

# LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

# STANDING COMMITTEE ON PUBLIC ACCOUNTS

(Reference: Inquiry into grants management)

Members:

MRS E KIKKERT (Chair) MR M PETTERSSON (Deputy Chair) MR A BRADDOCK

# TRANSCRIPT OF EVIDENCE

# CANBERRA

# THURSDAY, 2 FEBRUARY 2023

Secretary to the committee: Ms S Milne (Ph: 620 50435)

# By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

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# Privilege statement

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Amended 20 May 2013

#### The committee met at 2.31 pm.

- **BARR, MR ANDREW**, Chief Minister, Treasurer, Minister for Climate Action, Minister for Economic Development and Minister for Tourism
- **CAMPBELL, MR RUSS**, Deputy Under Treasurer; Budget, Procurement, Infrastructure and Finance; Treasury; Chief Minister, Treasury and Economic Development Directorate

**THE CHAIR**: Good afternoon, everyone, and welcome. I declare open this public hearing of the Standing Committee on Public Accounts for its inquiry into grants management. Firstly, on behalf of the committee, I would like to acknowledge that we meet today on the land of the Ngunnawal people and that we respect their continuing culture and the contribution that they make to the life of this city and this region.

The committee resolved to undertake this inquiry on 14 September 2022 and has received eight submissions, which are available on the committee website. Today the committee will hear from eight witnesses: the ACT government; Mr Kevin Cox; Hackett Community Organisation; Landcare ACT; Southern ACT Catchment Group; Ginninderra Catchment Group; ACT Council of Social Services; and the Alcohol, Tobacco and Other Drugs Association.

We will now move to the first witnesses appearing today, the Chief Minister and officials from the ACT government. On behalf of the committee, thank you for appearing today and for your written submission to the inquiry.

Please be aware that the proceedings today are being recorded and transcribed by Hansard and will be published. The proceedings are also being broadcast and webstreamed live. I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement before you on the table. Could you confirm for the record that you understand the privilege implications of the statement?

Mr Barr: Yes.

Mr Campbell: Yes.

**THE CHAIR**: Thank you. Before we proceed to questions from the committee, Chief Minister, would you like to make a brief opening statement?

**Mr Barr**: Madam Chair, given that we now have 26 minutes, I will spare the committee an opening statement and you can go straight to questions.

**THE CHAIR**: Okay; thank you. I will kick off with the first question. In your submission, under 'Determining a Grant', point 4 says:

• Review and evaluation—grant programs should be periodically reviewed to ensure they are continuing to meet government priorities and objectives.

I am just wondering how you can be certain of this if, as is mentioned in your submission:

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A number of directorates do not report on financial assistance to individuals (for example, concessions or other support to low-income households), service purchase payments, on-passing of Commonwealth grant funding, and payments to other government entities in the Community Support Initiatives: Grants and Sponsorships section of annual reports.

So I am just wondering how you can be certain that the grants are used for the government priorities and objectives when it is quite clear here that a number of the directorates do not actually report on some of their grant delivery.

**Mr Barr**: I think it is best that I take the detail of that question on notice so as to seek information from those directorates that you assert are not publishing details. I presume one of the rationale for that would be in relation to the privacy of individuals. I note, for example, that we did not publish the details of every single business grant recipient during the COVID process. And there may be times, for example—thinking back to my time as education minister—where we would not publish the details of every family or every student who claimed what was then the bursary scheme. So there would be reasons principally to protect the privacy of individuals, so that, I imagine, would be the rationale. But, for a complete answer, I will take the question on notice and seek that further information should there be other circumstances that would preclude the publishing by grant, if you like. But I suspect that it is principally driven by personal privacy reasons. I am not sure if my colleague wants to add anything there.

**Mr Campbell**: On the question that you posed around how we can be sure about the application of the grant to its various purposes using a review and evaluation process, that process actually can still occur. What we are talking about is the public interface between an individual receiving a particular grant. But, within the directorate, the actual delegates who are responsible for the administration of the grants are actually encouraged to be doing that continuous review and evaluation. So it is not visible necessarily for privacy reasons maybe. As the Chief Minister has said, we can clarify that for you completely. But it does not preclude the continuation of the review and evaluation against the objectives.

**THE CHAIR**: I understand that it is up to individual directorates to do the review processes with the grants management in that directorate. Do you make sure that they do this review?

**Mr Campbell**: We do not have a sort of formal monitoring and enforcement role but, as part of our general interaction with all the directorates, we will also be looking at their reporting on these issues through various processes, including the annual reports that are submitted each year. Often, as part of just general budget management, we inquire into the performance of previous spending of public monies as part of the Treasury's day-to-day business. But as to whether we go individually and check every individual item, we do not have that role. That is the responsibility of the directorate and, indeed, the director-general of each individual directorate.

**Mr Barr**: Suffice to say that when any agency puts in a budget request for an increase in the amount of funding available for a grants program, certainly, as part of that business case assessment, there is scrutiny on that program.

## Mr Campbell: Yes.

THE CHAIR: Thank you. Mr Pettersson?

**MR PETTERSSON**: Thank you. For many years a piece of feedback I have received is that community groups, when applying for grants, often rely on one person in the association—it might be an experienced former public servant who knows their way around the grants process—and those community groups are often very successful in applying for grants. The flipside I hear is that community groups who do not have such a person struggle to navigate the system. What can be done to address this issue?

**Mr Barr**: Well, I guess at a high level, the simplification of the grants process in a number of areas—for example, moving to online smart forms as a way of applying, being very clear around the terms of reference or, if you like, the guidelines for a grants program and what is eligible and what is not and endeavouring to write those in plain English and sometimes, in fact, giving examples of what cannot be included and what can—I think has been useful in making the process easier for applicants.

I guess the counterbalance to that is that the decision-maker—or makers, if it is a panel—does need a certain level of information and they need to be satisfied that, in recommending the grant, the applicants will deliver either the stated outcomes of the grant programs or there is, sort of, a degree of history.

So to go, I guess, to some of the pertinent elements of your question, it can be that for organisations that may not have existed before or are new entities there might be a further requirement around evidence from those organisations that they are bona fide et cetera and have not just come into existence for the objects of applying for a government grant. Organisations that have a long history of successful acquittal of grants in particular program streams would have applied before and been through the system for that particular grant round. A history of delivery is often a criteria in many grant programs or a demonstrated ability. So it would be unusual for that to be a criteria for assessment. Did you want to add anything further to that?

**Mr Campbell**: I was just going to say, Chief Minister, that we often have a look at the grants portal, ensuring that it has actually got the right sort of information in that part of the portal which says how to apply for a grant and trying to simplify that. I am certainly happy to hear the committee's views on various submissions about whether that can be simplified even further, because we want to try to ensure that, as far as possible, there is a level playing field, in terms of the knowledge set coming to the table.

**Mr Barr**: And, of course, with nothing against former public servants, you should not have to be a former public servant to be able to apply for a grant and navigate your way through the systems. But, obviously, the grants programs across the territory government are very diverse and can vary in the quantum of grant money, from often less than \$100 in some instances up to hundreds of thousands. So, clearly, there is a continuum of scrutiny and assessment criteria around a larger grant program and obviously those criteria are made clear in the application assessment.

**MR PETTERSSON**: The frustration that often immediately follows that first one is that a community group applies for a grant and they are not successful and they are often unsure why they were unsuccessful. Is there anything that you believe the government could do to better communicate with the unsuccessful grant applicants?

**Mr Barr**: That is an area that I have noticed significant improvement in over the past 15 years—the unsuccessful applicant process or explanation. That can vary from quite a straightforward, "You were not eligible," for very clear reasons to where there is a ranking system where it is entirely plausible that there would be a whole series of applicants that would meet the criteria but the available program funds or grant fund would not stretch to being able to fund every single application. That does happen, and there are times when it would be clear that a suitable grant application has not been funded, not because it did not meet the criteria but that there were other applications that were ranked more highly.

I would make the observation that it is often when those circumstances arise that ministers and/or directorates will put in a budget bid for the next budget round to say, "Last time we did this program we were oversubscribed with suitable applicants." That would be a reasonable ground for a business case to be submitted for an increase in the grant program, and it would be a powerful argument, subject to all other constraints on the territory budget, for the government to consider increasing the amount of money available under a particular grants program because we felt that the quality of applications and the sorts of applications we were getting were meeting the objectives of the grants program but we simply were not able to fund all of them.

I am aware of examples over my time in this place in, for example, sports grants, in tourism and in portfolios I have had where it has been the case that we have just not been able to fund some really high-quality applications because there have been even higher quality ones. But, of course, many of these programs are annual, and so there is always the capacity to apply in the next round.

# MR PETTERSSON: Thank you.

**MR BRADDOCK**: I have a question about circumstances where the minister happens to be a delegate for a grant. I note from the government submission that you talk about some of the characteristics of the ACT versus New South Wales and the commonwealth. I am interested in how you ensure transparency and accountability in those circumstances where the minister is the delegate and may have actually overridden or changed the advice that has been recommended from the directorate.

