

**THE PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS MET
IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON FRIDAY
17 JUNE 2005.**

INQUIRY INTO COMMUNITY SUPPORT LEVY

Ms ELIZABETH JACK, DIRECTOR, DEPARTMENT OF SPORT AND RECREATION,
WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Mr Wilkinson) - Thank you for coming along, Elizabeth. As you know, we are obtaining evidence in relation to the report. You are the lucky last before we finally sit down and consider the recommendations and make the report.

We are looking at the split of the Community Support Levy on the 50-25-25 basis. Sport and Recreation have the 25 per cent split. We are asking how that split is arrived at. Can you walk us through the process when an application is provided to you for funding?

Ms JACK - You do not want anything prior to the advertising?

CHAIR - Yes.

Ms JACK - We advertise in all regional papers, letting people know when the program is open. We also undertake information sessions around each of the local areas.

Mr WILL HODGMAN - Sorry to interrupt, but by 'all regional papers' do you mean just the three main papers?

Ms JACK - Yes. To my knowledge, we have put nothing in any of the smaller local papers, but definitely the advertisements go in the three main papers. We also advertise through our own electronic newsletter, *Actively In Touch*, and that goes out to all those people who have put up their hands and said they wanted to be contacted electronically by Sport and Recreation. As I said, we have information sessions around the three regions. In the past we have tried night sessions and morning breakfasts because we find that sometimes you get a lot of people; at other times you have only a handful. We still feel they are important because it provides people with the opportunity to ask their questions. It is all right to know that the grants are available but if you do not really know how to go about applying, it makes it very difficult. Our consultants are also there to answer any individual questions that people might have.

Once the applications come in, the first thing that happens is that one of our staff, who works in the finance area, goes through and checks that all the details are there. It does not matter how many times you try to educate people, you always have those who either think they can slip something through the cracks and not provide the information that is asked for or they might not understand and forget to include a page. That is checked; if there is anything missing or we need clarification, it is done at that stage. If an application clearly does not meet the criteria, the people or the organisation are written to at that point and told that their application does not meet the criteria. If we feel that it

fits better with another one of our grants programs, we will let them know and suggest they apply to that program.

CHAIR - Do you tell them when that program is coming up for application?

Ms JACK - Yes.

Mr DEAN - When you assess an application that does not meet your requirements you have said you might refer them to another grant that might fit et cetera. If, in your view, their application could fit but lacks a little detail, do you get back in that same way and say, 'We need a little bit more information here and we think it will then fit within the criteria.'?

Ms JACK - Absolutely. I think in the past there was a time when that did not occur, but I have pushed to all our consultants that if there is an application that might just be missing something because the organisation or the individual completing the application has not understood then we need to go back and ask for the information that we think they have but is missing. There is a difference. You have some that are clearly outside the criteria. It might be that they want to build something that is not for a sport and recreation purpose and then we will say, 'No, sorry, that doesn't fit'.

Mr DEAN - The reason I raised that is that during this inquiry we have had a number of witnesses and people have said that they were probably missing out on some of these grants simply because they did not have the knowledge that was necessary to fill out the applications and were unaware of some of the criteria.

Ms JACK - I can well understand that. I think in the past that may have been the case, but since I have been there over the last year I know that our consultants have made themselves completely available to anybody who wants any more information. We have an issue, however, where you can tell them you are available to talk to them, you can hold your information sessions, you can give them all the information you want, but, if they are not really prepared to listen or they do not want to make the effort to find out, it does not matter what we do. There will be applications that probably could have been eligible that people, for one reason or another, have said, 'Too hard, too difficult'.

CHAIR - And, unfortunately, in some sporting organisations that is what happens, isn't it? In a number of sporting organisations you have people with the best intentions but sometimes they do not cross the t's and dot the i's. Have you found that?

Ms JACK - We have. The other thing that I do not know how you get around - and we are continually trying to work around this one - if you mail the information out to an organisation, quite often the contact person you are given for the organisation will hold that information on their desk or at home on their kitchen bench with a pile of papers and it does not go anywhere. A lot of these people are volunteers, they are not professionals running a professional organisation. When you are working with volunteers, it depends on the person you get as to whether they are going to pass the information on. Someone might look at it and say, 'It doesn't apply to us' and they will push it aside when really there was something in there that was vital for them. I don't know how you get around that, other than continuing to educate.

CHAIR - We are up to the application stage, where the applications have come in. Perhaps something is missing and therefore you need more information; or, alternatively, Sport and Recreation write and say, 'The application doesn't meet the criteria, perhaps you should apply for such and such a grant which comes out on such and such a date'. That is where we have got to.

Mr STURGES - I do not know whether this question fits with it but I will throw it in anyway; if it is not appropriate here, we will pick it up later down the track. It is about the notification period. I have spoken with a lot of sporting groups in my electorate who, by the way, have benefited greatly from grants through the Sport and Recreation process, but there is something that has concerned a number of them. For example - and there are obviously legitimate reasons for this - the last round of the grant program for which the criteria were supposed to be announced on 1 April, according to the web site and according to documentation that was about, for some reason or other there was more than a month's delay in getting that out. I received a number of phone calls because, quite rightly in my role, I was geeing some of these sporting groups up and saying, 'All right, stay tuned, it is going to happen' and, for whatever reason, it took about five or six weeks for the new criteria to be released by Sport and Recreation.

I guess the point I am making is that they have this expectation - if we are talking about a \$5 000 grant - that they are going to get the money during the season. Have you given any consideration to announcing a round of grants - and I am breaking them down seasonally into summer and winter sports - in the summer for winter sports and a round of grants in the winter for summer sports? Unfortunately, as you said, the vast majority of these groups are run by very well-intentioned volunteers and often they do not have, if you like, the long-range strategic plan to determine, 'Next year we are going to need new change-room facilities' or 'We're going to need more sporting equipment'. It seems to be the immediate that they are dealing with. Have you given any thought to that?

