

**THE PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS MET  
IN COMMITTEE ROOM 1, PARLIAMENT HOUSE, HOBART ON WEDNESDAY  
13 APRIL 2005**

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**INQUIRY INTO THE COMMUNITY SUPPORT LEVY**

**Mr GERALD LOUGHRAN**, CHAIRMAN OF THE TASMANIAN COMMUNITY FUND BOARD AND **Mr MARK GREEN**, SENIOR EXECUTIVE OFFICER OF THE TASMANIAN COMMUNITY FUND WERE CALLED, MADE THE STATUTORY DECLARATIONS AND WERE EXAMINED.

**CHAIR** (Mr Fletcher) - I welcome Mr Loughran and Mr Green from the Tasmanian Community Fund. We have sought your advice today with an initiative of the committee because we are in the process of considering the collection and distribution of the Community Support Levy which has some similarities in the process stages and we believe that you have expert advice that we would like to share in relation to the assessment and distribution process, and if I can ask you to take the oath then we can proceed to business.

The committee has been meeting for a number of weeks now to inquire into and report upon the collection and distribution of the Community Support Levy flowing from gaming. After taking evidence from a lot of people, we are looking at the assessment and distribution process. We are inclined to a position, at this stage without finalising anything, that the process being used is bureaucratic, with too many layers perhaps, and there might be a simpler, more efficient way of doing it. We would like to ask your advice as to how you process the claims or applications to the Community Fund and we will be asking questions with regard the number of applications you receive on an annual basis; the length of time it takes to process them; the debriefing sessions and things of that general nature. Perhaps you might give us an outline in the first instance to address your processes and how you manage it.

**Mr LOUGHRAN** - I will try to cover the broad principles of what we do and Michael can enter into the specifics which he is probably more familiar with. Just as a starter, when we commenced the fund, and prior to commencing fund, we actually went to New Zealand and looked at a number of foundations. We also looked at a number of foundations in Australia and two directors of the former Trust Bank went to do that and came back and made a report. That report was provided to Treasury officers, along with a lot of information from people such as ANZ, Westpac and a number of the other charitable funds from around Australia.

So what we tried to do was set up what we considered the best practice from the beginning. We established a code of conduct for the directors of the fund and we established guidelines. I would have to say that those guidelines have stayed pretty much intact but they are considered to be a work in progress and we change them as we go along, as we are very conscious to be seen as close to the community as we can be. We get out and talk with the community at various community forums. We get peoples' views on how easy our process is and so on. With that in mind, I think we have a fairly simple process in that we advertise for two grant rounds each year and with a third grant

round, which we consider to be a strategic round, we actually say we are seeking funding for a specific purpose. For example, last year it was early childhood intervention and this year it is the promotion of Tasmania's cultural heritage. And we treat that as a separate round where there is specific funding required.

When it is a strategic grant round we may employ specialists to assist the board in their consideration, particularly in the areas of early childhood intervention, which was important, and we will do the same this year with the cultural area as well. So we will have a panel that will help vet proposals before the board actually makes a decision.

It is a relatively simple process in that we advertise for submissions; people are able to talk with our executive and his part-time assistant and we allow - in fact, encourage - board members to talk with applicants as they get out and about quite a bit. But if they have had discussions, when the application comes in we ask them to leave the room so that there is no possibility of any conflict of interest, after providing what we might call preliminary information. Should I stop at that point and see what questions come forward?

**CHAIR** - Yes, I think that is probably opportune. There will be some questions come forward. Mr Dean, will you lead off?

**Mr DEAN** - You said that you advertised and you talked to the applicants about their applications and I take it from that that you would assist them with those applications as well. Is that a part of your process?

**CHAIR** - Mark, you can answer that.

**Mr GREEN** - Certainly potential applicants can talk to me and my assistant about getting some guidance as to the sorts of things that might be included in the application. Obviously we cannot write it for them but we can certainly offer some pointers about the sort of information that the board are looking for in the application and maybe also help them refine that project a little to something that is going to be considered appropriately by the board. That is always available at any time of the year.

**CHAIR** - That is good. Mr Sturges?

**Mr STURGES** - Just in relation to the strategic round, that third round you referred to, Mr Loughran, I note you say you are out there, you have community forums and consult with the community. Is that the process that determines the strategic focus in that third round?