**Mr Barr**: There a range of programs across different portfolios. So it might not be possible verbally to give one answer in relation to that other than, obviously, as our submission indicates, the highest reigning principle is the ministerial code of conduct but sitting below that will be the question of at what point in the grants program process the minister may or may not become involved. As the submission touches on, it is often the case that the minister will be involved in determining that there will be a grants program for this particular area and would sign off on the criteria for assessment.

It has certainly been my experience, for example, in the tourism portfolio that

I determined as the minister, through an ERC and budget process, that there would be COVID-safe support grants during the most recent COVID period. I then sought advice from the department on structuring a framework for assessment. They sent me a brief to say "This is our proposal". I would then approve that or otherwise, and they would then undertake the grants process. They would then make a series of recommendations, and I would get a brief for noting—not to override decisions but for noting—that these were the successful applicants in the program. So I as minister in that example determined that there would be a program and determined the quantity of money that would be available—although there is a little bit of an overlay with the Treasurer there in that context and with the ERC and then ultimately cabinet. But I would not be sitting on the selection panel to determine which grants are supported.

There are some other smaller programs. The one example I would give is the Chief Minister's Community Support Fund. That is the fund in which the territory government provides grants, for example, for The Smith Family Annual Christmas Appeal, and makes various donations to interstate emergency disasters—for example, the Queensland floods or overseas disasters. When the government is called upon to make a donation, that is the fund from which that is sourced. I am ultimately, given the title of the fund, the decision-maker in that regard but I think the amount there is a couple of hundred thousand dollars each year. Obviously most of that is committed to those sorts of various activities.

So it will differ depending on the grants program. But, to give a holistic answer across each portfolio, I will need to take that on notice.

**MR BRADDOCK**: I will phrase a more specific question. During this term of government, how many times has a minister, as the decision-maker as to who the recipients of grants are, not gone along with the recommendations that have been provided to them from directorates?

**Mr Barr**: I will definitely need to take that on notice. That may take some time, as there would be potentially a lot of applications to assess. I will take it on notice and do a sort of initial scan to see if the information can be easily provided. I think the number of ministerial determined grants would be relatively small compared to the totality. So I think this will be one that can be answered without an undue diversion of resources.

I guess I would pose a question back. There may be some programs where an initial assessment will say the following, hypothetically: "There is X amount of money and the following 10 applications would be suitable. Minister, you now need to choose amongst those 10." Other examples I am familiar with over my time is we have got X dollars and the panel or decision-makers recommend some grants be funded at less than what they have asked for, but still funded. In that circumstance, would you consider that a ministerial intervention—or if the department or directorate does not recommend a dollar amount but says, "These ones are suitable. Minister, you now need to decide how the \$50,000 will be divided amongst these 500 applicants"? There is just a degree of variance in these instances. So I just want you to understand that answering that question will not necessarily be straightforward.

MR BRADDOCK: Yes. The ACT government's best practice guide says that the

appraisal of grants should happen separately to the decision-maker. I am trying to ensure that that appraisal is not happening in a ministerial office. Where there might be an overturn of the appraisal, where is the transparency and accountability that comes in for that decision?

**Mr Barr**: I do not think there will be many programs that fit that criteria, but we will have a look and I will take that on notice for you.

#### MR BRADDOCK: Thank you.

**THE CHAIR**: In going through some of the submissions, I note that one of the submissions talked about their concern that many projects would benefit from multi-year funding as opposed to one-year funding, to achieve real outcomes. As you are very aware—and you raised the concern, Mr Pettersson—many of the people who actually fill out the grants are inexperienced. Those who are public servants are quite experienced and so know exactly what to do and so forth. Also, these people are volunteer workers and do not have much time on their hands to seek a grant. What are the pros and cons with having a one-year funding limit as opposed to having a multi-year?

**Mr Barr**: Again, there is going to be extraordinary variance across different grants programs in different directorates. From my experience in this place, as a former community services minister, I am aware that we did make a move away from annual often to three- or possibly even five-year grants programs for particular service delivery. There is a very powerful argument for that, whereby the organisation that is receiving the grant is employing staff to deliver a program, to give a degree of employment security and certainty in that context.

The multi-year ones do tend to be at the larger end of the grants programs. I cannot be absolutely certain on this, but I imagine there would not be too many grants programs where you would be given, say, \$100 a year for three years in a row. The smaller ones would tend to be annual or periodic, so more frequent. There are other examples that I am familiar with—for example, major events. We do have grants programs that provide opportunities for one-, two-, three- and sometimes even four-year funding to support major events. Grants programs to sporting teams often have multi-year elements.

So I think there is capacity. The challenge with multi-year can be when an organisation does not deliver and you have locked in a longer-term commitment. That can often be addressed by milestone agreements and requirements to report on and acquit grants year by year, even if you are in a multi-year funding agreement. Ultimately, this is a trade-off between providing long-term certainty for organisations against the risk for government of an organisation not delivering on the intent of the grant. But good contract management and well-written grants contracts can seek to ameliorate those risks. But, if you would like, I guess I can endeavour on notice to give a little bit of a spectrum of the range of grants programs that are multi-year versus those that are not. I think that can be managed without too much difficulty.

THE CHAIR: That would be great; thank you, Chief Minister.

**MR PETTERSSON**: How does the government determine what issues or areas will have grant coverage and how do you go about determining new grants?

**Mr Barr**: Again, there will be different answers in different portfolios and, in some instances, also intersection with the commonwealth level of government. An example of that that I am about to go and discuss over the next 24 hours relates to energy support grants for households and businesses that will be a jointly funded program. Obviously, there are intergovernmental discussions about eligibility and the grant levels, if you like—that is at one end of the spectrum—and, internally within government, some of the issues that I touched upon earlier around the level of demand for government support in particular areas. The grants programs can be for individuals, for families, for community organisations and for businesses.

### MR PETTERSSON: A long list.

**Mr Barr**: Indeed. It is very diverse, so I do not think I can give one single answer, other than to stress the importance of the annual budget process. Every Treasurer likes most of the financial decisions the government makes each year to be made in the budget round, not outside of that. But life happens and events occur and so some decisions need to be made outside of that cycle. But there is, I guess, a primacy for the budget cycle for the business case development process and the Treasury being able to independently assess and provide advice to the Treasurer and the Expenditure Review Committee in relation to new expenditure.

We also periodically undertake expenditure review within particular directorates or programs. New programs emerge out of new government policy. In a four-year election cycle, it will often be new policy brought forward for each election and, as I mentioned, intergovernmental and commonwealth-state and -territory programs. In the ACT's instance, there is also commonwealth-local government, where our local government role comes to the fore. So that is a snapshot. Time prevents me from giving you the encyclopaedic answer. But, again, if there is anything further I can add on notice, we will do so.

**MR PETTERSSON**: I have one quick follow-up. If I am Joe Bloggs on the street and I have an idea for a new grant, what would be the best way to bring that to fruition?

**Mr Barr**: So a new grants program?

#### MR PETTERSSON: Yes.

Mr Barr: I think the best way would be to write to your member of the Assembly—

MR PETTERSSON: Do not throw it on us.

**Mr Barr**: and perhaps even say, "I think you should push for this within the Assembly." That is a perfectly legitimate pathway. Equally, if you wanted to go directly to the portfolio minister, you could do that as well. For a like this present opportunities for people to raise ideas as well.

I just have to conclude my sermon on this with the usual Treasurer's plea that the

government's budget is not endless. Every budget round, through the consultation process and from ministers and otherwise, I receive requests to spend three times the territory's revenue on programs. That is obviously not feasible. I think the best ideas are ones where people would come forward with a view that, for example, "Program X might not be achieving its full potential. Would you be prepared to consider making changes to that to redirect resources to achieve a better outcome?"

I certainly encourage my ministerial colleagues to do that within their existing appropriations. If they feel that a program is not getting sufficient quality applications, I am very open, as Treasurer, to having that discussion about, "Maybe you need to reshape the grant criteria or eligibility to achieve a different social outcome or a different economic development outcome".

#### MR PETTERSSON: Thank you.

**MR BRADDOCK**: Just as a matter of principle, in terms of when the ACT government is providing grants to NGOs, should their operations and overheads or their staff costs be incorporated into that grant or should that be excluded?

**Mr Barr**: Again, it is going to vary depending on the sources of funding for the NGO. Some NGOs are principally funded, for example, for their core operations by the commonwealth and would still be eligible to apply for grants from the ACT government. For others, there is a joint funding arrangement. Then there are some NGOs where the ACT government is the principal funder, but they are also able to apply to the commonwealth, for example, for grants.

I think you definitely have to take into account the administration costs associated with program delivery. I would go back to the observation I made about multi-year, particularly where employment of staff is part of the delivery of a program or service that is funded by the grant. I fully appreciate that annual or short-term can be very challenging for NGOs, in terms of maintaining security of employment for their staff. You often see that NGO X has base funding for X million dollars a year that employs Y staff and they then apply for grants on top of that. Part of the rationale and sometimes what would be needed to be considered then would be their ability to deliver this extra program within their existing administrative base or whether that scales up their operations such that they would also need to be funded for that increase in administrative costs.

**MR BRADDOCK**: So you would support NGOs and community groups, where they have a case, to put that case forward to seek their operation's overheads, whatever it might be, as part of a grant application?