Ms JACK - Not so much a summer round for winter sports and a winter round for summer sports because that only covers one small component of the whole grant process because it is sport and recreation organisations and some don't fit in that part of it. What we have discussed is perhaps not having applications opening on one particular date and closing a month or two later, or whatever you want to make it, but that it be a rolling grants program so that it doesn't matter when an organisation comes up with a great idea and wants the money, we should be able to process that application. This does create a few logistical problems because if you are going to have an independent panel it means pulling people in at various times, so we haven't gone down the track so far to say, 'Yes, it will work' but it is certainly something we are considering.

Mr STURGES - That is pleasing to hear, so I will just follow on with that. That has been a common theme that has come out of all the evidence that we have received thus far - that is, that they are looking for a more flexible approach to applying for and receiving these grants.

Another of those common denominators that have come through in the evidence is the need for recurrent funding. For example, if a sporting club gets a grant this year for a particular project that is then going to form part of a bigger project - having said that they probably don't strategically plan, I am now contradicting myself - they might have a plan for lighting so that they can have twilight softball, soccer or whatever, but they need

other facilities beforehand. Is there any flexibility there? I don't think there is. Assuming it is not there now, in the future would you look at accommodating recurrent funding for sporting organisations to produce a plan clearly showing that in this particular round they were going to do x, in the next round they would do y and it all dovetails into a bigger plan?

Ms JACK - I will give you a long answer to a short question.

Mr STURGES - It was a long question.

Ms JACK - I will be the first to say that I do not believe our grants program is as flexible as it should be. We have gone a small way to addressing that this round where we have done things liking changing it from 2:1 funding to make it 1:1 for the facilities grants program. We have now specified that it no longer has to be a sport and recreation organisation; the project itself can just have a focus on sport and recreation. You might have a local girl guides group that wants to do something to encourage participation and assist those young kids in that area to do something physical - that will fit. We are trying to be as flexible as we can. That is the tip of the iceberg. They are only very easy, quick-fixes to make it more flexible in the way we deal with organisations that apply.

The other thing we have just commenced is an overall review of all our grants, not just those that are CSL funds. That incorporates looking at the rolling grants program and triennial funding for some of the larger organisations. It also incorporates things like you were talking about, where as long as they produce a strategic plan and what they are asking for fits with meeting the goals of their strategic plan, that is okay. I do not see why you could not incorporate a project that they are looking at building on over a number a years. What we do not want to see is an organisation that is completely reliant on our funding year after year and there is nothing sustainable developed. There is a bit of a balance, but I believe we can be more flexible and I will be the first one to say that I think there are lots of things we can do to build on what we have done this year.

Mrs SMITH - I might just explore the rolling process because, whilst it has some benefits, I see some disadvantages as well. You presumably get a budgeted amount of money for the year and if you have a rolling process there is a presumption that there is funding unlimited. How do you control the fact that if a lot of projects come in early in the budget year and the money is expended you might get some good projects later in the year. That is the difficulty I see with rolling funding, as against specific time lines. Everyone puts their hand up and you then make a judgment on best projects for the amount of money you have. Can you balance that concept out for me?

Ms JACK - We have not gone that far down the track. I am not saying that we will go to rolling grants programs because that is one of the issues that we see: how do you determine? So far we have been very fortunate that in the main what is being asked for fits within the money we have. We will not know exactly from one year to the next how much that is, so that is certainly a concern. This year, with the grants for national championships, we have said that that is any time during the year. A national organisation can ask a State body to run a national championships with very limited notice. If we are just saying, 'Oh sorry, that doesn't fit in this year's funds; you have to wait for another 12 months', it is very difficult for that organisation to run the event. So

we are doing that on a trial basis and it is working very well. You almost know the number of national championships you are going to get within the course of a year.

It is a bit more difficult when it comes to your facilities and open space, and they are the things that we will address. It will not happen this year, definitely. It is going to take some time to look at all the pros and cons and work out whether it is beneficial or not. It may not be that it is a rolling grants program all year but it might be that we say there will be two terms during the year where it is available. We have to be careful either way because I do not want to have the workload on my own staff such that that is all they are doing, so that is another consideration. Until we go through all those issues, I cannot say this is what it will be. I believe that if we are smart enough we should be able to be more flexible but still ensure that the money is being spent well and that we are not just handing out money for jam, that it is there for legitimate projects to benefit local sporting clubs around this State.

Mr STURGES - Did you have a submission or are we just bombarding you with questions?

Ms JACK - No, I did not have a submission. I am here to be bombarded, so go for it.

Mr STURGES - This is not a loaded question, but during the evidence we have heard and from the submissions we have received, we have been looking at the administrative structure - from the TGC; the Department of Health and Human Services; and the Department of Economic Development, under which Sport and Recreation sits. Some people have argued that the administration and disbursement of funds would be better taken away from government agencies. At the risk of being provocative, I think that is a flawed argument. I would like to hear your comment on that, please. I would also appreciate, in your response, if you could indicate - I think you are obviously going to put an argument to maintain it - why you think it should be maintained. What sorts of costs does your agency absorb in dealing with the administration and disbursement of these funds - in other words, what percentage of the dollar that you handle from the CSL do you take off the top for administration?

Ms JACK - We take absolutely none off the top. It is handled within what we believe is part of our role in Sport and Recreation Tasmania. Maybe I should start by explaining the process from where we are at, because once I have explained that that might answer some of your questions.