**Mr LOUGHRAN** - No, what we do each year, Graeme, is actually encourage the board to spend some time in workshopping up their strategic intent for the next year. We have done that each year, so we look at our processes but we also think. What we have tried to do is to say, 'Look, we are very much at the whim, if you like, of the community in all the projects that come before us.' We have had an average of about 250 times 17 - so several thousand - applications in the last five years, but I decided with the board some two or three years ago that we needed to be more strategic in our thinking, more directional about how the funding might be spent. For that reason, apart from the two general grant rounds when you can come in under any one of 10 categories, we ask what

we think would make a difference to the Tasmanian community. Two years ago we chose early childhood intervention, where children were at risk, so we have been working in a number of disadvantaged suburbs throughout Tasmania - and there are a lot. We have put project officers in place for three-year programs and so on in places such as Clarendon Vale, Acton, Ravenswood, Gagebrook and Brighton. They are sorts of areas where we have got some people actually working and making quite a difference. We get assessments and quite often with our funding we will say we will provide so much and after the first year we will require an assessment as to what progress has been made before -

**Mr STURGES** - Against indicators set by the board?

**Mr LOUGHRAN** - Yes. We usually get the applicant to set the indicators and we tick off on that and then they report in as to how they have gone. We may quite often though set conditions with the funding that we think are appropriate.

**Mr WILKINSON** - Does government assist at all with any of the strategic issues? Early intervention was a government issue a couple of years ago. Cultural heritage has also been a government issue so I wondered whether there was a government intervention at all or discussions with government as to what the strategic issues should be?

**Mr LOUGHRAN** - I think one of the strengths of the fund is the fact that it is entirely independent of government. First of all with the selection of the board members it was written into the legislation at the time it was formed that the chairperson would recommend to the minister. I have been fortunate enough to recommend people, those recommendations have been taken to Cabinet and they have in each case been approved. We try to get the right skill base and the right community involvement across the board. There have been no government appointees to the board. What we try to do - and we have increasingly done this over the last two or three years - is learn as we go along. We meet with peak bodies, we meet with community organisations and from time -to time we meet with councils. We recently had a meeting with the Glamorgan Council where we tried to understand the needs of the southern part of the east coast. What we try to do is to make sure that we are not at any time doing the bidding of government or any government department.

**Mr WILL HODGMAN** - Could you just name the members of the board and give us an understanding of where they are from?

**Mr LOUGHRAN** - In the north-west coast you have Catherine Fernon, who has a tremendous knowledge of the north-west coast, and not only of the community. She has been involved previously with grant-making bodies and has a very good knowledge of the arts. She is a development officer with the Burnie Council. Joan Walters, who is in Launceston, has a very wide knowledge of the community - in fact, she is involved in so many community organisations that she often has to leave the meeting because she has an interest, for one reason or another. We have Kevin Preece, who has good financial skills and has had very wide involvement in the community. In Hobart we have Andrew Kemp, again who has a wide knowledge of the business community and is involved in a lot of activity, and Fiona Calvert, who is a former Treasury officer. Fiona brings to us quite wide skills and she has been with a number of government departments now. She has been with DPAC and Treasury and she is now with Aurora Energy, so she is a

younger person and myself. So it is a pretty broad cross-section, with many skills. We have had one replacement and there is the opportunity for replacement later this year when some terms end.

**Mr BARTLETT** - I see you have an annual report there which I will have to have a bit of scan of later on. But my question goes to certainly the perceived efficiency of the board and its operation, which is really good in the community, and the feedback is very positive. I am interested in the ratio of funds and the funding rounds to the administration costs and overall effort, not just in a quantifiable sense but also in a qualitative sense and whether you have done any benchmarking in any way against other similar funds in terms of that efficiency ratio.

**Mr LOUGHRAN** - Yes, David, I have. When we first started I was not really sure and I said, 'Let us keep our costs not more than 5 per cent of the funds available'. That means it has been pretty tight but we still manage to do that. About half of that is management costs and board costs. Looking at other funds, as far as I can see, the benchmark seems to be running about 7 or 8 per cent. We are running just under 5 per cent.

**Mr WILL HODGMAN** - Mark, can I just confirm whom you are employed by?

**Mr GREEN** - I am a Treasury employee, as is my administrative assistant. But the costs for me and my assistant are borne from the fund as well.

**Mr WILL HODGMAN** - Right. Do you have any reporting role to the department or to anyone in the department?

**Mr GREEN** - I have a formal supervisor within Treasury, yes. For HR issues, et cetera, I have a supervisor and she keeps a general eye on my work, I guess. But she liaises with the chairman of our fund as well as to how they consider my work performance is going too.