Mr Barr: Well, within the available budget of a grant program.

#### MR BRADDOCK: Yes.

**Mr Barr**: It is not that you win this grant and that automatically entitles you to, from a separate pool of money, more administration funding. I do not think we are going to set up that sort of environment. But the realistic cost of delivery of a service or program needs to be accounted for. If it is unrealistic to deliver without administrative

supports for the organisation beyond its existing resource base, then it clearly has to be a factor in grant decision-making.

MR BRADDOCK: Thank you.

**THE CHAIR**: On behalf of the committee, I would like to thank you, Chief Minister, and officials for appearing today on behalf of the ACT government. When available, a proof transcript will be forwarded to witnesses to provide an opportunity to check the transcript and identify any errors in transcription. If witnesses undertook to provide further information or took questions on notice during the course of the hearing, answers to these questions would be appreciated within one week from the date of this hearing.

# Short suspension.

# COX, MR KEVIN

**THE CHAIR**: We move to the next witness appearing today, Mr Kevin Cox. On behalf of the committee, thank you for appearing today and for your written submission to the inquiry. Can I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement before you on the table. Mr Cox, could you please confirm for the record that you understand the privilege implications of the statement?

Mr Cox: Yes, I do.

**THE CHAIR**: Thank you. Before we proceed to questions from the committee, Mr Cox, would you like to make a brief opening statement?

**Mr Cox**: Yes, I would. I would like to thank you for the opportunity to come along and talk to you. I looked up your committee and I realised it is actually a really important committee. I had not realised quite how important it is, because you are there to make sure that the government, or help make sure that the government, spends its money wisely and with integrity, so that is fantastic.

I want to make a little bit of a statement because I have to give you a bit of context and background to what I am suggesting there. The submission provides help, I believe, to the government on controlling the way in which it spends money. It also provides a mechanism for you to be able to include other measures associated with giving out money, things like wellbeing measures and so forth. The reason it does that is that the proposal I have presented turns out to be, I believe and I can prove it, the most efficient way to distribute capital. It is the most efficient way to distribute capital. That is a big claim to make but I think we can back it up.

#### **MR PETTERSSON**: It is.

**Mr Cox**: So a little bit of background. Three years ago a cooperative, of which I was a member, obtained a grant from the government. The approach was to put solar panels onto Canberrans' roofs, no matter their financial situation. We had the idea that we could, through a cooperative process, be able to put panels wherever they were needed, independent of how much money the people had.

We implemented it. It worked and we showed, yes, indeed, we can do it, through a cooperative process of things. We made our input, of course, to the government. We also tried then to scale it up but we ran into problems. The problems are that the financial system turns out to be probably the most inefficient industry in existence. It is extraordinarily inefficient in the way in which we distribute capital. There are great opportunities here for innovation, and what we are doing is one of those innovations.

The barriers are all sorts: social, administrative, regulatory and also just the mindset of the way in which people think about money. People think about money as being "it makes money." Well, money actually does not make money. People using money make money. The financial system has got itself in this position where it thinks money actually makes money and things are set up around that premise. It is untrue. To give you an illustration of what happens in this sort of thing is that the government devised its own scheme for supporting solar panels and other solar things and other renewable things into people's homes. Well, it turns out that is fine, but only the people who can already afford to put panels onto roofs actually can benefit from it. People who are renters, people who have poor credit records, people who are old like me, we cannot get any of these loans. That is because of the way in which the financial system works, not for any reason that we would not be able to pay it back or any of those sorts of things. It is just simply the way the financial system works.

So in order to overcome this we have looked into different ways of doing things. The citizens cannot do it without the support of government. But if we do do it, then there are a lot of benefits that can arise from it.

The innovation is actually really simple. After a little while, thinking about how I can overcome it for things, we have discovered there is a way in which we can use it for any organisation at all, including BHP. Capital is created from profits. Profits come by charging more than it costs you to produce. When you make a profit, the investor keeps all the profit. The consumers who pay the extra money to make the profit get nothing out of it. They pay for their goods and services but they do not get any of the profit. So how can we solve that problem?

Well we have figured out a way of solving the problem. You solve the problem by not reducing the profits of the people who invested but by allowing the people who buy something, at the time that they buy, to buy some shares in the company of which it works. So that is it. That solves the problem, believe it or not. It takes a little while to go through why that actually works but that is the case.

What it does is it doubles the effective amount of money you have to invest because the capital gets reinvested really quickly—relatively quickly—because it has been sold. So it is now available for reinvestment. That increases the amount of money available for investment. You can use this approach for any distribution of capital instead of distributing capital through capital markets, which as we know are very arcane and very difficult to operate. Not many people can operate in them, but with this approach people can. It will, I believe, make housing affordable. Anyone who can rent can buy a house. It makes community batteries economic. At the moment community batteries are not economic if someone else supplies them. But if the community supplies them themselves, it does become economic. It is magic.

# THE CHAIR: Self-reliant.

**Mr Cox**: Yes. So what I am doing now is I am out starting to tell and putting in submissions to everyone that I can think of, "Okay, have a go at doing this. Try this one out. If you want to support something, spend the money this way. Distribute the money this way and see what actually happens." So I am available for questions now.

**MR PETTERSSON**: Do you want to walk us through, in practice, how this would work? Let us say, I am a concerned citizen and I would like to see some affordable housing built.

**Mr Cox**: Yes. In fact, I am putting in a submission on build to rent. So the submission will be build to rent and buy.

# MR PETTERSSON: Yes.

**Mr Cox**: I am talking to developers at the moment. Developers will work with the community who wants to buy their houses. Every time someone pays their rent, the investor gets a return on investment and the renter buys some of the equity from the investor. So the equity gets transferred, not as a separate transaction, not by borrowing a whole lot of money and then buying it. You incrementally buy the house as you rent it. It is quite different from the pretty shonky schemes out there called buy to rent. They do not actually give you real ownership. That goes through a third party and that is a disaster. But buy to rent where the total organisation of investors and buyers or occupiers are all one organisation, that works because you do not actually have to transfer ownership. The organisation owns it.

**MR PETTERSSON**: So just walk me through the steps, very specific, for an individual, what my experience will be?

Mr Cox: Okay.

**MR PETTERSSON**: I stand out on the street and decide one day I would like some affordable housing.

Mr Cox: Yes.

**MR PETTERSSON**: Who would I go to for community capital? Where would that transfer go to?

**Mr Cox**: You would join a community capital organisation. An organisation of people who have houses and who have decided to sell their houses through this process. So it could be a developer. It will look very much like what we are currently seeing. Except the difference will be that you, as the buyer, will say, "This is what I can afford to pay." Then the people will say, "These are the houses you have available to you."

In effect, you get rid of the need to transfer the capital because the capital essentially stays inside the organisation. So you do not actually have to pay for that. You only have to pay for the cost of the capital. You buy the cost of the capital, plus the amount that you buy. It turns out to be the same as what you would be paying for rent.

If you can afford to rent it, you can afford to buy it.

**THE CHAIR**: Thank you, Mr Cox. Unfortunately that is all the time that we have. On behalf of the committee, I would like to thank you, Mr Cox, for appearing today.

When available, a proof transcript will be forwarded to witnesses to provide an opportunity to check the transcript and identify any errors in transcription. If witnesses undertook to provide further information or took questions on notice during the course of the hearing, answers to these questions would be appreciated within one

week from the date of this hearing.

**Mr Cox:** If you have any questions I did not get to answer, please send them to me and I will send them through to you.

THE CHAIR: Will do. Thank you, Mr Cox.

Short suspension.

## MOBBS, MR CHRISTOPHER, Chair, Hackett Community Association

**THE CHAIR**: We move to the next witness appearing today, Mr Christopher Mobbs, from the Hackett Community Association.

On behalf of the committee, thank you for appearing today and for your written submission to the inquiry. I remind you of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement before you on the table. Could you confirm for the record that you understand the privilege implications of the statement?

Mr Mobbs: Yes, I can accept that. That is fine.

**THE CHAIR**: Thank you, Mr Mobbs. Before we proceed to questions from the committee, Mr Mobbs, would you like to make a brief opening statement?

Mr Mobbs: Yes, how many minutes have I got?

**THE CHAIR**: As long as you like.

**Mr Mobbs**: Thank you for that and for the opportunity. Just some context about the Hackett Community Association: we are 20 years old and currently have around about 190 members and about 780 followers, with nearly 800 followers on Facebook. We are affiliated with the North Canberra Community Council, and we are an incorporated body under the Associations Incorporation Act.

Because we are an incorporated body, over the past couple of years we have managed seven ACT government grants from different areas of the government and for different community groups in our suburb. As such, the total amount of those is just under \$58,000—not a lot of money, but seven projects with that total. We welcome these programs. They are great. They really get the community involved and things like that.

Last year we provided a submission into the Inquiry into Environmental Volunteerism. Our submission was about the variations in the terms and conditions for the grants—it was a bit frustrating to be quite honest with you—and the differences when you are applying for grants through the SmartyGrants portal. We put that submission into that inquiry, and I note the report, which came out in November last year. I am pleased to note that that inquiry picked up our concerns in their recommendation number 2:

The Committee recommends that the ACT Government standardise terms and conditions for grant applications and acquittal across ACT Government directorates, and where differentiation is necessary, those unique clauses be outlined after the standard wording and requirements.