After the applications go through the initial check and we have done the weeding, they are divided into packages that go to our various consultants around the State. We have about eight to 10 Sport and Recreation consultants. They are all given a number of these applications because, as you would understand, when you get hundreds in, you cannot have one person going through the whole process. They will then do an initial assessment of those applications. We have an assessment form that the consultant has to complete outlining whether or not they think the application is eligible, why it is eligible and some basic questions as to whether or not the organisation has answered the questions in the application form, whether what they are putting their hand up for meets their strategic direction. Obviously, if it is a grant for \$2 000 or \$1 000 for some bats and balls, it is going to be a very different process from a large facility development and we are going to be looking much more closely at where the other funding is coming from and what their plan is into the future. That process is gone through, all that information

is compiled and then produced for an independent panel to assess. That independent panel is always made up of the director of Sport and Recreation Tasmania as the chair of the panel, and then two people from the wider sporting community - and sometimes it is not even just sport. For instance, last year when we assessed the traineeship program, we asked someone from OPCET to sit on that panel. We try to get people who are fairly global in their role already within the community, have an understanding of the particular area - which is why we went to OPCET for the trainees; it might be a sporting person - and we sit down and go through each one of those consultants' assessments.

Mr WILL HODGMAN - Does that mean there is no fixed composition in your advisory panel?

Ms JACK - No fixed composition. It is a big ask to get someone to come in; it takes an entire day for every single one of our grants programs. We do this not just for the CSL-funded programs, we do this for our five grants programs.

Mr STURGES - I want to get this clear: from what I heard, I think you were telling me that there was a fixed process as far as the advisory panel goes - and that is predominantly your eight or 10 consultants -

Ms JACK - Yes.

Mr STURGES - who assess - and I am assuming would make recommendations and comments -

Ms JACK - Yes.

Mr STURGES - but there is not a fixed process for the ultimate determining process.

Ms JACK - It is a fixed process, but not a fixed panel. The consistency of the panel is that it is the director who sits on each one of those panels. I chair the panel, or whoever is Director of Sport and Recreation at the time, so you do have consistency. I have a list here. To give you an example: in 2004-05, the Facilities and Open Space Development Program, I was the chair, we had Patrick Earle who is the manager of Land and Environmental Services from the Burnie City Council on the panel, and Neil Harwood as the President of the Tasmanian Olympic Council.

Mr STURGES - Good bloke.

Ms JACK - He is, but I wouldn't tell him that myself.

Laughter.

Ms JACK - For the community Sport and Recreation Tasmania program, I was the chair again. We had Daniel Smee, manager of community development at the Huon Valley Council and Terry Curtain, who is the executive director of Fitness Tasmania. We try to get people who are pretty well respected in their field who we believe can provide really good input to the process. It is an important one but I think, depending on the grants programs, you need a different type of expertise and I really do think it would be a huge

ask to have one panel established to go through all of those. It is hard enough getting people to agree on a day, let alone get the same people back time and again.

Mr WILL HODGMAN - There are no legislative requirements in terms of your assessment panel?

Ms JACK - No.

Mr WILL HODGMAN - It is just something that you or the director would determine on an annual basis.

Ms JACK - Yes.

Mr STURGES - But then my understanding is that the determination of that ultimate panel in your agency goes through to TGC to be ticked off, is that correct?

Ms JACK - Yes, it does.

Mr STURGES - They make sure that you have complied with the legislation.

Ms JACK - Yes, but the process was one that we developed in Sport and Recreation.

Mr STURGES - Yes, I understand that but they ultimately sit over the top of that to ensure that you have complied with the legislative requirements.

Ms JACK - As far as I know.

CHAIR - So far with this walk through the process we are at the stage where we have these independent people, who vary from time to time depending upon what areas are being looked at. Are you the person who chooses who the independent people will be?

Ms JACK - Yes, in discussion with the managers within Sport and Recreation.

CHAIR - Okay.

Ms JACK - We go through that process. At that particular meeting we also have our finance and grants officer who sits in to provide any other background information on the applications. Sometimes we will have questions that we cannot answer from what the consultant has written or what the application is, so she is there to answer any of those operational-type questions and we have our executive support officer taking minutes of the meeting.

CHAIR - Okay.

Ms JACK - Once we have gone through every single application and agreed on the consultants' recommendation- and I might say that the consultants' recommendations are not always ticked off on; we had quite a few last time that we either went back for more information on or we disagreed with.

Mr STURGES - This is a pretty important part of what we wanted to get into. Just going back to the consultants, would it be uncommon for them to go and visit or see officials of sporting clubs that have put in an application to walk them through, assist them, guide them at all?

Ms JACK - The assistance/guidance part is done prior to the application.

Mr STURGES - Before the application, yes.

Ms JACK - If we are at an application stage, it would not be so much as a visit because they probably wouldn't have the time to do that, but to pick up the phone and ask for clarification: absolutely. They have been told that. In the past I don't know that that always occurred. I think at one stage, going back a couple of years, there was an instruction that you deal with what you have.

Mr STURGES - That has been a criticism that has been levelled so now -

Ms JACK - That has completely changed.

Mr STURGES - the opportunity is there for the consultant to -

Ms JACK - I will say that it is absolutely ridiculous to have an application sitting on your desk and because one thing isn't completed properly you just say, 'No'. You go back and get the information. It is no different from TIS scholarship applications when they come in. You have to check. These people, as I said before, are volunteers and you can't just go by what is written on a piece of paper.

Mr STURGES - It is a very open process in that regard.

Ms JACK - Yes. That is explaining the process to there and of course then we provide minutes and recommendations that go to the minister.

CHAIR - How long does the process up to that stage take?

Ms JACK - It takes a number of months only because so many of these applications come in and because we don't have a huge raft of consultants to do the initial assessment. It does take some time and we have to give it due consideration. We have to be fair to these people who have taken the time to put in applications. It would be very easy to just tick and flick but I don't think that is fair. I think we have to give them the time they deserve and it is a lengthy process and I don't see how you can actually speed that up any more than we do -

CHAIR - Other than by having more people to assist.