**Mr WILL HODGMAN** - But in terms of the running of the fund, it is more your placement within or in connection with that association or organisation, isn't it?

**Mr GREEN** - That is right. We get assistance from other members of Treasury for different activities as well. For example, our web site is maintained with assistance through a Treasury officer. So the actual grants are paid through the Treasury accounts area. As I said, I am a Treasury employee and so there is that flavour through it. But I guess my first obligation is to the fund and the board.

**Mr WILL HODGMAN** - Is the nature of the applications or where the money is going to be going - anything like that - subject to discussion between yourself and your employer or any member of the Treasury?

**Mr GREEN** - No, they do not know, in a sense, who applies. It is all done independently.

**CHAIR** - Can I just refocus the questioning perhaps. We are here to try to identify if there is a better way than is currently used by the Community Support Levy. So we ought to examine your process and the timeliness of it. Whilst you have spelled to us in the paper you have provided, perhaps we might ask you, Gerald or Mark, to run through that

collection and assessment process in some detail so we can see whether there is a need to question that aspect.

**Mr GREEN** - As Mr Loughran said, we have two general grant rounds a year. They are usually advertised in February and July. We give applicants around five to six weeks from the opening of the grant round to complete their application. We have just had a grant round close on 18 March.

The process from there is that we get roughly 250 applications per grant round. It was down a bit for the last grant round - I think we had about 180 - but that might be because we have two grant rounds running at the same time. But we get roughly 250 applications. They are all registered in my office they are all copied to each of the board members individually and that is usually done within a couple of weeks of receipt of the applications.

**Mr LOUGHRAN** - And it stands about that high!

**Mr GREEN** - Yes, all the applicants are given acknowledgment that we have received their application. I undertake a fairly basic financial assessment of the organisations and that is again provided to the board with the papers. They are all sent out to the board members and roughly six to eight weeks after the application closing date there is a board meeting to go through all of the applications. It is usually held over two days. So the board members read through them individually and they are able to contact the organisations if they want more information. Indeed, sometimes I contact the organisations and then the board members get together, have a general discussion and go through each of the applications. That takes about six to eight weeks. The board say yea or nay to the applications or maybe yea with certain conditions attached and then the applicants are advised a week or two after that. From the closing date to the applicants getting notification of whether they were successful or not is about eight to 10 weeks. And from my study of other funds, I believe that is a reasonably quick time to turn things around, considering the number of applications that we have as well. I think one of the reasons for that is we have a very streamlined assessment process in that all the applications are provided to the board and the board's decision is final as to who gets the grants and who doesn't. So it is quite a streamlined process and seems to work very effectively.

**Mr STURGES** - Thanks. It may well be in the papers that you have sent I am sorry; there have been so many papers provided. But my understanding is that the TCF is there to disburse funds for the community good, for community purposes. I hear what you are saying about the recurrent funding and the indicators that the applicants are sent et cetera. Do you have a cap on the grant rounds for funding for community groups or is it just based on the worthiness of the application?

**Mr LOUGHRAN**- It is entirely based on the worthiness. The biggest amount that we ever gave was \$400 000 and that was in the first year to the Axeman's Hall of Fame. Looking back, I think that is a large amount of money when you have only got \$1.7 million per grant round to distribute. There have been a number of grants around the \$200 000 mark, but generally they would fall below \$100 000 and there would be quite a number around \$2000,\$3000 dollars or \$10 000.

**Mr STURGES** - It is all merit based.

**Mr LOUGHRAN** - Absolutely. We look at it in two ways: is it a need that could be fulfilled by somebody else and, in that category, has there been sufficient community support to justify it, could this have been done by other volunteers and so on, or is it finishing a project. It might be painting the local scout hall - we do a number of projects like that. But as much as we can we are trying to ask whether this a community capacity-building project, is this likely to make a difference to the good of the local community. We tend to look more toward those sorts of projects.

**Mr GREEN** - To perhaps give you more of a feel, it tends to be about 50 or 60 projects that are supported each grant round, but that can vary a bit. The lowest number has been 36 and the highest number has been 76 so out of that 250 that will give you a rough idea of the number of projects that are supported.

**Mr LOUGHRAN** - Often it is the second or the third time, sometimes even the fourth time, that someone has applied. In the meantime they might have had discussions with Mark or a board member who might say that it did not measure up because of this, this and this and if they could look at it in another way, it might.

