



A New Tasmanian Community Grants Program

Response to discussion paper

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1. Introduction

Anglicare Tasmania welcomes the opportunity to contribute to a discussion about the Tasmanian Government's proposal to establish a new community grants program to replace the Community Support Levy (CSL) and the Tasmanian Community Fund (TCF).

The views expressed in this submission are based on Anglicare's experience as a recipient of funding from both the TCF and the CSL and of seeking funds to respond to needs identified by the community. We have also derived our views from our longstanding research and advocacy work on community needs, especially on the issue of gambling.

This submission does not address all of the questions outlined in the discussion paper. Rather it is confined to those areas where Anglicare feels it can most usefully make comment – the importance of any new community grants program retaining independence from Government and the current operation and administration of the CSL.

2. About Anglicare

Anglicare Tasmania is a non-government organisation that has been working for the Tasmanian community for the past 25 years. Since its establishment it has grown into a state-wide organisation responding to issues faced by Tasmanians such as financial crisis, homelessness, unemployment, the adverse health, social and economic consequences of gambling, alcohol and other drug use, and the challenges faced by people with physical and intellectual disabilities or mental health problems.

Part of Anglicare's mission is to speak out against poverty and injustice and to offer alternatives to decision-makers to help build a more just society. Anglicare practises this advocacy through its Social Action and Research Centre (SARC), which was established in 1995 to work with low income earners to identify the issues that affect them and then carry these concerns to Government. Over the past 14 years SARC has produced a series of major research reports on issues including unemployment, financial pressures, mental illness, disability and access to health care.

Anglicare is a provider of Break Even problem gambling services as well as other counselling and support services for low income Tasmanians and has first hand knowledge of the social and economic impact of gambling in Tasmania. It has conducted extensive research and policy work on gambling in Tasmania and explored the experiences of low income earners affected by problem gambling (Law 2005) as well as the regulation of gambling.

3. Declaration of Interest

Anglicare has received support from the TCF as follows:-

Round	Project	Amount
3	The Nils Network of Tasmania	\$190,300
6	LINK (Locating Integrating Need Knowledge)	\$82,780
11	Computer Donation Project	\$10,600
12	Club Haven	\$74,892
15	Online Counselling and Family Support	\$150,000
17	Cultural change to support Aboriginal families	\$55,000
	Total	\$563,572

Anglicare has also received some grants from the CSL. In the period 2003-2009 Anglicare received:-

Period	Grant Type	Project	Amount
2003-2004	Small Grant	Art equipment and tutoring services for homeless young people at Youthcare	\$2,000
2005-2006	Small Grant	Rural & Remote Reconnect Program	\$1,850
2008-2009	Small Grant	Reconnect State Conference	\$9,000

4. Anglicare's response to the discussion paper

In this submission Anglicare raises three main concerns in relation to the proposals presented in the discussion paper.

Firstly Anglicare is concerned about the loss of independence from government which would arise from the merger of the two funds and the proposals for governance of the new fund.

Secondly Anglicare is concerned about the potential loss of the original intent of the Tasmanian Community Fund.

Thirdly there are a number of serious concerns about the operation of the Community Support Levy.

5. Loss of Independence from Government

In brief, the TCF was established as a community asset after the Trust Bank was sold and it receives its funding from a proportion of the interest saved by retiring State debt. Its independence from government was enshrined in legislation and strengthened in the Tasmanian Community Fund Act 2005. Currently the TCF is fully independent of government, governed by an independent Board.

The CSL was established to address community concerns that problem gambling was likely to increase following the introduction of poker machines into hotels and clubs. The levy is imposed on the profits from poker machines in hotels and clubs. Half of the levy's funds are for the provision of gambling support services, community education and "other health services". The rest of the fund is available for grants for charitable organisations and sport and recreation. Disbursement of funds requires approval by a government minister to ensure it is in line with government policy objectives. Anglicare has consistently raised concerns about the expenditure of CSL funds.

The discussion paper proposes that under a new community grants program 'an independent grants body could be responsible for addressing the broad strategic objectives of the State Government, assisting in achieving appropriate policy outcomes, while ensuring the community is receiving good value from the use of public funds.' The suggestion that the strategic direction for the grants program should be in harmony with government policy raises concerns about its independence from political influence. Particularly at a time of financial restraint, there is a risk that the proposed new grant program would be used to plug budgetary holes.