Ms JACK - Yes. I will take more people any time. It is a fairly lengthy process and, as I said, it is a full day just going through the recommendations that the consultants come up with. It is a full day after probably spending three or four days reading through the paperwork that we get to make those decisions. When it is only, as I said before, a small grant where they are only asking for \$400, \$500 or \$1 000 - or even up to \$5 000 - it is not difficult, but you have to remember that some of these are major projects.

Mr STURGES - If I may pose a hypothetical situation and, again, I explain that these things have been coming up in the submissions and the evidence - I am not advocating this by the way, but I would just like a response - if you were given the capacity to levy a percentage off the dollar that you are given to administer the CSL funding - I will not even put a figure on that - that would allow you then to put on a dedicated number of staff - one or two, for example; I have not thought of a figure - but what sort of impact would that then have on the process you have described?

Ms JACK - I guess I was being slightly facetious in saying I would welcome more staff. This is a personal opinion, not a Sport and Recreation position, but I do not believe we should be taking money off the top of the CSL funds and taking it away from the organisations that desperately need the money. Much as I would welcome more staff, I would not welcome them at the expense of the organisations that want the money.

Mr STURGES - So you are maintaining that the costs should be absorbed by government?

Ms JACK - Absolutely. I think from the Sport and Recreation perspective, it is not a large component of the funds anyway, it is 25 per cent, and then to take more off the top is defeating the purpose of what the funds are for. There are ways that we can speed the process up and we have done some of that this year in the ways that we are assessing the grants. We have extended the period for some of these so that they have longer to do the work. We are also now saying that you do not have wait until two-thirds of the work is done to get your money. Those things are making it more flexible and probably easier for these organisations to access and use the funds. I think there are ways to get around it without taking the money away from the organisations. I think we are the experts and we are the ones who understand best how these organisations do and should operate.

Mr STURGES - My understanding of the consultants' role outside of making the initial assessment of the applications is that they also work very closely within the regions of the State with these sporting groups and clubs. Is that correct?

Ms JACK - Yes, they do.

Mr STURGES - I will probably need to get a better handle on what Sport and Recreation does, but that is my understanding. So they are close to these small community sporting groups?

Ms JACK - They are.

CHAIR - We are at the stage then where the application has been ticked off and it then goes to the minister, you were saying?

Ms JACK - Yes.

CHAIR - What happens then?

Ms JACK - When the application goes to the minister I will normally sit down with the minister and his staff and briefly go through the paperwork so that if there are any questions they can either be answered on the spot, if they are fairly simple, or I can go

back and get the answers. It is not a simple matter of the minister rubber-stamping the recommendations; he has to be clear in his own mind that the process we have gone through is a fair one, that it is transparent and that he and his staff understand why organisation X did or did not get the funding. At the end of the day, they are the ones who end up having to answer some of those questions. If we sent it over as a piece of paper without sitting down and going through it, the process would probably take longer.

CHAIR - In your dealings so far, has there ever been pressure applied to you to accept such and such an application as opposed to another?

Ms JACK - No. There have been questions asked as to why or why not, but I have not had pressure. I am quite sure that we have not changed anything at all. It is more, 'Can you please explain why?' I believe quite strongly - and it would not matter who the minister was - if we are saying, as the experts, that these applications meet certain criteria and others do not, that is the way it has to be.

CHAIR - Have any applications that you have stated in your time should be accepted not been accepted?

Ms JACK - No, none. Like any minister, I think our minister will want to know if someone is not to receive funding. They may want to personally let someone in their area know, and that is fine. They have to then be clear in their own mind why the group did or did not get the funding. It is more a matter of education of the minister than of bowing to political influence, which has never been exerted on us anyway. I think people understand that it is a rigorous process. It is fair and it is equitable, it is transparent and yes, we might get it wrong occasionally. I am the first to admit that it is not easy and sometimes we have discussions about such matters as whether or not a dog club is a sport and recreation organisation. It is not easy; it is not cut and dried. We have tried to make it a little simpler by now putting in a definition of what is sport and what is recreation, just so that people understand why if they are told 'No, your organisation does not fit under a sporting organisation or a recreational organisation'. It is very difficult because sport and recreation is not black and white.

CHAIR - Okay. We are at the minister's office, we are sitting down with the minister, as you say, educating him or her. I suppose he or she is asking you questions as to your 'applications' - will use that word for the time being.

Mr DEAN - When you get your applications in and your moneys are fully expended for that period, do those applications that have come in in that period go on top of your next grants period?

Ms JACK - So far we have been very lucky because it has never happened - in my time anyway. We have always been able to fund every suitable application that we have received. Whether that is luck or good management, I don't know, but it has actually worked well and if we were to have additional CSL funds I don't believe they should sit there. We had a discussion about six months ago regarding any left-over - for want of a better word - CSL funds and looking at ways that we could maybe not create a new grants program but run something that benefits sporting clubs, such as the risk management project that will run this year. We are using CSL funds for that. We were

given approval and it has all been signed off. It is about educating clubs and organisations on their responsibilities in the area of risk management.

We have another issue, a bit of governance situation, with clubs - how they are established, what boards they need and if we can do that as part of using these funds. If there is additional money there, I would rather do that than sit there building up a treasure chest for later on.

Mr DEAN - That just about answers my next question, which was: do you ensure in your area that the whole 25 per cent of what you are entitled to each funding year is expended and that is virtually the answer.

Ms JACK - It hasn't always been expended and there is some there at the moment that we are looking at doing exactly what I just said. We don't really know what this year is going to bring. We are only guessing because of the changes with smoking, but I am hopeful that we will still have the funds we need to do everything we have to. So far, I think we have been pretty well able to keep a handle on that and if the time comes when that is not the case, we will have to look at strategies to deal with it. Whether it is a case of last year's applicants going on the top of the list or not, I don't know. In some ways I think that is a good idea and in other ways I think they may not be the best of the next lot of applications.