**Mr STURGES** - That was my next question. So you have got a feedback loop there?

**Mr LOUGHRAN** - Yes.

**Mr GREEN** - It is always open for unsuccessful applicants to talk to me or my assistant about what the board might be looking for in the applications and where their applications fell down. I can certainly provide assistance to applicants and a number do call. I know when the letters have been received because my phone starts ringing hot pretty much the next day.

**Mr LOUGHRAN** - The board members are very much in touch. I expect them to get around and about and be available to talk to organisations on the condition that they always say, 'I can only give you some thoughts and I can listen, but your application has to stack up against all the other applications before us. If in fact I give you too much about it, when it comes to the board I will need to leave the room.'

**CHAIR** - Yes, that is the issue I wanted to flesh out and it builds on the question Graeme asked your answer to that. On the one hand you are encouraging the board members to go and meet with individual groups but in doing that they place themselves at risk of not being able to participate in the meaningful debate at judgment time. Is it still warranted that they go out or does a conflict of interest arise often?

**Mr LOUGHRAN** - I think, to be fair, the discussions are fairly limited. I get a lot of people coming to me, but I keep it very broad and try not to get too involved because I know I am going to have to make a decision.

**Mr GREEN** - I should say that, in fact, Mr Loughran and a number of the other board members often refer people to me. I have a different role. I am not part of the formal assessment process so I can perhaps be a bit more helpful in the information that I can provide to people. So people can always come and talk to our office.

**CHAIR** - Just a couple of routine matters while the thoughts are in my mind. You have a variable amount of money each year. You say it is about \$1.7 million per grant round. Do you appropriate all the money that is available to you for that round or do you keep a prudent level of funds available for unforeseens or for the next round or to carry you over? If that is the case, how do you account for that in your annual reporting? How do you make known to people, the performance of the fund and how much you are putting out and how much you are retaining?

**Mr LOUGHRAN** - Just to go back a step, to remind the committee. The amount is fairly standard in that it was 50 per cent of the interest saved on the funds available from the sale of the Trust Bank which at that time was about \$4 million per annum. But it is indexed annually by legislation and the amount is appropriated each year. So these days we have about \$4.5 million per annum. About a year or two into the fund the board came to the view that we ought to spend about 80 per cent of the money available in each grant round and try to build up an amount of money that would be available for strategic purposes. So we managed to build up, over a period of time, about \$2 million and we held our first early childhood intervention program on which we spent most of that. So we generally spend about 80 per cent on each grant round. But it is very much dependent on each project. At the beginning of a grant round we do not set out to say that we are only going to spend \$1.7 million or \$2.2 million. We view each project on its merit and it is quite interesting. Because we have to be prudent, naturally as we are going along we will check how much we have spent so far. At the end of the process we hold our breath and look at the 10 categories and see how we have done it. We do not say, 'Let us spend so much on health, community welfare, youth, environment or whatever.' We assess whether that was a good spend. But we are not going to go back and change because we have made each assessment based on its own merits. Then we do another assessment. We say, 'Now let us see where it has been spent' and we keep a record of how much we spend on the east coast, the west coast, Circular Head and every part of Tasmania to make sure there is an equitable spend. It always seems to work out all right. But even if it did not, we would not go back and say, we have to put some more into the west coast because we do it on a project basis. But we keep an eye on it.

**CHAIR** - In your annual reporting you obviously identify the sums that are appropriated and distributed and the sums that are held for strategic purposes. In your appropriation or your distribution of funds, are they generally distributed as a lump sum up-front or do they come in instalments over a period of years and if so, how would you account for that?

**Mr GREEN** - If I can take that second part first, yes, it is open to us to stagger the payments and we certainly do that. If it is a large project or if it is one that is going to go over a significant period of time, we usually stagger the payments. That is to minimise the risk to the fund of anything going wrong. So we do look at those options. As for accounting in our annual report and the way that it is set out at the moment, all the money that is kept aside for future grant payment that might have already been allocated - the money that Mr Loughran mentioned that is kept aside for targeted rounds - tends to be lumped in together so it looks like there might be a significant pool of money actually sitting there when it has already been allocated or it will be allocated in the near future. There is no specific reference to that in the annual report except for a footnote which sets out our contingent liabilities, which are the grant moneys that have been allocated but have not been forwarded to the recipients yet.