We notice your inquiry is covering grants, so we are probably repeating ourselves a bit, but it is one of those things—the second bite of the cherry—and hopefully we can get through to the bureaucracy.

In our submission we did a comparison of two grants. I am not too sure whether you have looked at those, but I can certainly go through them in detail. Since putting that submission into the inquiry last year, we have had a couple of more grants and, again, there are variations. For example, we received a heritage grant. Under the heritage grant, they give 75 per cent of the funding up-front. They hold the 25 per cent balance until that project is completed, so we are going to have to pay for that. Fortunately, our association has a bit of money in our kitty, but I suspect there could be many groups who may not have that money. So what do the members do? They get out the good old Visa card, or maybe just a general credit card, to make that balance, and then put the account in and eventually get it paid.

The other interesting thing is insurance. There is an incredible difference: one says public liability insurance of \$10 million; the heritage grant says no less than \$20 million; and the Adopt-a-Park grant says an appropriate type and level of insurance is required.

The really interesting one is the auditing requirements. In our 2020-21 Adopt-a-Park grant, the auditing document was to be signed by an authorised officer and to clearly identify the receipt and expenditure, supported by invoices, receipts and a bank statement. But in the 2021-22 Adopt-a-Park grant, the requirement was a copy of a relevant financial statement certified by a registered accountant, and that is for a grant of \$3,000. Now, I know accountants. A lot of them probably do not get out of bed for under \$1,000 a day, so if we have got to go to an accountant to get them to check six invoices for this particular grant—it is very, very small—I am not too sure whether we would have the money to pay for that. Maybe a box of chocolates may get them to do it! Again, you have got these differences.

The other interesting thing is we said, "We are an incorporated body under the incorporated associations act." And this is really interesting—a small association is one with a total revenue of less than \$400,000. They may have their accounts reviewed by a reviewer, who must not be an officer of the association; they do not need to hold any qualifications. A medium association, between \$400,000 and \$1 million, may have their accounts reviewed or audited by an auditor. When you crack the \$1 million mark, they must have their accounts audited, but for a grant of only \$3,000 we have got to get an accountant to go through it and check. That highlights these variations.

I had a look on the ACT government grants portal, and I counted nearly 60 different grant programs. Although I note that in the ACT government's submission to your inquiry today I think they listed nearly 120 grant programs. I hope there are not 120 variations on a theme for all these deeds. I can accept that there are some programs which do have unique requirements. If they do, then put them at the end of the main body of the terms and conditions; but, as we have highlighted in our submission, they are broken up with different requirements and different wording, and things like that.

For volunteers it is very frustrating. We spend a lot of time with these. For a lot of people they deal with one grant program and they may never see the variation, but when you are dealing with seven different grants, you see the variation. I also put it to you that this is not a good use of government officials' time. Do we have 50 to 100 different grants program officers coming up with their own terms and conditions?

I suggest that is not a very good use of government officials' time. So it is not only volunteers' time, but I suggest it is government officials' time.

I think there is a very simple solution, and I put a challenge to the ACT government that for the next financial year all deeds for grants for government programs have standard terms and conditions. I put that challenge. They could solve this very quickly for all the grant programs by getting their laptops, going into a room or sitting down at a Zoom meeting with someone from the Attorney-General's department, and going through and standardising the words. As I said in the attachment we have got here, it can be everything from the front cover, where you get different logos—it does not start off well—and then you go through. That is my summary. I would love to see this consistency across programs. That is my opening statement, and I am happy to take any questions.

THE CHAIR: Thank you, Mr Mobbs.

**MR BRADDOCK**: A question in terms of how you handle the overheads and the staff time, or the volunteer time I should say, in terms of the management of these grants. Is that something you incorporate into the grant applications and the funding, or is that something you have to just bear as an organisation?

**Mr Mobbs**: It is always one or two people who get to do that. The volunteers who take on these jobs, depending on what the program is, have got a genuine passion and love for it, so you accept that, if you are going to. You spend time filling in the application and going backwards and forwards on it, and eventually it is accepted, and then you get the document, the deed. You have got to read it. You countersign it, you send it back and then you manage the finances, the payments, and, a lot of times, you go out and buy the products and you then work with the volunteers. That is something that you do—that is a contribution in-kind, if you like.

**MR BRADDOCK**: For example, where you do need to pay for, let's say, an accountant or an auditor, is that something that your organisation just simply takes out of its own fundraising efforts?

**Mr Mobbs**: We would, and that is where it is frustrating. Again, hopefully we would get a pretty good, cheap rate for having the small number of receipts to be checked by an accountant. That is where it is frustrating to get that in a deed: when you have gone through the application and you have got the grant, and you then get the deed and it says, "Guess what? You now have to pay for the accountant." If it was put up-front to "please add in costs" for dealing with those sorts of things, yes, fine, we could do it, but in that particular grant application it was not covered in the SmartyGrants portal.

# MR BRADDOCK: Thank you.

**THE CHAIR**: What are your thoughts about the SmartyGrants portal? Is it going well for you? Is it quite convenient to use, or do you recommend any improvement in it?

Mr Mobbs: I think there was one thing, when I was putting in for the heritage grant and it asked, "Do you meet one of these requirements?" I said, "It is not this and not

this" and ended up having to just tick all of them and it accepted it. It was okay but there were a few parts of it which were a bit frustrating to use. I cannot remember the specific details.

For any government organisation that sets up electronic things, I think it is important that rather than the actual government officials doing a test run they give it to some people from outside who sit at home on their computer to give it a go. They are coming in cold. Then they provide that feedback, I think that is really important—they test it before it goes live.

**THE CHAIR**: That is a great recommendation, thank you.

**MR PETTERSSON**: You are probably one of the few organisations that apply for grants across a wide array of issues. If you had ideas for new grants, how would you go about trying to progress an idea? Do you immediately know off the top of your head how you would do that?

Mr Mobbs: Sorry—it was an idea for a new grant, was it?

**MR PETTERSSON**: Yes. If you had an idea for a new grant, how would you go about progressing that idea?

**Mr Mobbs**: I guess you would go through the various programs, and you would see where it fits. If you thought, "That looks close", you would apply there. That would be at the ACT government level. I know the federal members of parliament have grant programs to assist communities, so you could apply there. There could be something at the federal level. So in some respects, it is almost like grant shopping and looking around to see where your idea could fit in, and if it did not, well, so be it. You might go to some private funding organisation to get support.

**MR PETTERSSON**: You have mentioned the federal members of parliament and some of the local grants that they administer. Would you like to see something like that at the territory level?

**Mr Mobbs**: I do not think so. I think there are a suite of programs here that are funded through the ACT government, and I think to bring in yourselves—locals, if you like—for giving out money would just add another complexity to the thing. Personally, I would not be going down that route.

MR PETTERSSON: Thank you.

**MR BRADDOCK**: A further question in terms of what the realistic impact is in terms of the amount of time for your organisation, which I imagine is run by a couple of dedicated people on the sniff of an oily rag. Can you quantify how much time and effort is taken working on these different deeds, different grant systems and different ways the government is trying to support the local community to make their suburb better?

Mr Mobbs: It is a really good question. I am the chair of the association, so I do things like organise the meeting agendas and various submissions and things like

that—putting in the submissions to this inquiry and the environmental volunteer inquiry.

I must admit, I have never really kept a tally of the hours I have spent. For something like the Adopt-a-Park grant for our Bragg Street park—we have had two grants there—probably over a period of, say, six months it could be 40 hours. Probably about 40 hours, roughly.

**MR PETTERSSON**: How many applications for grants has the association made that were not successful?

**Mr Mobbs**: Again, the association is an auspice association. We applied for a heritage grant, and we got that. For the Adopt-a-Park, we manage four grants there for three different organisations who applied for the grants, and then we auspice and manage the actual deed. So out of the total of seven grants over the past few years, there is only one that the Hackett Community Association has applied directly for. The others were by community groups who we auspice those grants for.

**MR PETTERSSON**: My question really boils down to this: have you experienced rejection for a grant application?

Mr Mobbs: Yes.

**MR PETTERSSON**: Now that is established, did you receive sufficient feedback about why that grant was not successful?

**Mr Mobbs**: Yes, we did. I am also the convenor for the Bragg Street Park Volunteers Group, and it was a grant application we had applied for. It was a nature play grant. It was rejected because the particular play equipment in our park did not meet the current guidelines—and that was dealing with another directorate. We put our energy in to a great application and then we found out that because the existing play equipment did not meet the requirements, it could not be supported; therefore, it would not be eligible for the grant.

MR PETTERSSON: Frustrating.

Mr Mobbs: Yes.

**THE CHAIR**: A follow-up question with that one: would it be helpful, then, in that scenario, to have an expression of interest first so that you are not spending hours and hours in doing the application for a grant only to find out that it is wrong? Whereas, if you put in an expression of interest, just a short application, then they could let you know, "This is the wrong one; go to this directorate."

Mr Mobbs: Yes, I guess what you are suggesting is like a staged process—

THE CHAIR: That is right.