Combining the two funds and allowing the government to set its broad strategic objectives will destroy the original intent of the TCF. It is not appropriate for the government to provide a statement of expectation for funds that are owned by the community. The TCF has been undergoing internal reviews and strengthening its governance through consultation with the community, which Anglicare considers to be appropriate and responsive to community expectations. Information is easy to find on their web site and is posted in a timely manner. In contrast, it is not as easy to find information about the CSL, which has direct government oversight, with most information inserted into Tasmanian Gaming Commission annual reports to suit the Commission's timing.

6. Loss of the Original Intent of the TCF - The NILS Network – a case study

The original intent of the TCF was that the funds belonged to the community not to the government or as a back up for government policy. Its particular value was seen as being able to respond to community needs. A recent client survey of the TCF (Myriad Consultancy 2009) to provide an objective assessment of client satisfaction with the grant application process and more generally of the experience of applicants in their

dealings with the Fund found high levels of satisfaction with the application process. Clients compared it favourably with other funding bodies.

Any merger of funds that allowed the loss of the independence from Government that currently exists for the TCF would see a reduction in the new fund's ability to respond to needs identified in and by the community.

The NILS Network provides a concrete example of a situation where the community has identified a need which is not being met and has not been identified as a need by Government and where the TCF was able to assist and provide the funding required to build an effective response.

In 2000, a forum was organised in Hobart by the Office of the Electricity Ombudsman in response to concerns raised in the Just Tasmania Coalition report (Flanagan 2000) about the inability of Tasmanians living on low incomes to meet the cost of essential bills. In particular people on low incomes can find it especially difficult to access credit to purchase essential goods and as a buffer against financial crisis. For many people on low incomes the only credit available to them is at a high rate of interest, a cost they are even less able to bear than others in the community.

The need identified by the forum led to a research project being developed by Anglicare's Social Action and Research Centre to look at credit and grant schemes for people on low incomes to assist them with the cost of essential bills. Funding for the research was provided by Aurora and the State Government's Family Assistance Program. After examining a range of options the research recommended that a network of No Interest Loan Schemes (NILS) be established across the state to assist low income earners to purchase goods which might lower their cost of living or to allow them to participate in the normal patterns of social interaction in their community. It was proposed that such a scheme should have a centralised administration to ensure maximum efficiency in handling loan funds.

The project was successful in attracting funding of \$190,300 from the TCF to establish a NILS Network in Tasmania. Since then NILS has developed and expanded providing much-needed services to improve the quality of life of people living on low incomes.

The example of NILS demonstrates the positive contribution of an independent fund. An issue was identified by the community and supported by corporate bodies such as Aurora, an appropriate response was formulated and a business case developed. The TCF was able to respond positively and pro-actively to assist the many Tasmanians facing difficulties by providing seeding money to establish the Network. This all occurred at a time when the Government had no financial inclusion policy and access to affordable credit by low income earners was not one of its strategic priorities. Under the new model proposed by government where the combined funds would be required to operate within government priorities, a program such as NILS, so patently valuable, would not even be able to be considered for funding.

In establishing the Tasmanian Community Fund, as part the sale of the Trust Bank the government argued in the Second Reading Speech that the value in the Trust Bank would be unlocked for the benefit of all Tasmanian through the retirement of state debt and further stated that the Tasmanian Community Fund board was to have sole and absolute discretion to make grants for community purposes out of the Fund. The funding base is preserved by law and not subject to annual budget deliberations.

The current proposal to reduce the policy independence of the TCF risks a reduction in responsiveness to community needs. Anglicare argues that establishing a fund which would in effect be an arm of government policy is contrary to the original intention of the legislators.

Further, if funds derived from profit on poker machines were to be merged into another more general fund, there would be a number of organisations that would be prevented from applying for funding because of ethical objections or constitutional constraints. Such an outcome would not be to the benefit of the whole Tasmanian community.

