

23 August 2020

David Shoebridge MLC
Committee Chair
Public Accountability Committee
NSW Parliament Legislative Council
6 Macquarie Street
Sydney NSW 2000

Via 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

Thank you for this opportunity to submit to the *Inquiry into the integrity, efficacy and value for money of NSW Government grant programs*.

The NSW Council of Social Service (NCOSS) works with and for people experiencing poverty and disadvantage to see positive change in our communities. As the peak body for health and community services in NSW, we support the sector to deliver innovative services that grow and develop as needs and circumstances evolve.

NCOSS recognises the significant benefits that grant programs can deliver to communities and organisations, particularly those communities that are facing challenges and limited options for funding.

As you will be aware, government funding for community sector organisations has generally not increased to meet demand. Many organisations rely on small grants to subsidise their funding so that they can continue to deliver much needed services to their communities. In this context, we suggest that the following areas would benefit from improvement.

Transparent application processes

The process for applying for grants is resource-intensive, particularly for small organisations. This makes it even more important that clear eligibility criteria are developed and communicated and that the decision-making process is transparent.

When grants are announced, potential applicants should be able to access clear, concise information to allow them to assess their eligibility and make informed decisions on whether to apply for grants. Unsuccessful applicants should receive timely written feedback on their applications, including detailed information on why they were not successful. The intention of this is not to increase administrative burden for the government but to provide organisations with the information they

need to improve their applications and to assess whether to invest often limited resources in preparing applications in future.

NCOSS notes and supports the inclusion of the Stronger Communities Fund in the planned performance audit of grants administration in selected NSW Government agencies being undertaken by the NSW Auditor-General. The Audit Office has both the requisite expertise and independence required to effectively audit government grant commitments on an ongoing basis, and to provide timely and prudent advice to government on opportunities to enhance grant programs.

Public information on funding allocations

Generally speaking public information on government funding to non-government organisations via grants and other agreements is not presented in the spirit of the *Government Information (Public Access) Act 2009*.

Information provided in NSW budget papers has progressively lacked detail on funding for specific programs, and now even funded organisations struggle to identify changes to funding allocations over time. This lack of transparency in budget papers is exacerbated by machinery of government changes and the resulting consolidation of agencies and budgets as well as the re-badging of programs.

Reporting on grants

NCOSS supports a standardised approach to reporting financial information associated with grant programs. At a minimum, basic financial information should be published in a format that allows for comparison of expenditure, function of grants and distribution of funds.

Current reporting on grants is inconsistent. The level of detail provided can vary between and often within agencies. Information on the overall level of expenditure across programs also varies, even within the same financial reports. For example, the DPC annual report includes detail on the Premier's discretionary fund but not the Deputy Premier's discretionary fund.

The publication of a consistent set of financial accounts in an appropriate format (e.g. excel) would allow for greater public scrutiny and analysis of expenditure by funding body, region and purpose over time.

NCOSS notes the online information on grants under the Stronger Country Communities Fund. This is an example of a feasible and low-cost mechanism for public reporting on these type of grants.

Ministerial discretion

Ensuring enduring confidence in the use of ministerial discretion in the selection of grant recipients requires an ongoing commitment to high standards of accountability and transparency.

Ministerial discretion should be exercised consistently with the stated intent of grant programs, program guidelines and the criteria for the selection of grant recipients. In exercising discretion, Ministers should be in a position to satisfy themselves that decisions made are consistent with program criteria and in keeping with the interests of the broader NSW community.

Accountability is critical to safeguarding the public's confidence in the functioning of public sector agencies, parliament and members of the executive. A lack of transparency and accountability in determining and awarding grants undermines the integrity of grant schemes, reduces public confidence in the fairness of programs, erodes trust and the ability of government to deliver projects impartially.

NCOSS thanks the Committee for the opportunity to contribute to this Inquiry. We would very much welcome the opportunity to discuss this submission with you in greater depth. Should you have any questions about this matter, please do not hesitate to contact me or Director of Policy and Research, Anna Bacik (02) 8960 7916 or via email at anna@ncoss.org.au

Yours sincerely

A handwritten signature in cursive script that reads "Joanna Quilty". The signature is written in a dark ink and is positioned centrally below the "Yours sincerely" text.

Joanna Quilty
Chief Executive Officer