



Council of Social Service of New South Wales

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17 July 2015

Community Benefits Fund
Strategy, Policy and Coordination
Division of Resources and Energy
Level 48, MLC Centre
Sydney NSW 2000
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Dear Madam/Sir

Establishing a Gas Community Benefits Fund Discussion Paper

Thank you for the opportunity to provide comment on the “Establishing a Gas Community Benefits Fund” Discussion Paper. The Council of Social Service of NSW (NCOSS) wishes to make brief comments on how a Gas Community Benefits Fund should be designed and we would welcome the opportunity to further engage with the Division of Resources and Energy on these issues in due course.

NCOSS is the peak body for social and community services and is the most prominent voice working for and with people experiencing poverty and disadvantage in NSW. NCOSS advocates for policies, programs and measures that provide support and foster opportunities for low income, vulnerable and disadvantaged people and communities.

NCOSS is broadly supportive of the plan to establish a Gas Community Benefits Fund to support communities in areas which are affected by gas operations activities. We think it is particularly important to involve affected communities in funding decisions and agree that the administration of the fund and any funding decisions must be transparent and accountable.

In addressing the Discussion Paper’s item on funding arrangements and suggested models for how to administer any future fund, NCOSS would like to point to its involvement with ClubsNSW in the ClubGrants Scheme. The ClubGRANTS scheme provides tax rebates on gaming machine profits generated by registered clubs when they provide financial or in-kind support for locally based community programs and services.

NCOSS has been involved the ClubGrants Scheme since its establishment and has a specific role both in nominating sector representatives to local committees and in being consulted about the Scheme’s Guidelines.

The ClubGRANTS Scheme is a form of hypothecation that sees money that would otherwise go to consolidated revenue be retained by clubs to be spent in a particular way. By establishing the Scheme in this way, Governments (past and present) have made a clear decision to give up some revenue otherwise due and thus reduced their capacity to allocate such revenue to expenditure determined in a whole of government and state wide priority basis. Further features of the Scheme

such as annual allocations and a local government area focus mean that grants are non-recurrent and often small in scale.

The NSW Auditor General's Report on the Management of the ClubGrants Scheme¹ addressed many of the issues NCOSS has previously raised since the Scheme was established in 1998, including that:

- Governance arrangements are complex and there is room for improvement;
- The difficulty of accessing information about the funds available in each area as well as decisions made by clubs;
- There is inadequate support and resourcing for committees;
- Committee recommendations do not have to be followed by clubs.

NCOSS recognises that the ClubGrants scheme does provide a small but useful source of additional funds for local community organisations. However, NCOSS is concerned that many of the issues facing low income and disadvantaged people and communities are significant and require sustained investment over many years to see improved outcomes.

NCOSS questions whether the structure of the ClubGrants Scheme (based on annual allocations that are relatively small) is therefore, the most effective way to address need in local communities.

Noting the challenges with the ClubGrants Scheme, we suggest that it could be modified to make it more effective. NCOSS would recommend that:

- As with ClubGrants, the process be competitive and all applications assessed on merit by a locally based committee;
- Any funding committee include representatives from the community and from local and/or state government;
- Industry not participate in the allocation of funds on the grounds of avoiding potential/perceived conflict of interest and ensuring objectivity in the distribution of monies;
- Local Government or an appropriate not-for-profit organisations (eg Regional Community services peak) be responsible for administering the Fund; and
- The guidelines ensure transparency and accountability and that compliance be effectively monitored and confirmed in legislation.

NCOSS would further suggest that projects funded by a Gas Community Benefits Fund must include community development projects as well as infrastructure projects that alleviate poverty and disadvantage in communities.

Should you require further information, please contact John Mikelsons, NCOSS Deputy CEO, on 8960 7916 or via email at john@ncoss.org.au.

Yours sincerely



John Mikelsons
Acting Chief Executive Officer

¹ NSW Auditor General's Report on the management of the ClubGRANTS Scheme, May 2013.