7. Anglicare's concerns with the Community Support Levy

The funding base of the Community Support Levy comprises four per cent of the gross profit derived from poker machines in hotels and clubs in Tasmania. The Treasurer must distribute the CSL in the following manner:

- 25 per cent for the benefit of sport and recreation clubs;
- 25 per cent for the benefit of charitable organisations; and
- 50 per cent for the provision of:
 - research into gambling;
 - services for the prevention of compulsive gambling;
 - treatment for the rehabilitation of compulsive gamblers;
 - community education concerning gambling; and
 - other health services.

Over recent years Anglicare has voiced serious concerns about the CSL. These were outlined in a submission to the Parliamentary Committee on Public Accounts Review of the Community Support Levy (Anglicare 2005). These concerns include:

- underspending in each section of the CSL since its establishment, including in the 'problem gambling' section of the Levy. Particular concerns were expressed about the underspend on research in this area, the process of deciding research priorities and the lack of opportunities for the community to apply for research funds;
- the absence of a strategic plan for the allocation of funds across all sections of the CSL including problem gambling services and research, charitable and sports grant rounds and other health services.
- the funding of core government business with CSL funds through the 'other health services' category;

- the need for a publicly accountable process for spending accumulated excess monies in any stream, for recording all submissions to grants cycles and for consistently evaluating all sections of the CSL;
- a lack of independence of the CSL due to administration of funds through the Tasmanian Gaming Commission (TGC) and the Gambling Support Bureau (GSB). As the Legislative Council identified in 2002 the TGC is a division of the Department of Treasury and Finance and not an independent body as Parliament had intended. Anglicare believes that it is not appropriate for the government agency responsible for providing gambling policy advice to be also the body charged with delivering independent policy advice on the same issue. It is not possible for a body so located to be or to be perceived as independent of government.

Overall there has been a significant drift away from the original intent of the CSL which was to directly address the impact on communities from the introduction of poker machines. Anglicare proposed that a strategic plan should be developed with input from community groups and that the Research Committee should be reinstated with a mandate to establish a strategic direction for research, call for tenders and vet applications for funding. The Committee should include at least one member from the non-government sector. Anglicare also proposed that there should be opportunities for community groups to apply for gambling research funding and that a Community Board should oversee the distribution and administration of all charitable grants.

Anglicare has expressed the need to clarify the intent, purpose, use and administration of the CSL including what activities should be funded under 'other health services'. We have recommended that advice to the Treasurer about any proposed distribution should be provided from bodies independent of government. We have consistently argued that steps were required to ensure that the Tasmanian Gaming Commission is able to operate as truly independent from government and that a comprehensive program of gambling research should be developed.

None of Anglicare's concerns are addressed by the proposal to merge the CSL and TCF to create a new community grants program and, instead, the proposed merger would see the new fund operate in a similar manner to the existing CSL, which would be a great loss to the Tasmanian community.

8. Recommendations

Anglicare's view, shared by many and confirmed in the recent evaluation of the TCF, is that the TCF is a well functioning body, responsive to community needs and well administered. It does not require reform.

The CSL does need reform. Until the concerns raised about the operations of the CSL are addressed Anglicare would not be supportive of any merger between the two funds. Possibilities for reform might include handing the 50% of the CSL funds which is currently available to charitable organisations and sport

and recreation clubs to the TCF to administer through a separate grants program in line with the intention of the Gaming Control Act 1992.

Further, Anglicare believes that any merger of the funds should take place only if the new program has complete independence from Government, with gambling derived funds separately accounted for. This would require that the fund be administered by an independent Board to which appointments are made in a transparent manner. Expenditure of the funds should not be limited by government's priorities as this may seriously constrain the potential of the fund to support valuable community directions, as demonstrated by the NILS case study.

8. References

Anglicare Tasmania, 2005, *Submission to the Parliamentary Committee on Public Accounts Review of the Community Support Levy*. Anglicare Tasmania, Hobart.

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Law, M 2005, *House of Cards: Problem gambling and low income earners in Tasmania*, Anglicare Tasmania, Hobart.

Myriad Consultancy 2009, *Tasmanian Community Fund, Client Survey. Executive Summary*. Myriad Consultancy.

Parliament of Tasmania, House of Assembly, 1999 *Trust Bank Sale Bill 1999 (114 of 1999), Second Reading Speech*.