. However, there is a need to ensure that the use of contracts does not become too complex and incorporate onerous acquittals and reporting systems. Contracts and accountability requirements should be proportional to the level of funding provided. The Office of Liquor, Gaming and Racing should consider developing a standard, simple funding agreement for use in the CDSE scheme.

#### **6. The appointment of Ministerial representatives to local committees**

Local NCOSS representatives were not strongly opposed to Ministerial representatives being added to local committees provided they have local knowledge or experience. However, NCOSS believes that, as a matter of good public policy, Ministers should be at arm's length to funding decisions such as those being made by local CDSE committees. In the absence of a strong evidence base supporting the appointment of Ministerial representatives, NCOSS can not endorse this proposal.

#### **Other issues**

Of ongoing concern to NCOSS representatives on local CDSE committees is that the scheme operates under guidelines rather than enforceable regulations. NCOSS representatives indicated that some clubs consider the guidelines to be optional and do not adopt the consultative, cooperative spirit of the guidelines. NCOSS representatives proposed that the

Office of Liquor, Gaming and Racing should ensure compliance with committee processes to maintain local, consultative decision making.

NCOSS representatives expressed concern that many areas within NSW do not have a CDSE scheme because there are no clubs large enough to incur a CDSE liability. Consideration should be given to distributing some CDSE funding to those areas not currently operating a scheme.

I trust these comments will prove useful in your consideration of the proposed changes. If you require any further information please contact Mr Dev Mukherjee on 9211 2599 (x 130) or email [dev@ncoss.org.au](mailto:dev@ncoss.org.au).

Yours sincerely

Michelle Burrell  
A/Director