**Mr LOUGHRAN** - First of all I would like that reporting to be a bit clearer because it looks as though we might have an amount of money there when most of it is already committed. But I am a bit stuck with that -

**Mr STURGES** - This is the accrual accounting system that you report under.

**Mr GREEN** - I believe so. I should say that the financial accounts are actually prepared by Treasury. That is one of the assistances that they provide so we follow what Treasury provide to us.

**Mr LOUGHRAN** - I do not think that it is as clear as it could be. It looks as if there is a large amount of money there when it is mostly committed. That is the problem, but we are stuck with it. One of the issues that we need to resolve at some point down the track is that the Trust bank foundation was originally \$1.5 million and the legislation provides that that fund be kept intact in real terms. That is something that we need to change and we are preparing legislation to free up that funding because if you keep it in real terms it is about \$1.8 million and we cannot spend it - it is sitting there. We want to free that up and you will see some legislation down the track to correct that anomaly.

**Mr WILKINSON** - In relation to the legislation that governs you now, can you just summarise what that legislation is and show us in any way, if at all, that it fetters the way you distribute money.

**Mr LOUGHRAN** - I think that it is fair to say that the legislation is very good in that it gives complete independence and I would have to say that the Government of the day has been completely at arm's length and not in any sense involved. Occasionally you will get a politician from either side who says he or she would like us to know more about a project. We might listen to them, but there is no pressure. We take the information, but there has been no direction at all from ministries, ministers or departments. From time to time, usually at each board meeting, we might invite the Health Department to come and talk to us. What are their issues? We try not to do what we consider to be the core funding of government or councils. Sometimes it is a very grey line. As much as possible we try not to do that and we will have people in to talk to us, such as from disabled organisations, Sport and Recreation and so on. Who have we got next month?

**Mr GREEN** - The CEO of TasCOSS. We try to avoid duplication as much as we can too. So I have encouraged Mark to meet with other funding bodies to make sure that we are thinking alike and making sure that we are not duplicating.

**Mr WILKINSON** - Could there be a merger between the Tasmanian Community Fund and the CSL?

**Mr LOUGHRAN** - Mark has a view on that. He has had some feedback. I have not really ever considered it.

**Mr GREEN** - Given the independent nature of our fund, which is quite different to the Community Support Levy, it is important I think to maintain that independence. One

of the great advantages is that the board is not fettered by what any government might consider are priorities. They can look at things in their own way. Combining them might put that in danger. Anecdotally some of the feedback that I have is that some community groups are concerned about receiving money that has been allocated from the pokie machines as well and our fund is 'clean' in that sense. So that might be an issue for some community groups - not for all of them, but certainly for some. The evidence that I have received is that that is a concern.

**Mr WILL HODGMAN** - I do not think that anyone has put their hand up so far, have they? Tim Costello?

**Mr WILKINSON** - Rather than a merger then, could an organisation like yours take over what has previously been the fund that you are talking about?

**Mr LOUGHRAN** - The only thing that would scare me with that, Jim, is the amount of money. The amount of money that the Tasmanian Community Fund has to spend is \$4.5 million and that is a serious amount of money. We use it all right; we cannot fund all the things we would like to fund, but if it were larger than that – well, I would need some more time to think about that.

**Mr WILL HODGMAN** - Can I just clarify that there is no other board or advisory body or any other group of individuals that in any way assess the applications? Is that right?

**Mr LOUGHRAN** - We may not always do this, but in the strategic grant rounds, particularly with early childhood intervention, we had a panel of four people, who were either paid a very small amount of money or did it voluntarily, to give us their assessment, an initial assessment. In the case of Tasmania's cultural heritage, again we formed a panel to give us an initial assessment on the grant, but the decisions will be made by the board.

**Mr WILL HODGMAN** - Presumably you are empowered to do that under your Act?

**Mr GREEN** – Essentially the board has the power to do whatever they consider appropriate to assess the implications. To answer to your original question, for the general grant rounds it is purely a decision of the board and that is the final decision. So it is only one level, if you like - it goes to the board and they make their decision, which I understand is quite different to how the Community Support Levy works.

**Mr LOUGHRAN** - We look at every grant. I do not know whether it is the best way or not, but at the time of assessment I ask each board member – and they have all read every application - 'Does anyone wish to speak to this assessment?' If no-one wants to speak to it, I ask again, 'Are you sure there is no-one who really wants to cover this one; is there any merit in it at all?' If no-one responds, we move on. If one person says, 'Yes, I want to talk to this', the whole board discusses that application. It seems to work well.