Mr DEAN - Thank you.

CHAIR - Okay, so we are with the minister.

Ms JACK - We are still with the minister, yes.

Mr STURGES - Let's not lose the minister.

Ms JACK - No. The minister will then sign off on those recommendations and it then goes to the Treasurer and the Gaming Commission, I am assuming.

CHAIR - Do you have any dealings with the Gaming Commission at all?

Ms JACK - We will get the final tick-off to say that everything is approved and the funds can go out the door.

CHAIR - Do you know what information is forwarded to the TGC and the Treasurer once funding has been finalised by yourself?

Ms JACK - It has been my assumption that it is the same documentation that the minister has received. We have not produced anything separate.

Mr WILL HODGMAN - Does the TGC or the Treasury ever come back requiring anything from you when you are assessing an application? Is there ordinarily any interaction between your department -

Ms JACK - No. The only interaction there might be is between someone within Treasury and our finance and grants officer and that is more along the lines of the operational components. I have never been contacted questioning why we have done something.

Mr DEAN - I am just interested to understand this. You have said that it goes to the TGC but you haven't given us an understanding of the reason for this. You have said that the minister that the minister's process is quite an in-depth one where they talk about and ensure that the processes are right and certain things have occurred. Do you see a need for the TGC in this whole process? Do you wish to comment on that?

Ms JACK - Yes, I am happy to comment on it. First of all, I wouldn't call it an in-depth process - we don't go through absolutely every single application, he reads through it and if he has questions I will explain the whys and wherefores, so it is not as in-depth as our panel discussions.

Mr DEAN - No.

Ms JACK - As far as the TGC goes, I don't know what the legislative requirements are, so I am only speaking from a personal process-type position. If there is an act and it has to comply then obviously it has to go through them but I don't know that it actually adds to the process. I believe that what we do is fair, equitable and transparent and it is a lengthy process.

Mr DEAN - How long is it from the time you receive an application until approval and ticking-off by the minister? Do you want to comment on that? Do you believe that that is a reasonable length of time, or could it be quicker?

Ms JACK - I can't see that that part of the process up to when it goes to the minister can be much shorter. We have tried to do things to make it more streamlined but that is where I think the people who really understand sport and recreation and the development of either facilities or needs for equipment or development programs, should be taking the time to either go back and question an organisation, work with them to amend their application or assess them. I don't believe that that process can be much shortened. Some of the smaller grants don't need to go back to the Gaming Commission. We have written approval for some of the smaller stuff, and that is great. That gives us that flexibility and it can go straight to the minister and be signed off.

Mr WILL HODGMAN - What sort of amounts are they?

Ms JACK - I think in the legislation somewhere or wherever it was signed off that it was an approval for \$300 000 of the smaller grants. I have had discussions with Treasury about whether we can be even more flexible with that and it is certainly something that I would be happy to discuss further and take further because they are not opposed.

Mr DEAN - The situation that arose - I think it was during our last meeting with some of the people who were talking with us - was that with some of the smaller grants it seems that the cost associated with the processing of those grants exceeds the grant by far at the end of the day, so is there a better system to process those smaller grants to try to get over that?

Ms JACK - I think if you added up all the grants including the smaller ones, it would not be that huge. But, yes, I agree, if there is anything we can do to make it more flexible and within that \$300 000, we have the opportunity not to go through the Gaming Commission, if there is a way to deal with that with some of the larger grants and get some kind of formal approval, I am happy to pursue that. I think we have staff in our agency who are well equipped to assess these grants and I have full faith in my own staff. It doesn't mean I don't question what they put up.

Mr STURGES - So are you suggesting - and again this is not a leading question but it fits in nicely with where we are going - that perhaps the TGC could adopt more of an auditor's role, rather than an oversighting role prior to the money going out? In other words, using the expertise of your department it goes to the minister, the minister takes into account the comments that have been made from your department, and the cheque is signed and then the TGC will audit the processes. Again, I raise this because one of the biggest criticisms we have received - and naturally all clubs, all community groups are anxious to get the brass - is the time lag, and I have heard everything you have said and I understand why - between, firstly, advertising the availability and secondly, closing off the applications. Then we go into the assessment process - and for all the good reasons you have articulated there is a need to go through very thoroughly what goes on - then it goes to the minister; then to the TGC. Our understanding is that the TGC go through them quite thoroughly to ensure that the process has complied with the Gaming Control Act 1993. Then the cheque goes out to the club. I do not think you need to answer that. That is something we may need to deliberate. But if they acted as an auditor rather than a governor, if you like -

Ms JACK - Anything we can do to get those clubs and organisations their money sooner, the better. How we do that, I do not know. But if that is one of the things that could be done, I certainly would not be saying, 'No way, we need someone to oversee what we are doing'.

Mr STURGES - You are confident in the process.

Ms JACK - Yes.

CHAIR - One of the problems is that some of the people who have come have inferred that if the Government's hand is over what is occurring and that it is not an independent system. How do we cover that? One of the areas is the amount of \$799 443 allocated to the Neighbourhood House program from the charitable organisation category - which is not your area - did not have to go through that same process the others had to go through and therefore people out there could be saying, 'Government wanted this to occur. We copped a raw deal because the Government did not have to go through the process in relation to that area', which probably fitted all the criteria anyway. Are you able to give me any information that you believe would be helpful in relation to that independent overarching body to make sure - whether it happens or not - that everything that occurred is independent and is not always orchestrated by government?

Ms JACK - I do not know. As far as I am concerned, I think it is independent because these people who sit on our independent panel have no allegiance, for want of a better word, to Sport and Recreation Tasmania or the Government. Our consultants are making an independent assessment. They are employees of the Government but they are actually

employed as experts in a particular field. If it were put out to a completely independent group to assess, I would question their ability to make those assessments because of the fact that they are not working in that area on a day-to-day basis. That is what these people are paid to do. They are not getting a cheque for coming in the door and punching the clock nine to five; they are expected to perform at a specific level. If they do not, they are made well aware of it by either myself or their manager.

