



THE AUDIT OFFICE  
OF NEW SOUTH WALES

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## MEDIA RELEASE

### AUDITOR-GENERAL'S REPORT

#### Grants funding lacks transparency

For Immediate Release

The Auditor-General, Mr Peter Achterstraat, today stated that grant administration in NSW needs to be reviewed by government agencies.

"In the year 2007-08, the NSW government spent \$5.5billion on grants. Yet when recipients were interviewed they said that there was a lack of transparency in how these grants were administered. In fact, only one third of recipients said that grants are directed to areas of highest need", he revealed.

"We were consistently told in this audit that it was hard to find out when a grant was available and also where to go to for that information. More importantly the decision making process of who receives a grant is not explained to those organisations that do apply", Mr Achterstraat said.

"This lack of transparency alone means agencies need to have a look at how grants are administered. In addition to this, many agencies do little to show that the public get value for money for the millions spent on grants. There are cases where grants have been given out with no follow up at all about how the grant was actually used. Clearly this is not a good way to hand out public money", Mr Achterstraat added.

Grants are important to the community. While some grants can be quite large, others are relatively small. The local sports club, or community group are common recipients of these types of grants.

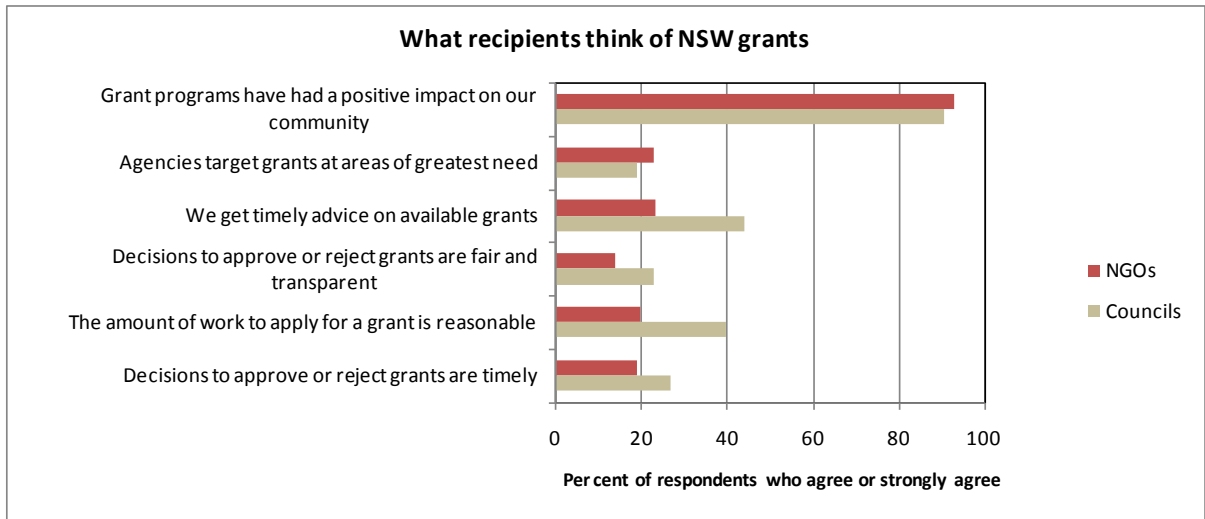
Mr Achterstraat outlined several solutions to this current situation.

"What I am advocating is that all agencies review how they communicate what they do with their grant monies. Put simply, they need to make it easier for people to find when and where a grant is available, how the decision is made about who gets the money, and a consistent form of reporting on how it was used", he explained. "The use of web based technology to make it easier to find grants is one simple solution. I do warn though that we do not need more bureaucracy because this causes a lack of transparency itself. Red tape is hard to see through."

These were some of the findings that were released today by the NSW Audit Office in a report into 'Grants Administration'. The audit report looks at five key government agencies and how they have spent grant money over a five year period.

Mr Achterstraat summarised the report by stating:

"The people of NSW are the ones that lose here. Grants are an important part of local communities but if the money is not directed to the right places it will be families that will suffer".



**Further Information**

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The full report is available on the Audit Office's website [www.audit.nsw.gov.au](http://www.audit.nsw.gov.au)