Mr Mobbs: when dealing with different arms of government, especially when it comes to managing small urban parks and you are dealing with two different

directorates. When you find out "this one here is pushing this grant program", and you go through the time and effort, and then this other one says "no, you do not need that"—having a preliminary stage could be a good way to do it. But, as we are going to have the other programs coming up, I know that we think, "Alright, if we apply again, another strategy is to go down another path and seek funding another way." I think it is a worthwhile suggestion that you are putting forward there, yes.

THE CHAIR: Thank you.

**MR BRADDOCK**: That Adopt-a-Park grant you mentioned, where you spent 40 hours of administrative overhead—what was the total dollar figure for that grant?

**Mr Mobbs**: I will call it the "nature in the city" one—that was \$9,100. That included preparing the grant, then going out and meeting the contractors doing the work, then making arrangement for payments and then preparing reports about the project—acquitting it and all that sort of stuff.

**MR BRADDOCK**: So, 40 hours, let's say, of volunteer overhead to manage that grant?

Mr Mobbs: Yes, and that was spread over.

MR BRADDOCK: Thank you.

Mr Mobbs: That is it?

THE CHAIR: In the interests of time, yes.

**Mr Mobbs**: Thank you very much, and I trust your report does filter down to the various levels of government and we see some changes.

**THE CHAIR**: Thank you, Mr Mobbs. I am just going to say a few remarks. On behalf of the committee, I would like to thank you for appearing today on behalf of the Hackett Community Association. When available, a proof transcript will be forwarded to you to provide an opportunity to check the transcript and identify any errors in transcription. If you undertook to provide further information or took questions on notice during the course of the hearing, answers to these questions would be appreciated within one week from the date of this hearing. Thank you.

# Short suspension.

PREUSS, MS KARISSA, Chief Executive Officer, Landcare ACT
FRANCO, MS MARTINE, Executive Officer, Southern ACT Catchment Group
McGILP, MS KATHRYN, Executive Officer and Catchment Coordinator, Ginninderra Catchment Group

**THE CHAIR**: We will now move to the next witnesses appearing today: members of Landcare ACT, the Southern ACT Catchment Group and the Ginninderra Catchment Group. On behalf of the committee, thank you for appearing today and for your written submission to the inquiry. I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement before you on the table. Could you confirm for the record that you understand the privilege implications of the statement?

Ms Preuss: Yes.

Ms Franco: Yes.

Ms McGilp: Yes.

**THE CHAIR**: Thank you. Before we proceed to questions from the committee, would anyone like to make a brief opening statement?

**Ms Preuss**: Yes, thank you. Landcare ACT is the peak representative body for land care here in the ACT. It represents over 70-odd land care groups or community environmental organisations, as well as approximately 6,000 volunteers. We do our work by working closely with our members. Our members are the Southern ACT Catchment Group, the Ginninderra Catchment Group and the Molonglo Conservation Group, as well as the Rural Landholders' Association and Buru Ngunawal Aboriginal Corporation.

A lot of the work that the land carers do in improving and maintaining the natural assets of our bush capital is, really, made possible through grants. The grants that the ACT government make available are incredibly appreciated—in particular, the environment grants, the Nature in the City grants and the Adopt-a-Park grants. It is predominantly the grants that come through the environment sector, as well as City Services, but there are also grants through youth, education and a broad array of other grants that our members and the broader land care community access.

Overall, the grants are very appreciated, but our members have provided information in terms of how those grants could be improved. There is the issue of consistency of grants. I am sure that you have heard a lot of that from Chris today around how there is this quite wide variation in terms of what is required from each of these grants. So improving that consistency would be useful, as well as longer and more flexible time frames.

The growth of the environment grant bucket has been very appreciated; however, there is a high burden on writing so many grants, particularly for the catchment groups, who are really expert in this space. If you look back over the past 25 years of environment grants, the catchment groups have received a large proportion of that

funding, along with other similar organisations. I guess one potential proposal would be having two tiers, as there has been in other grant rounds, where there is a small grant round, where there is a much smaller level of administrative burden, and then a larger grant round that requires more information but potentially is multi-year and a higher amount of funding available.

Allowing project management within the grants is very appreciated. Not all grants do that. The ones that do allow that are appreciated because, often, delivering these projects on ground does require people to do it. Sometimes volunteers can do it but sometimes it does require a skilled project manager to support those projects. That is probably it in terms of opening remarks, but I am very keen to engage in questions.

THE CHAIR: Thank you so much. Do any of you want to add to those words?

**Ms Franco**: I suppose the one thing I would like to add is that there has been that conversation around consistency across the different grant programs. That ranges from the type of requirements in the application process but also in the deeds. I often find that the variations in the different deeds and the types of contracts that we are required to engage in are often quite different and complex. A little organisation like us, as well as smaller community groups who we auspice, do not actually have that sort of legal expertise to look at those fine levels of details. So consistency across all the different programs from all the different agencies and government would be greatly appreciated.

Coordination is another really big issue. At the moment we have environment grants and Adopt-a-Park grants. I think 90 per cent or all of the Adopt-a-Park grants go through the catchment groups. It is well known that they need to come through an incorporated association. Some of the grants require DGR status, although most of the ACT government ones do not. But, because they do come through the catchment groups, it means that we are loaded up to do 10 or 15 grant applications within a fourto six-week period.

At the moment there is very little coordination between the different departments, particularly with Adopt-a-Park and environment grants. They are kind of not coordinating between each other, and they are about to announce them both being released at the same time. So we will be writing 20 grants, and most of us do not have more than 3.5 staff to do so.

There is also quite a lot of pressure from the environment department for us to auspice and support more grants coming in from the community in recognition of our application writing skills as well as our project management skills, and we welcome that. We welcome that they have seen that those skills are necessary to get good project proposals. But, in order to be able to do that really well, our time frames need to be a hell of a lot bigger so that we can do true consultation with the community.

These grant buckets are for the community. They are all about community engagement. If we are required to do that to get the money, then we want to do it properly. We do not want to be doing it in a simple term. We have discussed one proposal, which is to have open grant rounds. I do not know how possible this is within budget cycles, and I know that is one of your constraints. With an open grant

round, it might be that you will assess them all at the same time. It is up to how you guys would do that.

We know that they come around every year. We are processing them all the time, but the community do not often activate with a project idea until they see it announced. So if it is at all possible to have open grant rounds or at least multi-year funding, that would help us pace our workload and be able to really engage the community over the whole year.

THE CHAIR: Thank you.

**Ms McGilp**: I might just add in a few things regarding budgeting with the grant applications. The allowance that we got recently for project management and communications has been a huge benefit for us. So that is definitely something we would like to see maintained across the core environmental grant rounds through the environment department and City Services as well.

I would also add looking at maybe refining the process around in-kind contributions that are made as part of each grant. For some grants where it involves a large group or you have a lot of volunteers involved, it might be possible to have quite significant in-kind contributions. Some of our other grants might be focused—for example, we have an environmental grant of over \$30,000 to look at box elder removal along the creek. This was a fantastic grant but it mostly funded contractor weed removal. Maybe City Services did not quite have the budget allocation for that. A grant like that is not necessarily going to allow for significant in-kind contributions. So it would be great if grants could be assessed more on their on-ground and community merit, rather than the level of in-kind support and other co-contributions that are made against the grant.

**Ms Franco**: I might just expand a little bit on the in-kind contributions, because I think we find that comment coming from the community a lot. They ask, "Why are we required to have in-kind contributions?" The term "grant" seems to imply that we are getting something for free and, in actual fact, it is actually an exchange for service. We do some significant delivery for that service. To then ask us to add a whole bunch of in-kind contribution for free, essentially—you would not ask that of a contractor—seems at odds sometimes with the community. I understand it is about demonstrating how much our community are engaged, but whether we need to do that in a dollar figure or not is questionable, I think.

THE CHAIR: What is the dollar figure again for in-kind donations?

**Ms McGilp**: It is \$33.71 an hour, which I think is quite low. Considering that a lot of our members have expertise in ecology or working with wildlife and things like that, I think that figure is quite low.

**MR BRADDOCK**: So there are no allowances in that figure for that expertise? So there could be a higher level for those volunteers who are providing or working to a high level?

Ms Franco: Some grant rounds do actually give you an expertise rate-not

environment grants or Adopt-a-Park grants. But commonwealth grants we go for will have a different figure to use to calculate for expert advice, yes.

**THE CHAIR**: I will just ask a question quickly on the submission from the Ginninderra Catchment Group. You mentioned suggestions for grants to include an initial EOI before requiring a more detailed write-up, to avoid time wasted by volunteers. I did pose this question to Mr Mobbs earlier. I would like to get your feedback on that. Could you please elaborate on how this will benefit your group and the experiences you have had in the past in not having the EOI presentable to you or as an option?

**Ms McGilp**: I will start by comparing the two recent grant rounds. The latest Adopt-a-Park grant was a two-stage application process. The first stage was basically a project summary, a really brief budget and then a map of the site, which was provided to City Services. Then they assessed those initial applications or expressions of interest and then came back to the projects that they deemed suitable to then build further on the project plan before assessing the grants in detail.