I do not believe for one second that government orchestrates these grants. We try to be extremely fair and to ensure that whoever does meet the criteria gets the money. We have tried this year to make it far more flexible than it ever has been. It will take a while for groups to understand that but even the fact that last year we extended the period for them to get their projects completed was an indication of that. We acknowledged that the process took too long, it was too slow and there was no way we could say to these groups, 'Sorry, if you don't get your project completed by this date, we are not giving you the money'. We said, 'You have an additional six months'. That is why we have now said, 'Forget the two-thirds complete before you get your money'. Some of them need the money up-front; let them have it. Let us show them some faith. We put them through a pretty lengthy process anyway and we ensure that we believe that what they have put up is feasible and sustainable, so why not give them the money and give them the credit that they have the wherewithal to undertake these projects.

CHAIR - From listening to your evidence, it would seem that people like me could say, 'What's the use of having the TGC there?'.

Ms JACK - I think there at least has to be an auditing role. I could be selling you a bill of goods; we might be doing really shoddy work. We take pride in what we do. We have a good system; I think we have a good process. Even within Economic Development, ours is held up as being a very good process. Regardless of that, there still needs to be some organisation that at least audits what we do or there is a check in some way, shape or form, as long as it does not slow the process down.

CHAIR - But you have never had any dealings yourself with TGC?

Ms JACK - No.

CHAIR - You have never received any information from them that you need more information? They have not asked you to expand on some recommendation or anything like that?

Ms JACK - Not in the time I have been there, no. Maybe in the past, but certainly not in the last 12-and-a-bit months.

CHAIR - You would have some knowledge as to what occurred before that, I take it?

Ms JACK - Not when it comes to TGC. I would have to go back through the files and read any documentation. I have not had any dealings with TGC. We just find out that it has been ticked off or approved and then the cheques go out.

CHAIR - Every one of your recommendations has been ticked off since you have been in charge?

Ms JACK - Yes.

Mrs SMITH - Are the community service levy funds that you make recommendations on specific to only community service organisations or can a government department or section make a funding application and go through the same process?

Ms JACK - Government agencies can't, but local councils can. That has been changed. We acknowledge that in a lot of cases it is the councils that provide some of these services. We have now said that councils can be funded to develop playgrounds - only councils, not other groups. That is because for the under-five category playgrounds are probably the best place they are going to get involved in any kind of physical activity and if we are providing it to councils, at least we know that those playgrounds are going to meet particular standards, they are going to be safe and they are going to be well maintained. That is a change that we have made.

Mrs SMITH - So school councils, that are not Education department but have some funding from the Education department running schools - say, Clarence High School council?

Ms JACK - School councils do not because that fits more within the Education component. There has been funding from Education for a large number of gyms and playgrounds.

In our overall review I believe we should be looking at programs that may not be us providing funding to other government organisations but at least joint programs where it might be us working with, say, Tourism or Parks or whatever, to develop something that fits. But that is part of a bigger review; we did not want to make that decision without looking at the overall strategic direction of the grants program.

Mrs SMITH - I asked the question because there has been some concern expressed in the past that community service levy funding for Sport and Recreation or whatever is specifically from gaming for specific purposes. Communities have had concerns in the past that government departments could utilise it for things that should quite rightly come out of consolidated funding. You have answered part of that question as far as Sport and Recreation goes.

Ms JACK - No, definitely not.

CHAIR - There was a change in 2003 in relation to the CSL funding process. Were you aware of that change? That would have been before your time.

Ms JACK - Which change?

CHAIR - It was a change whereby the Tasmanian Gaming Commission's role changed to one of quality assurance.

Ms JACK - No, that was before my time.

CHAIR - What conditions of approval do you place on successful applicants where the amounts are substantial, for single grants, say, over \$200 000?

Ms JACK - Conditions of approval?

CHAIR - Yes. In other words, do you say, 'You are granted this money but there are certain conditions you have to comply with.'?

Ms JACK - With any of our larger grants we have grant deeds drawn up and within those grant deeds we have specific requirements. So, depending on the project, it relates specifically to that project. If it is a development project where it is more providing services, then it relates to the outcomes of those services. If it is a simple construction of a facility, obviously we want to see that facility completed. Our staff are out and about enough that they can check on that. A lot of organisations will send in photographs of their work as it is progressing. It just depends on the organisation, I think.

CHAIR - In the time that you have been in charge, have the conditions which are set out in the deed that you have just told us about been met at all times?

Ms JACK - Sometimes not.

CHAIR - What happens then?

Ms JACK - It depends on why they are not met. Quite often we will have an organisation write in and say, 'We haven't been able to complete this project because we have had heavy rains for three months and we haven't been able to finish the building construction.' We just give them the approval to extend the completion of the project. If it is only a small amount of money and they don't complete it, they won't get funding next year. Unless they have actually completed the project and we have proof of that then the next year if they put up for another application they might as well go he right then because we are not going to provide them with more funding.

Most of them are pretty good and if they are not going to complete the project they will write to us or they will give us a call and we will say, 'Put it in writing and we'll approve that the project change'. Sometimes, for one reason or another, halfway through the period - they might have been given funding for new goalposts and someone dies and bequeaths them goalposts, I don't know, but for a reasonable -

CHAIR - That was up at Wynyard, wasn't it, years ago.

Ms JACK - Yes - and they might say, 'We would really like to put that into replacing part of the fence that is falling down'. We are not going to say 'No'. We try to be as flexible as we can. As long as they are upfront with us and they can give us a reasonable explanation, we are not going to say, 'No, you don't get your money'. With the two-thirds funding it was very simple because if they didn't have two-thirds of the work done they did not get the money anyway. We are changing that because we believe that most organisations that put their hand up for money really do need it, are very serious about what they are doing and barring some inexplicable event, they will get the projects completed.

