



Response to *A New Tasmanian Community Grants Program: Discussion Paper* by the Department of Treasury & Finance

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Authorised by
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The Tasmanian Council for Social Service (TasCOSS) welcomes the opportunity to respond to *A New Tasmanian Community Grants Program: Discussion Paper* by the Department of Treasury & Finance. TasCOSS is the peak body for the community services sector in Tasmania and the principal voice for low income and disadvantaged Tasmanians.

Many TasCOSS members have benefited from grants from both the Tasmanian Community Fund and the Community Support Levy which the Department of Treasury and Finance (Treasury) has proposed to replace with a new funding program. We invited our members to provide feedback on the proposals in the Discussion Paper and have taken their comments into account in the preparation of this submission

The stated objective for designing a new community-based grants program in the Department's Discussion Paper is to "maximise efficiency, while maintaining high levels of transparency, accountability and ensuring responsiveness to community needs."¹ TasCOSS applauds the Government's commitment to the principles of transparency and accountability and the prioritisation of community need. However, given that Treasury is proposing a model that is subject to meeting State Government objectives through a Statement of Expectations/Statement of Intent process, our main concern is whether the new fund would be truly independent.

Feedback from TasCOSS members clearly identifies transparency of decision making and independence from government as key attributes of the Tasmanian Community Fund. This level of transparency and independence is particularly important for reassuring the broader community of the credibility and perceived objectivity of the grant provision process.

The Tasmanian Community Fund

The Tasmanian Community Fund (TCF) was established from proceeds of the sale of a community asset, the Trust Bank, to provide funds back to the community. As outlined in the Discussion Paper:

"The main tenets that underpinned the establishment of the Tasmanian Community Fund included:

- independence from the government of the day;
- funding certainty through a reserved-by-law appropriation; and
- accountability to Parliament through the tabling of an annual report."²

The TCF's submission to the Discussion Paper points out that the Fund's "maturity, integrity and full independence was re-affirmed, and augmented, by Parliament when it passed new legislation"³ which is the *Tasmanian Community Fund Act 2005*. There is no reason to believe that four years down the track there has been any significant development to suggest that this legislation needs to be reviewed.

¹ Department of Treasury and Finance. *A New Tasmanian Community Grants Program: Discussion Paper*, May 2009, p.3.

² Department of Treasury and Finance. *A New Tasmanian Community Grants Program: Discussion Paper*, May 2009, p.7.

³ Tasmanian Community Fund. *Preliminary Response to the Department of Treasury & Finance's Discussion Paper - A New Tasmanian Community Grants Program*, May 2009, p.2.

In terms of efficiency and improved outcomes, the TCF Board works closely with community stakeholders, external partners and other funding bodies to streamline processes, improve the efficiency of the fund and therefore improve outcomes and to ensure that funding is fairly allocated to projects that will make a difference to the Tasmanian community. With regards to the latter, TCF staff work with community groups to help them submit their best case and provide public forums and workshops throughout the state to make the process as informed, accessible and transparent as possible.

Since its establishment in 2000 the TCF has provided grants to a diverse group of not-for-profit organisations for projects ranging from preserving Aboriginal culture to funded programs that provide education, training and life skills to some of Tasmania's most disadvantaged youth to help them find employment. In its Annual Report for 2007-2008, the TCF states that over the previous eight years the Fund has "established itself as a significant part of the community landscape allocating more than \$35.0 million in grants to 977 projects"⁴ and that with around \$5.0 million in funding each year to distribute, the Fund is comparable to the largest grants bodies across Australia.

TasCOSS believes that the best interests of the community can only be served if the TCF remains independent of the government of the day as originally intended. This independence must be underpinned by the tenets (which are enshrined in legislation) already noted in the Discussion Paper and quoted above.

