

TASMANIAN COMMUNITY FUND AMENDMENT BILL 2024 (No. 54)

Second Reading.

[3.28 p.m.]

Mr JAENSCH (Braddon - Minister for Community Services) - Deputy Speaker,
I move -

That the bill be now read a second time.

The Tasmanian Community Fund (TCF) was established to operate independently of government. Since 2000, it has awarded more than \$137 million in grants to more than 3230 projects. The Tasmanian government is responsible for ensuring the appropriate governance and accountability of the Tasmanian Community Fund and its processes. To this end, we are proposing targeted amendments that will provide enhanced transparency and community confidence in the governance and decision-making structures and processes of the Tasmanian Community Fund. The amendments address several issues and concerns identified in the Auditor-General's August 2024 report, Tasmanian Community Fund Referendum Support and Assessment of Grant Funding to Australians for Indigenous Constitutional Recognition Ltd.

The Auditor-General's recommendations were that the TCF:

1. Conducts and documents due diligence including recording the legislative basis, key considerations, conflicts of interest, assessment of risks, and any advice relied upon in reaching its decisions.
2. Adopts better practice grants management to objectively assess the relative merit of grants with clear reasons why applications are approved or denied.
3. Provides regular guidance, training, and clear directions to staff to ensure they are able to comply with Tasmanian State Service principles of remaining impartial and apolitical while following the Board's directions.
4. Adopts better practice records management in accordance with the Archives Act and associated guidance.

I appreciate the time taken by members and their advisers who have participated in briefings regarding this bill. I appreciated the opportunity to address the questions that were raised. The amendment bill provides explicit direction that the TCF board must not directly make grants for political purposes and must act in a professional and impartial manner in performing its functions and exercising its powers more generally.

As advised in drafting the bill, the amendments do not define 'political', as it was not deemed appropriate to attempt to provide an exhaustive definition of all matters that may be considered political. The TCF board will be supported through the Department of Premier and Cabinet to obtain advice, if required, to inform its decision-making on matters such as what may constitute a political campaign or political decision.

The amendment clarifies that the TCF Board must comply with the requirements of the Archives Act 1983 and Audit Act 2008 and that grants provided by the board are considered grant expenditure for the purposes of the Public Accounts Committee Act 1970 to make it clear that decisions on such grounds may be scrutinised by the Public Accounts Committee.

The amendment bill provides a requirement for the TCF board to develop, publish and comply with a grant management framework based on contemporary best practice and aligning with relevant treasurers' instructions as though the board were an agency under the *Financial Management Act 2016*. It also requires the TCF board to conduct independent external performance audits of its compliance with grant management frameworks every four years and release the key recommendations publicly.

The amendment bill requires the TCF to publicly consult on the development of its draft strategic plan for a minimum period of 21 days prior to its finalisation and adoption, and to prepare and publish an annual report against a strategic plan. These amendments will help strengthen the important role the TCF board plays in the Tasmanian community. The amendments strengthen accountability and build an important framework for the expenditure of public funds by the TCF board, while ensuring they remain apolitical, independent and transparent.

As these amendments are mainly administrative in nature and do not affect the ability of the Tasmanian Community Fund to deliver community grants, targeted consultation was undertaken focusing on community sector peaks and the TCF board. I have listened to the feedback provided and have ensured the consideration of this feedback throughout the drafting process.

The proposed amendments do not seek to limit the independence of the TCF board. They are intended to explicitly articulate the parliament's expectations in relation to the prudent and appropriate management of public funds the Tasmanian Community Fund administers on behalf of the Tasmanian community. The amendments bring the TCF board's accountability and governance obligations into line with those of other statutory boards with similar responsibilities for public funds.

The TCF board has advised me that it is progressing well in implementing recommendations made in the Auditor-General's August 2024 report. The Tasmanian Community Fund has a 25-year history of supporting the Tasmanian community. The TCF board recently held its first meeting with its three new members, including the new chair, Kym Goodes. The board has shared with me that it is seeking to understand community views on the TCF and its purpose for the future.

The government looks forward to understanding those views and what needs to be considered to support the TCF to fulfil its purpose as the community intends. That will be a longer-term consideration. It is important to proceed with this amendment bill now to give

Tasmanians confidence that we have acted on the Auditor-General's recommendations and support the continued work and independence of the Tasmanian Community Fund.

Deputy Speaker, I commend the bill to the House.