**Mr WILKINSON** - I accept that it does seem to be working well and the feedback that you get from the community is that it is working extremely well. I hear what you say; you do not know yet whether you would be able, if requested, to look after the CSL but it would seem to me - and please tell me if I am wrong; I am not saying that it could be the case - with what you are doing now you are already acting in accordance with legislation governing how you are to expend that money. If you took over the CSL, that would be

the same. There are presently certain requirements in relation to how you would spend that money. Is that correct?

**Mr LOUGHRAN** - True.

**Mr WILKINSON** – Therefore, as far as the way that it was managed, if it just came to a body like yourselves that, as you say, is independent and independent of government, the only difference would be that there would be another bit of legislation you would be looking at in relation to certain moneys, but it would be more money. It is because of the fact that there is more money in it, I understand, that you are bit concerned.

**Mr LOUGHRAN** - Yes. I think, Jim, there would be more money and I think there would probably be more staff required -

**Mr WILKINSON** - I agree with that, yes.

**Mr LOUGHRAN** - which is probably sensible anyway. We have very little staff compared to most other funds. I have looked at a lot of funds on the mainland and we are very skinny - one-and-a-half people. We would like to get out more; in fact I am encouraging Mark to get out and talk with organisations. He is going to talk to one in Zeehan tomorrow. So we would like to get out and about more and help people shape their proposals. We would certainly like to have more time to manage the acquittal process better, to actually make sure that we get value for the expenditure.

**Mr WILKINSON** - So do I take it that if there were more staff involved to be able to properly do what you think should be done then you would be able to cope with both?

**Mr LOUGHRAN** - Yes, I think so. The only issue I would have is understanding the current process of the other fund. I think it gets a recommendation to a department and the recommendation of a minister. I think that would be fraught with great difficulty.

**Mr WILKINSON** - What I am saying is though - and it is obviously just one of the matters, amongst others, that we are looking at - is that is cut completely; it just goes into what you are doing.

**Mr LOUGHRAN** – If you could guarantee the independence of the board and the independent process, and there was no need to get clearance from a minister or from a government department, it would work then, I think. Except, as Mark says - and I do not know how anecdotal or real the concern is - people are worried about where the funding is coming from. However, at the end of the day, quite frankly I do not think people would mind too much where they get the funding from.

**Mr STURGES** - But if I could follow on - and I guess that this is probably more of a statement and you may not want to respond. Picking up on that concept - and I hear what you are saying about your staffing level - the role of the GSB at the moment provides a very broad function in that it provides training, community education and is represented on national committees. At the risk of putting a leading question to you, I would suggest that you would need to extensively increase your staffing level and

extensively engage consultants or get expertise from somewhere, which would come at a cost. Is that reasonable?

**Mr LOUGHRAN** - I think it is reasonable. We actually do a number of enabling projects, such as skills training and so on. We encourage that sort of project, often put up by the Salvation Army or others. But I know where you are coming from. If we had a larger fund of money to spend, I think we would have to be much more involved with the community, both in managing the receipt of grants and also in the following through.

**Mr STURGES** - I guess the point I am making is that the legislation in relation to the CSL is different to that for the TCF and there are certain requirements with regard to funding areas. It is just a point I wanted to make - at least I have got it on record!

**Mr LOUGHRAN** - We are happy with the way things are going. I think the community is very happy, as is my understanding. Although we do not spend money on research, we are thinking about that to make sure that we are doing it right, but we do not want to waste money.

**Mr WILL HODGMAN** - Would the board be prepared to take on that gaming support type of role that the CSL does involve? Given the public policy issues and the political issues, there is a return to the community in so far as gaming support is concerned and the sort of things Graeme is talking about. Would your board be prepared to take on that role?

**Mr LOUGHRAN** - I would have to take that as a question on notice. We would have to see what is proposed and let the board think about it.

**CHAIR** - Can I refocus again on the process? On the one hand, we have a board assessing and making judgments, distributing funds efficiently and getting good reports from the community, as I understand it. On the other hand, the CSL has a government obligation and applications go to government departments - Sport and Recreation, Health and Human Services and the support group there - for assessment and then there are several layers on top of that.

What I am struggling to do is make judgments about whether there is a better way, or whether both ways are right. Are you well enough across the CSL to make judgments or to provide advice? Would your organisation be better advantaged if it had more bureaucratic support in the assessment process, and you had experts in the field, removed from the board, who made recommendations for the board to tick off on?