That is different to the environment grant, which is sort of a one-step application process, where some of our larger grants could be even up to a week, including planning; visiting the site; engaging with the landowners, whether it is City Services or Parks and Conservation Service; working with the groups; Dial Before You Dig; and any number of things that are required to go into that application process, for something that may not even be in the vision for that grant round for government.

One recent example is where we put together stage 2 of a woody weed removal grant that was along Ginninderra Creek. This was basically a follow-on from a previous year's grant but doing the downstream area for weed control to continue that work there. We put a lot of effort into that and we assumed that we had a high chance of it being successful because we had had a similar grant get up previously. But it turned out that in that particular round weed management was not deemed a priority. I think a lot of weed focused grants did not actually get up that year. It would have saved us a lot of time if we just put in an initial plan and they said, "No, sorry; not this year". We could save it for another year or another grant.

THE CHAIR: Thank you for sharing that experience. I appreciate that. Thank you.

**MR PETTERSSON**: One of the suggestions in the submission is that a community representative be on the selection panel. Why have you made that a recommendation?

**Ms Franco**: Because they are community grant rounds and, really, what community priorities are do not always reflect what the departmental or government priorities are. Where the community want the money to go on the ground is really significant, particularly when we have 60 to 80 ParkCare, Landcare and on-ground environmental stewardship groups who work really hard for nothing. It is really important that their opinion on where things need to go is seen as quite an informed opinion. Being involved in the decision-making gets better buy-in from the community. They see that they have had some involvement in some of these decisions, and you are going to get better results on the ground when you have that sort of engagement through that process.

**Ms Preuss**: In addition, it also increases the transparency around decision-making. Obviously that person would not share the details of why or why not a particular grant got up, but it does increase transparency around what the criteria is for assessment, and it helps people to understand more about that process as well.

**Ms Franco**: I think heritage grants is a very good example of that. I have gone through heritage grants for 10 years in a row. I have stopped doing them because some of the processes in doing work on heritage places is actually a bit prohibitive, in terms of the hoops we need to jump through in actually doing anything on the ground.

For many years in a row we tried to get up Aboriginal heritage protection grants that were primarily about engaging the local community in Aboriginal heritage places. They did not get up and nobody knew why, and we were not getting good feedback from that. I do not know if there was a community person on the panel, but I think that if you had one on the panel that might balance that out.

**Ms Preuss**: In terms of the choice of a community person on that panel, I think it should be Landcare ACT or a representative peak body that is asked to provide that person, rather than the government just picking an individual community person. That would help to ensure that that person actually can fulfil that function and that they are chosen as a representative from a broader group who is putting forward that person, as opposed to just an individual that is handpicked.

**MR PETTERSSON**: Something that I have picked up over the years is that some community groups are quite successful in applying for grants. Often, they have one person who is involved who may be a former public servant and so they write the right things. Is there a tension that exists within different environmental groups in Canberra in that certain groups are better at getting grants than other groups?

**Ms Franco**: I do not know if there is a tension.

**Ms Preuss**: I do not know if there is a tension. I think there is definitely recognition. Particularly of those people who have been in the positions for a longer period of time and who have gone through that process of learning how to write successful grant applications. There is a recognition that there is a difference in skill set. But I would not say that there is a tension. I think that there is more of a sense of "Let us work together," to the point where the catchment groups, along with Landcare ACT, Parks and Conservation Service and City Services, are working together to develop a grant writing application process to help train up broader members of the community in how to write grant applications.

**Ms Franco**: It does create a pressure. Once we have somebody in the organisation who has the skills to do them quite quickly and has a very, very high success rate, it does mean that everybody starts going to that organisation or that person. That is fair enough, but it needs to be recognised that that organisation needs capacity to be able to respond.

I suppose that brings us to the issue of whether anybody can write grants and whether anybody should be writing grants. If it is the case that you need really good grant

writing skills to do it and the government would be happier in receiving higher quality grants applications, which is definitely what they have been telling us, then provide that capacity in the organisation to facilitate that.

**Ms McGilp**: From my experience in the last couple of years, I think for both the Adopt-a-Park and the environment grants the assessment process has done quite a good job of spreading the funds fairly equally across the whole of the ACT. I think it is really quite valuable to ensure that all the communities and all the districts in Canberra feel like they are being represented. I think that is a really valuable aspect of those programs.

MR PETTERSSON: Thank you.

**THE CHAIR**: I have a follow-up question with regard to filling out grants. Has there ever been any sort of training for members of the organisation to do grant applications?

**Ms Franco**: Not that I remember.

Ms Preuss: I do not think that there has been.

Ms Franco: I have been there for 10 years and—

Ms Preuss: That is the discussion that is happening at the moment.

THE CHAIR: Are you having that discussion at the moment?

Ms Preuss: We are having those discussions at the moment.

Ms Franco: We support each other around—

**THE CHAIR**: Right. But nobody from the ACT government will actually come in there and do the training?

**Ms Preuss**: That is the conversation that we are having with the ACT government at the moment, in terms of working together to collectively run a workshop for those who are interested.

THE CHAIR: It would be great if we could get some update on how that one is going.

**Ms Preuss**: Yes, it is interesting. It has been coming up from a number of places. People have been independently having these same discussions about "let's do it". So we decided that we should collectively put something together.

**THE CHAIR**: Okay. Which directorate would be in charge of providing that workshop? Is it CMTEDD?

**Ms Preuss**: Jointly, really, between the environment directorate and City Services and, within the environment, led by ACT NRM and PCS.

# THE CHAIR: Okay.

Ms Preuss: And then jointly, obviously, with the community as well.

THE CHAIR: Thank you.

**MR BRADDOCK**: I am just trying to understand some principles around when administrative or project management should be funded via a grant versus when it might be done via another means in the ACT. Do you have any thoughts as to what the best practice could look like for your sector?

**Ms Franco**: For many years we called for core funding in order to have the capacity to do that. That was because for a long time ACT environment grants did not allow us more than five per cent of project administration. I think that is what it was back then. Providing core funding for catchment groups has really helped with giving us that capacity to have project management services for our members and the broader community.

In saying that, it is worth recognising that for small grants—like grants under \$10,000—we run at a loss. If you get a \$5,000 grant, you are not going to be able to do proper project management and get enough payment to actually run the project. So the only way that we can run very small grants like that is through core funding, I would say. We do have several large contracts with the ACT government now that do allow us that flexibility, and we do report on how many grants we have been able to facilitate through those larger contracts. I like that model. I feel like it is a recognition for services that we provide to the community, and it does allow it not to come out of a grant bucket necessarily.

**Ms McGilp**: I would just add to that. I know from the Ginninderra catchment side that currently our core funding bucket basically just goes to day-to-day engagement with the groups and meeting new groups. It does not cover the time and the resources needed to manage additional grants on top of that. We have grown from 19 groups to 29 in the past three years, and I know the other catchment groups are in a similar boat. So we are really just struggling at the moment to be able to meet the community need and to really support the community interest to get up and to do this environmental stewardship in the community. So I think it is really critical that we continue to be allowed to have project management and administration within these grants to ensure that we are actually able to support the community.

**Ms Franco**: I agree; it needs to come from both. You are right; the core funding is only as long as a piece of string and it is not that massive. So we do need to be able to bump it up through project applications as well.

**Ms McGilp**: We have hundreds of members. I get 50 to 100 emails every day from people in the community. There are new groups getting in contact with us all the time. We have currently got six that want to join but we just do not really have the resources at the moment to take them all at once.

**Ms Franco**: Most of us are not bigger than  $3\frac{1}{2}$  full time equivalent positions. So we are quite small, and we run up to 30 projects or so at any one on the books.

**MR BRADDOCK**: Would it be correct to say that it is those small projects—for which there is a disincentive for you to run—that actually have an outsized community benefit?

**Ms Franco**: They are responding to our membership, and that is core in our constitution. We have to respond to what our members want, and our members often want very small projects. They want something that they can get engaged with that is not overwhelming in size for them. The government often want us to do larger projects, because they see a bigger result, but the community actually want those little grants. So, yes, we can lose money on them, and we make it up in other ways. But they are essential to respond to our community.

**Ms Preuss**: I guess that is where the idea that potentially having two tiers in some of these grants, and particularly in the environment grants, may work well, with the understanding that maybe in the smaller grant rounds there may not be a project management fee or a smaller management fee. But definitely in the larger ones, there is absolutely a need for the project management fee, because you just would not be able to do something that is so far beyond core business without additional resources to be able to achieve those projects.

### MR BRADDOCK: Thank you.

**THE CHAIR**: In your submission, you mention that the heritage grants "have been difficult to manage when navigating ACT government heritage requirements, including engaging with the local Aboriginal community and on Aboriginal heritage places, and so this has reduced the potential for beneficial Ngunnawal grants to get up and running". Could you elaborate on that a little bit more, please?

**Ms McGilp**: Yes. I think Martine touched on this a bit before. There has been a bit of a lack, I think, in us seeking out grants through that program. I think last year was the first year in a while that we were actually successful for a Ngunnawal engagement grant in partnership with Buru Ngunnawal. I believe that there seem to be some steps in place within ACT Heritage to restructure the organisation. I am not sure on the specifics, but I imagine that their heritage grants program will probably be part of that review.