CHAIR - Are any of the grant programs exclusively funded by the CSL or are they funded by a variety of sources?

Ms JACK - No, some are exclusively funded by the CSL and that is what was called facilities and open space and that is now just called the Facilities Grant Program and what was last year called the Community Sport and Recreation Tasmania Program which is called the Community Grants Program. We just tried to keep the names a bit more simple rather than making them a mouthful.

CHAIR - Right. Can you tell us a bit about those?

Ms JACK - Yes. The Facilities Grant Program this year incorporates minor works so people can put up their hands for either a larger component of the funding, which is now one-to-one funding. They are eligible for up to \$200 000 and they have to already be putting in or be sourcing from somewhere else \$200 000. That is for the big structures and even then, if you look at some of these rowing club rebuilds or you want to develop the hockey centre with covered grandstands and fix their playing surfaces, it is not even going to be enough but it is \$100 000 more than it was last year. Minor works is anything up to -

Mr STURGES - We will have to put in for further development at York Park, mate, through that.

Ms JACK - Good luck.

Laughter.

Mrs JACK - Okay, right and I will just say, 'Go jump'. Is that all right?

Laughter.

CHAIR - It always gets back to diving, you see.

Ms JACK - Yes, what happened to the diving boards at the Aquatic Centre?

Mr DEAN - I will give you that one as well.

Ms JACK - That might get up yet. Within that minor works it is up to \$10 000. The Community Grants Program is for those smaller clubs, local organisations and it could be for purchase of equipment. It might be for running a program that benefits the juniors who are coming up through the club. It might be to educate some of their umpires and officials. It is a wide variety and I think if we can be as broad in our scope as we can, without going outside the purpose of the funding, then it is that much better for these organisations.

Mr STURGES - Can I just pick up on that point, and the answer I got from DHHS was really it is an issue for the body themselves, but I have come across an issue where a social club, which is part of a larger organisation, applied for some funding - not through Sport and Recreation on this occasion - \$2 000 was granted but because the social club couldn't be incorporated and was seen to be an integral part of the bigger body, the umbrella body, the cheque went to the umbrella body and the social club did not get the money for the bowls mat. I understand - and I thought this through when I got the response from the agency representatives from DHHS - that it is really an issue for the body themselves.

But when you are talking about, for example, aged homes that engage in these recreational facilities, like these small sporting and community groups they set up and raise money, do whatever, is there a way we can get around that?

Ms JACK - I do not know. We have said that the body has to be eligible in its own right because otherwise you get what you are talking about. We had a situation where the funding came to the individual to run - it wasn't City to Casino, but something like that - they had put it up in the name of Athletics Tasmania. The money went to Athletics Tasmania and they did not want to pass the money on. They came to us and said, 'Can you fix it for us?', but it is out of our hands. It is very difficult. We can say, 'That is what it is for', but they have to fight the fight internally. We told them that the money was for that event and they eventually did get the money.

Mr STURGES - So there isn't an easy fix?

Ms JACK - I do not know that there is an easy fix. We have said that you have to be eligible in your own right because then the money can come to you and you can use the money. It is not that difficult for them to become incorporated. I think it is a matter of us educating them and taking them through the process of incorporation. If they cannot do it themselves, that is what we are there for. We can assist them with that.

CHAIR - What happens to that money? Obviously that money was allocated for a specific purpose. I do not know whether it reached the specific purpose or not. Do you keep a check to see whether it has reached the specific purpose?

Ms JACK - We do, and it did. We will not have to worry anymore because from now on the organisation would be incorporated and then you do not have that issue. I think that is the simplest way around it. Incorporation scares a lot of these smaller groups off because they do not understand that it is not really that difficult a process. As I said, we are happy to help them through the process.

Mrs SMITH - But it does have a longer time responsibility for them. The next year another department writes and says, 'Please forward your financials, your annual meeting et cetera and x amount of dollars'. It has a progressive longer term and I think that is the bigger issue for some very small groups. Legally they need to be incorporated, but it does extend out a cost and for these volunteers it is another issue. That is some of their difficulty.

Mr STURGES - On that basis, and I understand you have the Facility Grant Program, the community grant, State grant, trainees - and they all fit very nicely - but there just appears to be a very minor deficiency for the granting of small amounts - and I will say up to \$1 000. Is there the capacity for Sport and Recreation to have a top drawer, if you like, for small sundry grants?

Laughter.

Mr STURGES - Can I just say, in this room I am going nowhere near comments to do with bottom drawers, so I used the 'top drawer'.

Laughter.

Ms JACK - I cannot say definitively yes or no because that is also something that I think fits within the bigger review we are doing. I do not know whether the grants that we have - I am not saying they aren't - are the best ones. Do they help us, Sport and Recreation Tasmania, achieve our strategic objectives? Are they the best for the organisations out there? Times have changed hugely in Sport and Recreation in the last five years.

Mr STURGES - Can I give you a classic example? I would advocate that you give consideration to a sundry grant program, top drawer and above -

Ms JACK - Top of the desk.

Mr STURGES - Yes. For example, I went to a boxing club a few weeks ago - it was part of Boxing Tasmania and properly accredited - and looked at some of the equipment. I am talking about boxing gloves and very basic things like that, where perhaps \$1 000 injected in there immediately would be able to really enhance the club's capacity to look after the young kids in the area. It is the same with other small clubs. At some of the junior soccer clubs there is probably only half a dozen soccer balls and 50 kids running around. It would be nice to be able to say to an official of that club, 'Make an application via e-mail' or whatever the case may be 'and see if you can get \$500 to buy another dozen balls' or whatever. If you haven't that capacity, you are saying as part of your overall review you will look at something like that?