**Mr LOUGHRAN** - Tony, it is a very interesting question and one I have thought about a lot. I cannot answer the question because I do not know enough about the CSL fund or how it is managed. Obviously a board is normally there to look after a good governance strategy. It has crossed my mind over the last five years that in a sense the board of the Tasmanian Community Fund is actually an assessment panel and that has concerned me from time to time. We do try to be strategic but in a sense we are an assessment panel by nature. I thought about that. If you had a bigger fund then you would have a different sort of board. You would have a board that was more strategic.

I sometimes worry about the long-term capacity of the board members to assess 250 applications. Normally in funding you would have more staff who put more time into it,

and you would be actually considering their recommendations. We do it differently. I am not here to defend that patch, how we are doing it as a community fund, I am just trying to explain how we do it. So really, in a sense, the board of the Community Fund is acting as an assessment panel. It might be better served in the long term if it had more advice the bureaucrats, the people who actually have more time to look into the assessment. It is a very lengthy process for board members. I know personally that you could spend many days prior to that board meeting, over several weeks, assessing those projects. To get people who are prepared do that long term is the question. So far we have been fortunate.

**CHAIR** - Are there any linkages at all between the Tasmanian Community Fund and the Community Support Levy process? Is it possible for the same organisation to make applications and be successful in both grant rounds?

**Mr GREEN** - It is certainly possible for organisations to apply to both funds and indeed, from an organisation's point of view, if I were applying I would want to spread my net as wide as I could. But we certainly request that organisations put on their application form if they have received funding through other funding bodies or indeed if they have applied for other funding for that project that they have put forward to us. We follow that up and see whether that is actually the case or not. I certainly do talk to other funding bodies, such as the Community Support Levy, to ascertain whether an application that our board might be considering has been successful through them, depending on how the time frame goes. We also have originated this year meetings between myself, my equivalent in the Community Support Levy and other government-funding bodies to try to work through issues that are common between all our funding bodies, so far as administration and that sort of thing goes, so we do have ongoing regular contact with them. One of the issues is to avoid organisations double-dipping, if you like, in getting funding for the same project. Many organisations are very good and if they have received funding through another source they will even write to us while the applications are on foot, if you like, and inform us that they wish to withdraw their application because they have already received funding, etcetera. Most organisations are very good like that.

**Mr LOUGHRAN** - We are quite often influenced though if there is funding available say, from TEAC or someone else, we say well, okay, they have got partial funding there, they have got partial funding there, they have put in so much themselves, we will finish it off. We are quite influenced by that.

**Mr DEAN** - What follow-up process do you have in place to ensure that the moneys are expended the way they are supposed to be?

**Mr LOUGHRAN** - That is one area in which we would like to do more, quite frankly. My answer to your question on what the follow-up process is is that it is an acquittal process.

**Mr GREEN** - All organisations are required to provide a final report at the completion of their project. If it is for an amount of \$10 000 the report has to be signed off by an auditor as well. We can also require, depending on the nature of the project, interim reports during the life of the project. Anything that has gone for more than a year will require ongoing reports. We can often tie staggered funding to those reports as well, so if the board has approved say, a \$50 000 project over two years, we might say, 'Here is the first \$25 000 up front. You come back to us with a proper report at the end of your first

year and the board will look at that and possibly approve another \$25 000.' We certainly do that and we are actually going through a process at the moment of following up all outstanding reporting obligations. One of the policies that the board has made is that they will not consider a current application if there are outstanding obligations from a previous funding round as well so that is a bit of an incentive for organisations to get in their reports. However, I must say that some organisations, particularly the smaller ones, do go through a lot of changes; the people who might have applied and be handling the matter to start with are not necessarily those who finish with the matter. Sometimes it is a little difficult getting the reports from them but we are certainly trying to tighten that up and improve those processes.

**Mr WILKINSON** - Can I just ask you an obvious question? If you were asked to take over the CSL distribution of moneys, would you be able to do it with extra infrastructure to assist?

**Mr LOUGHRAN** - I could not see any reason why not. What sort of funding is available from there? It is a similar amount, isn't it?

**Mr WILKINSON** - It is a similar amount.

**Mr LOUGHRAN** - If that were the case, if more funds were available, I would probably want to have a rethink about the way the board acts. But it would not be impossible, no.