It is frustrating when you have so much interest from the community and from Ngunnawal representatives who want to get involved in these programs that the administrative requirements for heritage grants are so difficult. It probably took me twice as long to write the heritage grant than it would an equivalent environment grant. I know from engagement with the Ngunnawal Centre at the University of Canberra that they have been struggling to get ACT government funding to some extent. I think they have probably hit some similar roadblocks to us that have limited them in seeking heritage grants.

**Ms Preuss**: In terms of the heritage grants, from what I understand, it is not only in the application that it is more difficult but also in the ongoing. When you are successful in receiving a heritage grant, the administrative burden or the administrative blocks that are put in place make it very difficult to actually roll out

that grant. To receive a statement of heritage effect approval, they can sit with Heritage for one or two years before it moves. If you have a one-year grant program, this makes it very difficult to actually achieve the outcomes because you cannot do it until you get that approval.

**THE CHAIR**: Thanks for that.

**MR BRADDOCK**: There was a comment made before about the level of consistency and information on the SmartyGrants program. What is your perspective on that? Is that sufficient, or is further work required by the government to address that?

Ms Franco: The portal itself, you mean?

MR BRADDOCK: Yes.

**Ms McGilp**: It seems like the format has changed quite a bit in the last year—I think to the benefit of the reporting process, from my experience. I think it would be great if we had access to the acquittal forms earlier on in the process, so that we know the acquittal and the reporting structure and what sort of information is required.

**MR BRADDOCK**: Should that not be a part of the initial application, so you understand what you are signing up for?

**Ms Franco**: I think the final report and evaluation are part of the application. But the actual deed, the signing of the deed and the final report date are not put on SmartyGrants at all. In fact, very little is put on SmartyGrants. The application is and, coming close to the acquittal, the acquittal form is put on. I believe that everything should be up there. They do this with commonwealth grants. The letter of offer, the actual deed, any signed variation with new dates, and the financial reports—

Ms Preuss: The reporting schedule dates.

**Ms Franco**: Everything should be up there and it should be quite easy. Like I said, we have about to 30 grants sitting up on that portal and existing applications that did not get up are also sitting up there, and it does not even show you if they are successful or not.

It does need work so that we can actually use it externally without ringing up the department and hassling them for documents. For example, with signed deeds, sometimes we do not get the final counter-signed deed and we have to ring up and chase it up. And that gives us the date of final report. I think Adopt-a-Park grants have just started using the SmartyGrants portal this year. It is a different login but it is useful.

**Ms McGilp**: It is more beneficial than the older method of having a word document version to do the reporting. It is definitely easier.

Ms Franco: Yes, it is good.

THE CHAIR: That is great. In the interests of time, we have to close this session. On

behalf of the committee, I would like to thank you all for appearing today on behalf of Landcare ACT, the Southern ACT Catchment Group and the Ginninderra Catchment Group. When available, a proof transcript will be forwarded to witnesses to provide an opportunity to check the transcript and identify any errors in transcription. If witnesses undertook to provide further information or took questions on notice during the course of the hearing, answers to these questions would be appreciated within one week from the date of this hearing. I do not think that was applicable to any of you.

#### Short suspension.

- KILLEN, DR GEMMA, Acting Chief Executive Officer, ACT Council of Social Service
- HAWKE, MS EMMA, Community Assistance Support Program Development Officer, ACT Council of Social Service
- **BOWLES, DR DEVIN,** Chief Executive Officer, Alcohol Tobacco and Other Drug Association ACT

**THE CHAIR**: We move to the last witnesses appearing today, ACTCOSS and ATODA. On behalf of the committee, thank you for appearing today and for your written submission to the inquiry.

I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement before you on the table. Could you confirm, for the record, that you understand the privilege implications of the statement?

**Dr Killen**: I understand the statement.

Dr Bowles: I do.

Ms Hawke: I understand.

**THE CHAIR**: Thank you. Before we proceed to questions from the committee, would anyone like to make a brief opening statement?

**Dr Killen**: We are happy to go to questions if that is your preference?

**THE CHAIR**: Sure. Sure. We have been asking the other witnesses about having the importance of EOI as part of the grants process. Just interested in your thoughts on that because they have mentioned that it does reduce a lot of their time. Sometimes they spend hours and hours in writing out a grant application but then they are denied. However, if they had the process of an EOI, then it would actually reduce the number of voluntary hours that you have to put in there. So I am interested in your thoughts on that.

**Dr Killen**: I think we would be supportive of an EOI process to reduce the amount of time that people are spending on grants that they might not get but also increasing the transparency around grants decisions. So when grants are not awarded, letting people know why, which would also help them in future grant applications to know what they need to include, what they should not have included. And some more transparency when grants open about what the government is looking for so that people know that they do not need to apply if it is not a relevant thing for them.

**Dr Bowles**: The only caveat I add is that for very small grants with a suitably small application process, a separate EOI process may not be beneficial.

**THE CHAIR**: You mentioned earlier, Dr Killen, that it would be good for applicants who do not get awarded a grant to be told the reason. Have you received a lot of feedback from community organisations about that specific issue, that they had not

been told specifically why they were denied a grant?

Dr Killen: It did come up in our consultation. Were there specific examples, Emma?

**Ms Hawke**: Yes, there were a couple that had said they got a notice saying they were not successful but not the reasons why, which would have been really useful for future applications to be able to see where they went wrong or what they could have added. So yes, we did get feedback from a number of our members about that.

**Dr Killen**: It is not all the time so there are grant rejections where people are told why but then there are others where people are not told why.

**MR PETTERSSON**: In the ATODA submission you recommend that reporting requirements be co-developed. I guess there are two parts. What does reporting look like right now and what should it look like?

**Dr Bowles**: Reporting right now varies considerably between grants and that is appropriate. There is, I think, some benefit in co-developing reporting because on the one hand it ensures that government is getting the information it needs to assure the appropriate expenditure of funds but on the other hand it is incorporating the on-the-ground knowledge for what metrics are actually the best ones to use. There was a second part I think.

**MR PETTERSSON**: What it should look like.

**Dr Bowles**: Yes. We think that process of co-developed reporting requirements would be useful. The government has taken some steps in that direction, for instance with the grants that were recently made to peak bodies. There was consultation around reporting requirements there, and I think that led to a better set of reporting requirements than might otherwise have occurred.

**MR BRADDOCK**: In the ACTCOSS submission I want to clarify what it is exactly you are calling for. In recommendation 6 you say:

To ensure that the appraisal and selection processes be free from the risk of political bias, it is recommended that the Administration of Government Grants in the ACT A Framework and Best Practice Policy be followed.

Are you calling for an end to the minister's discretion in terms of which grants are approved?

**Dr Killen**: I do not think it would be possible to completely end minister's discretion in terms of which grants are approved but I think we want to see a more equitable process in the assessment of grants, in terms of it being transparent, equitable and free from bias. That is also why we have called for community members or people with lived experience to be on selection panels.

Just to be completely frank, we do hear from some organisations that organisations that have better relationships with ministers are more successful in grants rounds. So we want to see a reduction in that, to make sure that the money goes where it is

needed. Do you think that has covered what they talked about in the consultation process?

Ms Hawke: Yes.

**MR BRADDOCK**: What does a more equitable or transparent process look like for ACTCOSS?

**Dr Killen**: I guess for us it is around that appointment of someone with lived experience or from the sector to a selection process, to ensure there is oversight from the community in selecting grants—avoiding, of course, conflict of interest. That would ensure a more equitable process because the community knows often where the need is the most.

**MR BRADDOCK**: So that can work for the appraisal but then drilling down into the actual delegate who is making the decisions, is it satisfactory that it still sometimes rests with the minister or are you suggesting that to be free of political bias we need to cease that practice?

**Dr Killen**: I think as long as there is much more transparency in the process. At the moment for some grants we are having a process where people are not told why they have not received a grant and it might have been at a minister's discretion and then there is a suggestion possibly of political bias in the appointment because people do not know what has happened. So if there is more transparency and more community involvement in the selection process for grants, that would reduce some of that political bias. I do not know if you have any thoughts, Devin, about the minister's discretion.

**Dr Bowles**: The potential for bias that you raise has not been raised by our members with us.

**Ms Hawke**: The feedback we have received from grant applicants is they do not know who is making the decisions and why. So there seems to be a lack of transparency, or communication I suppose to organisations that are applying as to who is on the selection committee, who is making those decisions.

MR BRADDOCK: In the absence of information, then questions are raised.

**Dr Killen**: Yes. I do not think it is the case that ministers cannot make decisions, obviously, as long as there is more transparency and more community involvement in that process, that would make the community feel a lot more secure in the outcomes.

**THE CHAIR**: Dr Bowles your submission has about six recommendations. Could you elaborate a little more on each of them and also the experiences your organisation has had that allowed you to create these recommendations for the ACT government.

**Dr Bowles**: Yes, I may speak to the second point first and say that as a peak body for the alcohol, tobacco and other drug sector, we hear from our members and we do our best to have a system-level view of the ATOD harm-reduction and treatment system and critical to that is the funding of different services. So it is through the

development of that view, which includes exercises like having developed a needs assessment of ATOD services for the ACT in a contract with the CHN that has given us reason and capacity to develop such a good system-level perspective.