Ms JACK - We certainly don't have the capacity as the grants are set up at the moment.

Mr STURGES - Yes, that is my understanding.

Ms JACK - We are going to spend significant time on reviewing the entire grants program, and I am talking about CSL funds, the funds that we get out of Consolidated Revenue, what is the best use, how do you best equip these clubs and organisations because I am with you, I think if we could have that - and you would have to keep it fairly minor because otherwise the accountability side of it becomes more important.

Mr STURGES - It is that flexibility again that we are looking for. Thank you.

CHAIR - It would seem to me that what may be an idea - and please tell me if I am wrong - is that a certain amount is allocated from Sport and Recreation in relation to funding. If there was a sum that could be kept for those miscellaneous grants, I suppose we could call them, would you think that that would be an appropriate method?

Ms JACK - It is certainly worth looking at. I am not going to be pinned down to say, 'Yes, that's the most appropriate method', not without doing an overall review, but even internally we have talked about it. Whether it is a small club that needs lane ropes or boxing gloves, as Graeme said, or whatever, I want our programs to be as flexible as they can be without losing the accountability that we have to have.

Mr STURGES - That is fine, thank you.

Mr DEAN - I think you were saying that you were reviewing the whole process, the grants process and so on. I guess it is a matter of further discussion with us later on about what we are doing as well. When will that be taking place?

Ms JACK - It is not so much the process because we have actually looked at the process and I guess it depends a bit on how the programs themselves change, but it is the actual programs that we are operating, so it is a much bigger-picture view of the whole thing. We want to be able to stand up and say, 'Yes, these are the best grants programs to operate for the benefit of all sport and recreation organisations. This is the best timing of them.'

CHAIR - Who determines the amount that can be allocated for distribution from the sport and recreation category in any given year? Is it DED, Treasury or the TGC?

Ms JACK - Is this the 25 per cent?

CHAIR - Yes.

Ms JACK - It is allocated as 25 per cent so we know that we will get that 25 per cent. What we don't know is -

Mr STURGES - How much.

Ms JACK - Yes, but we are given an indication because even judging on previous years, you can usually get a reasonable idea of what you have.

CHAIR - It has been increasing, hasn't it?

Ms JACK - It has.

Mr STURGES - The enforcement of the smoking ban -

Ms JACK - Yes. We don't know what that is going to do and I guess nobody does and we will just have to wait and see. My guess is that it might drop the first year but then I think we will gradually see it build back up and I don't think in the long term it is going to make a big difference.

CHAIR - And that is what Treasury's advice is, is it not?

Ms JACK - Yes.

CHAIR - A small dip and then -

Ms JACK - Yes, and that makes sense.

CHAIR - In a written answer provided by the Minister for Sport and Recreation to the Estimates committee, he stated that the trust balance for the three CSL funds grants was \$952 390 as at 1 June 2005. Are these already allocated to grants announced in prior years?

Ms JACK - Some of it is allocated and, again, this goes back to the two-thirds, having to have projects two-thirds completed, because a lot has been allocated and is about to go out the door. There is \$30 000 sitting there for the risk management project that we are running this year. There is another component that will be used as part of this year being the year for sport and physical education and what we are hoping to be able to do, and it has not been announced so I prefer that it stay within this room at the moment, is to develop a self-sustaining bursary for the development of individuals who can then work within the sport and recreation sector to increase the capacity of clubs and organisations. We have already had discussions with Treasury about that, fitting within the use of the CSL funds, and they have said that they would be happy with something like that going up. So it is just a matter of working out the logistics before anything is done. That is what I said before; I do not want the money sitting there. I would rather have it out the door. I do not have a problem with there being a small amount in case we see potentially a drop in the funds one year, so to have some sitting there is probably not a bad idea, but not huge amounts. A lot of that is already allocated and will go out very shortly.

CHAIR - Heather was just advising me - and she is right - that it is a public hearing. Is that okay?

Ms JACK - That is fine. If it does not happen, it is because logistically we could not make it work.

CHAIR - I hear what you are saying. I doubt whether those particulars would be in an actual report. But it would be on the Net if people wanted to look at it.

Ms JACK - I do not want to be standing here saying it will happen. It is something that we are hoping to be able to do. If it is not that, it will be something else, so the funds will be used to benefit sporting groups.

CHAIR - Is there a possibility that some of these funds relate to grants that will never be reimbursed because they have not met the conditions of approval?

Ms JACK - I would think that could be the case with some. At times, very seldom, we will have an organisation say, 'We can't meet the requirements of our grant and we no longer want that funding.' I have had correspondence like that since I have been there. Sometimes it might relate to CSL-funded grants; others might be our Sport and Recreation consolidated grants.

CHAIR - I take it that the funds are applied to more programs than just the Community Grants Program and the Facilities Grants Programs - that is the CSL funding?

Ms JACK - Yes, it can be. As I said, the risk management is definitely going ahead and has been allocated.

CHAIR - Do you have any suggestions that you are able to give to us for improving the existing distribution system? I heard what you have said over the last hour and a bit but do you have any suggestions that you believe are appropriate to improve the existing distribution system?

Ms JACK - Other than what I have said, I do not think there is anything else I can add. I would love to think that we could make our processes faster but I do not believe that that is appropriate, particularly with some of the larger funds. If anything is done with the Gaming Commission - and that is completely out of my hands - I think they still need to have an auditing role - but if that side of the process can be sped up. In the discussions I have had with Treasury I think that is certainly something that they would support as well. I do not think it is just us.

CHAIR - All the recommendations that you have taken up as being successful have gone through the process that you have told us about and none have not had to meet that process?

Ms JACK - Absolutely not. I am not about to provide funds to an organisation that cannot show that they meet the criteria.

CHAIR - Thank you for coming along, Liz.

THE WITNESS WITHDREW.