
Second Reading Speech

Tasmanian Community Fund Amendment Bill 2024

I move that the Tasmanian Community Fund Amendment Bill 2024 be read a second time.

The Tasmanian Community Fund was established to operate independently of Government and since 2000, has awarded more than \$137 million in grants to more than 3,230 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 decision.
2. Adopts better practice grant 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 Department of Premier and Cabinet staff that provide support to the TCF, to ensure they can comply with Tasmanian State

Service principles of remaining impartial and apolitical while following the TCF's directions.

4. Adopts better practice records management in accordance with the *Archives Act 1983* and associated guidance.

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.

It 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 grants 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 Treasurer's 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, publish, and annually 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, rather, 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.

By proceeding with the Bill we will 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.

I commend the Bill to the House.