In terms of going through the recommendations, we note grants are one part of how government disburses money, and in the Community Services and Health directorates the commissioning process is now a source of major reform for how government is doing that. I think that will raise opportunities for improvement, and it would be good to have a chance to look at those opportunities.

The second recommendation is to consider whether a greater differentiation of grants procurements and management processes for NGOs is required. I think one of the important things to understand is that on the one hand, the public reasonably expects the integrity of grants and that taxpayer money is being well used. I think in procurement overall, it is important to recognise the difference between NGOs, which are really integral parts of our health or community services sector, and, for instance, for-profit companies, which may be doing one-off work. The set of incentives for those two different groups is very different, and that changes the risk profile. So, for instance, the constitution of a community group has as its main aim the improvement of the community in one way or another, whereas a publicly listed company is legally obliged to maximise value for its shareholders. It is also recognising that NGOs are partners in service delivery in a way that some NGOs are absolutely essential; if you were to remove them there would be a yawning chasm in terms of missing service delivery in the ACT, so it is not in the government's interest to just remove them all of a sudden.

It is also about establishing service delivery ecosystems that function really well. One of the things that characterises the alcohol, tobacco and other drugs sector is that people's treatment journeys are often complicated and involve lots of different providers. So, someone might start out wanting needle and syringe program as harm reduction; they might find out that the people treat them humanely, engage further and decide maybe some treatment is appropriate, but they need different treatment types including detox services and then maybe residential rehab and then maybe counselling. That treatment journey has seen them quite possibly cross between four different providers, between NGOs and government. Looking at this just from the perspective of "is government getting great value on this contract?" misses the fact that if you change providers you have disrupted that ecosystem; overall government is getting worse value for money because this chain of service availability no longer exists.

In response to Mr Pettersson's question, I elaborated on the third recommendation.

The fourth is around the importance of transparency in what information is taken into account and what information is not, in determining the availability of funding. I think this is an important opportunity for government to leverage some of what comes out of the commissioning process. The commissioning process, I think, for our sector has helped develop a really good helicopter view of the sector. So being able to leverage the information that the commissioning process generates for grant applications in future is potentially going to be really useful.

The fifth is embedding flexible and proactive grants management processes across all

ACT government directorates. I will note our sector saw some really good flexibility from ACT government in response to COVID. I think partly that is just because we have some excellent public servants. That proactiveness, I think, is quite important.

I have already spoken to codeveloping reporting requirements. Thank you.

THE CHAIR: Thank you, Dr Bowles.

**MR PETTERSON**: I would love both opinions, ACTCOSS and ATODA. Something I have heard frequently over many years is people saying that they were not aware there was a grant program for that. I am assuming you hear something similar as well, occasionally. How can the government improve to make sure that happens less frequently?

**Dr Killen**: We have some recommendations in the submission about improving communications around grants; but I think the gist of it is developing a communications program and leveraging the resources we already have in the community sector—for example, CDNet, our newsletter and other newsletters that exist in the community sector. So making sure that the information gets to the contacts, particularly in the peaks, who can then share it across the community sector. I think those were the key parts of that and developing a promotional plan. So making sure that when grants are being developed there is also consideration about communicating those grants.

**MR PETTERSSON**: Do you get correspondence from ACT government when a grant opens?

**Dr Killen**: On some grants we do, but there is not consistency across all grants. To be honest, sometimes when we get communication about grants, it is not clear whether it is appropriate for us to share with all members. So the communication does not always extend to where we are supposed to share the information to, if that makes sense.

If it could be clearer when it comes to us—"we are targeting these organisations" or "we want this shared generally with the whole community"—that would be really helpful for us to then help the government communicate those grants programs.

**MR PETTERSSON**: In regard to alcohol, tobacco and other drugs, how commonplace is awareness of every grants program, and what could we do to improve that communication?

**Dr Bowles**: I have little to add except to say that part of the difficulty is getting the right information to the right people. And because of the way the grants are, potentially, sliced and diced, it is not necessarily as simple as saying, "Well, the Health Directorate is funding this grant, and therefore everyone that already has a grant with the Health Directorate should be informed." It is a complicated question.

MR PETTERSSON: Thank you.

MR BRADDOCK: A question in terms of the ACTCOSS submission, which talks

about some of your members who expressed concern because they have underfunded programs and have to look to their volunteers to assist. In discussions with Volunteering ACT that is a major concern for them, not just in terms of denying someone meaningful, paid employment, which really should be funded appropriately through a grant, but also because there might be some legal repercussions from having a volunteer versus an actual employee conducting that duty.

How is the sector working to ensure that we do have volunteers doing the jobs they are meant to be doing and paid staff doing the jobs they are meant to be doing?

**Dr Killen**: A lot of those kinds of questions are also answered in our *Counting the Costs* report on the cost of managing the community sector staffing arrangements. I think one of the key things that Volunteering ACT has said to us is that often the cost of managing volunteers is not recognised. Because they are volunteers, it is assumed there are no overhead costs, when there are significant overhead costs because you are managing a higher level of risk when you are managing a volunteer. What Volunteering ACT has told us, and what we have heard across the sector, is that those kinds of external costs outside of the actual project delivery have to be considered, essentially, in any grant or funding arrangement, and that is not something that we are seeing at the moment.

Also, we want to see sustainability of our core funding for our business-as-usual actually built into all of the funding that we have so that people are not relying on volunteers, especially when they are applying for grants. That even in the most simple case, we are not relying on staff who have other work to do to be applying for grants for what should be business-as-usual and funded already, because that takes them away from the work they are already doing. That is particularly important for service delivery workers who are making decisions about applying for a grant or delivering a service.

**Ms Hawke**: We also got feedback from members that in quite a few of the grants they would apply for they could not include staff costs, which was a real barrier to applying, first off. Then, if they did apply, they would have to rely on volunteers to deliver the—

Dr Killen: Or existing staff—

**Ms Hawke**: Yes, and factoring in those costs of volunteers—of recruitment, and retaining and training, and recognition of them—is essential to be put into grant funding.

MR BRADDOCK: Thank you.

**MR PETTERSSON**: Is there a feedback mechanism that exists for people who apply for grants to provide feedback on the size of the buckets of money that they are respectively applying for?

**Dr Killen**: A good question. I am not aware of a feedback mechanism. Did you hear anything?

Ms Hawke: No. As far as I know, there is not a way to get that back to the funding body.

**Dr Killen**: I guess it relates in some ways to the commissioning process as well. We are often told through the commissioning process that there is no extra funding. So there is some anxiety in the sector as well that there is no mechanism to provide feedback to government when costs are not being met and there is no extra funding to meet, especially, business-as-usual costs.

**Dr Bowles**: On a related note, when people think about the risks of grant management, they tend to think of malfeasance or similar, and I think there are two other risks that should be considered. One is the opportunity cost of monies that are not invested. For the AOD treatment sector, the widely understood return on investment is between \$5 and \$7 for every dollar invested. Then there is a question of, well, we know there is a treatment gap, so why are we not investing more in that? So it is looking at risks both ways. The sort of mechanism that you outlined, I think, could be another conduit for that sort of information.

**MR BRADDOCK**: I have one other related matter. You mentioned that we should move from a financial focus to a wellbeing focus. I would love for you to paint what that might look like.

**Dr Killen**: From my understanding, ACT government funding already has a principle that things should be about the best outcomes for money but also in terms of social costs, which relates to what Devin was saying about the cost of not investing and linking grants to the wellbeing framework. So we are not just talking about the best outcomes for money—especially in the small community sector in the ACT, which often leaves organisations feeling like they are competing with one another, especially when there are limited buckets of funding—but also talking about the social benefits and costs in the community and really drawing on the wellbeing framework, so we can highlight that a certain program might not be the cheapest, for example, but it will bring really strong outcomes for the community.

**MR BRADDOCK**: So having the wellbeing indicators as one of the selection criteria, for example, in grants?

**Dr Killen**: I think that that would work, as long as we had a robust understanding of the wellbeing framework and good indicators around the wellbeing framework as well.

MR BRADDOCK: Would it involve any other elements that you can think of?

Dr Killen: Also linking it to where there have been identified gaps would be good.

**Ms Hawke**: Yes. I guess it goes back to having members of the community sector or people with lived experience involved in the whole process to be able to get that kind of input about what is important and what the needs are.

**Dr Bowles**: The commissioning process is often seeking to determine those views. So it does represent an opportunity where the feedback of the community is already provided, sometimes on a voluntary basis, and is being heard once and used in

multiple arenas, which would be good.

**THE CHAIR**: Thank you. In the interests of time, on behalf of the committee, I would like to thank you all for appearing today on behalf of ACTCOSS and ATODA. When available, a proof transcript will be forwarded to witnesses to provide an opportunity to check the transcript and identify any errors in transcription. If witnesses undertook to provide further information or took questions on notice during the course of the hearing, answers to these questions would be appreciated within one week from the date of this hearing.

On behalf of the committee, I would like to thank all the witnesses who have appeared today. If members wish to lodge questions on notice, please provide them to the committee secretary within five working days of the hearing. Thank you so much.

# The committee adjourned at 4.45 pm.