The Community Support Levy

The Community Support Levy (CSL) was introduced by the Government to address community concerns about the impact on the community of the introduction of electronic gaming machines into pubs and clubs. The CSL derives its funding from taxation on gaming machine revenue and some revenue raised from the introduction of betting exchanges. The allocation of funding requires approval by a Government Minister to ensure funding is in line with Government policy objectives.

In the TasCOSS submission to the 2005 Parliamentary Standing Committee of Public Accounts Administration of the Community Support Levy,⁵ one of the key recommendations was "that the assessment committee should be an independent board, such as the recommended Community Development Board, and chaired independently of government, such as the Tasmanian Community Fund."⁶ TasCOSS identified that there was strong support for the decision-making authority for this grant to be removed from the Tasmanian Gaming Commission and for the CSL to be managed by an independent community board to "avoid political agendas, negative public perceptions, and be able to independently identify and respond to community need."⁷

It was clear at the time that there was a perception in some community organisations that the Tasmanian Gaming Commission is too closely associated with Treasury and that the decision-making authority for the CSL should be independent of government.

⁴ Tasmanian Community Fund. *Annual Report 2007-2008*, p.2.

⁵ Tasmania. *Parliamentary Standing Committee of Public Accounts Administration of the Community Support Levy: Report*, 2005, pp.55-56.

⁶ TasCOSS Submission to Parliamentary Committee on Public Accounts Review of The Community Support Levy, January 2005, p.4.

⁷ *Ibid.*, p.6.

TasCOSS reiterates its position with regards to the CSL and strongly supports the point made in the TCF submission, that the full independence of the TCF is “a principal reason why the Tasmanian Community Fund is considered as the premier funding body in the State.”⁸

Summary

The proposal from Treasury is that the TCF and the CSL be replaced with a new funding program. In response to the stated objectives of Treasury for designing a new community-based grants program, it should be noted that the TCF already meets high levels of efficiency, transparency, accountability and responsiveness to community needs while still remaining independent of government.

The CSL model - allocation of funding which requires approval by a Government Minister to ensure it is in line with Government policy objectives - is the model which has drawn criticism precisely because it is not perceived as fully independent from government. Why then would Treasury consider that a new community-based grants program, possibly subject to meeting Government policy objectives through a Statement of Expectations/Statement of Intent process, would constitute an improvement and satisfy the community’s desire for a fully independent process?

The TCF and the CSL are different and there is currently only minimal overlap of organisations which receive funding through competitive grants from both the CSL and the TCF. Furthermore, there are community organisations which have an ethical opposition to applying for funds derived from gambling.

Based on input from members and for the reasons outlined above, TasCOSS takes the position that:

1. The Tasmanian Community Fund provides critical support to the Tasmanian community, and in particular to those who are most disadvantaged. As such, it is important that any changes made to its operation do not negatively impact on the provision of this support.
2. Government will ensure the best outcome for the community by eschewing a direct involvement in the decision-making process of the TCF. Treasury’s position of reducing the level of independence to “operational independence” cannot deliver a patently transparent outcome.
3. Rather than improving the flexibility of the current arrangements, Treasury’s proposal could in fact reduce it by requiring the additional process to ensure that operation and funding decisions are in line with Government policy objectives.
4. Perceived problems with the CSL should be dealt with separately - as stated in the TCF’s response paper, “any issues associated with the CSL’s operations, including

⁸ Tasmanian Community Fund. *Preliminary Response to the Department of Treasury & Finance’s Discussion Paper - A New Tasmanian Community Grants Program*, May 2009, p.4.

transparency, accountability, flexibility and responsiveness should be addressed by the Government within that body in the first instance.”⁹

5. Treasury should assure the full independence of the TCF by maintaining the current process.

TasCOSS hopes that the comments and suggestions in this submission are useful in further deliberations on this matter. Please contact TasCOSS if you require any further information.

⁹ Tasmanian Community Fund. *Preliminary Response to the Department of Treasury & Finance’s Discussion Paper - A New Tasmanian Community Grants Program*, May 2009, p.6.