**Mr WILKINSON** - And do you think you would be able to carry out the duties too?

**Mr LOUGHRAN** - I think I have just heard some duties that I do not understand, quite frankly. I really find it a bit difficult. I think they would have to take a formal approach, outlining what the responsibilities are before we could even consider it.

**Mr WILKINSON** - Sure. And do you think that it would impinge upon the job you are doing now with the TCF?

**Mr LOUGHRAN** - I do not know because I don't know what the responsibilities are. There might be a lot of layers of responsibilities that we do not have.

**Mr WILKINSON** - But I take it that it certainly would be something that you would consider, obviously.

**Mr LOUGHRAN** - I for one am open-minded. I am sure everyone on the board is open-minded. We are there to make a difference in the community, that is what our logo says: 'To Make a Difference', so we try to do so.

**Mr WILKINSON** - And, as I understand it, you are saying the beauty of this Community Fund is that it is an independent board.

**Mr LOUGHRAN** - Yes. When we started out the thing I was most afraid of was ministers getting in our ear - 'I would like you to have a look at this' - and soon you become to be seen as arm of government. I would have to say that it does not matter which party is in power; we have been very fortunate in that regard. There has been no interference at all.

I have had relationships with two ministers now and again there has been a completely hands-off approach. Obviously they take their responsibilities seriously and want to know what is happening and ask the right questions. Occasionally you will get a politician who will ring you up and say: 'I would like to talk to you'. I make sure I take Mark along and we listen to their views and we say: 'Well thank you for the information, if you would like to tell the people you are talking about to send in an application, we will consider it, alongside everything else. Politicians are of course very close to their communities, but there has been no pressure at all.

**Mr DEAN** - Just so I am clear in my mind. When one looks at the distribution, one sees that your fund has distributed about \$17 million dollars since you commenced in 1999. I note from the Community Support Levy that they have distributed a similar amount of money in a bit longer period. So what you are saying is that the set up you have is a good one. There is no need for somebody there before you to look at the applications as they come in and then pass them onto you as a board. You are able to handle the applications; it is obviously a difficult process, but you are able to handle it satisfactorily in the circumstances.

**Mr LOUGHRAN** - It seems to work well, Ivan. If you doubled the size of the fund and you had more applications, you might need to have more grant rounds. It might be four grant rounds a year instead of three. I think you would have more support from staff. I think you would need to elevate the responsibilities of the board to make it more strategic, which is the way a lot of the larger funds do work. Submissions would usually come to the board with a recommendation. They do not come to us with a recommendation, although Mark is encouraged to find out as much as he can.

**Mr DEAN** - So they would come into you with Mark having made some assessment to the board.

**Mr GREEN** - Not so much an assessment, but if there is information that might be missing from an application or something that I see that might need following up, I will follow that up. But in a strict sense, with all the assessments undertaken by the board I do not have any formal role in that. I do not provide recommendations to the board about what they should or should not fund. That has all been assessed at the board level.

**CHAIR** - I am conscious of the time. I have a further question that I would like to ask. It gets back to the role of the board as an assessor of applications. You did say at an earlier time that Mark did some financial assessment of the applicants to just see whether they were a bona fide organisation in the first instance. So the next question is: is there often dissension among board members about whether an application is or is not suitable for priority? If that is ever the case, do you take external advice from anyone at all to help the board make a decision?

**Mr LOUGHRAN** - I have always found in all the boards that I have operated on that you can usually reach a consensus. We do vote in a sense. We are prepared to say, look there are three in favour and two against and one, you know. We will do that, but there has never been any dissension. You promote a spirit of cooperation because it is the first priority of a chairman of a board to do that. So I would be disappointed if there were any dissension about a decision. There has not been.

**Mr GREEN** - To answer the second part of your question, it is certainly open to the board - and indeed myself - to gain more information about an application. If there is an issue that the board wants to discuss, they have a speakerphone available at the meeting that they will sometimes use while all the board members are there to call up applicants to ask them a question that might need resolving.

**Mr LOUGHRAN** - Sometimes we will phone the local council and we will say, 'Look, we have got an application in front of us here to build a police and citizens boys' club down the road', and council might say, 'No, do not do that; we have an empty hall just 100 yards away.' So we do that kind of inquiry.

**CHAIR** - Okay. If there are no further questions, gentlemen, I thank you for your attendance and for your openness with us. All your input has been invaluable. We look forward to ongoing contact with you.

**Mr LOUGHRAN** - We wish you well in your deliberations.

**THE WITNESSES WITHDREW**