

legal jargon; and that funding agreements for small-scale, one-off grants should generally take the form of a simple letter of offer, with detailed conditions kept to a minimum (Recommendations 16 and 17). As the Government has acknowledged, a fine balance needs to be struck in these matters:

*grant-makers and grant-seekers may share the same aspirations but can have very different perceptions on how these aspirations can be met. Appropriate and effective accountability mechanisms are needed which do not prevent organisations from delivering vital services.*¹⁸⁰

Detailed judgements on the application of the proportionality principle will usually be made at the program level within particular agencies, and it is at this level that a sensitivity to the circumstances and interests of grant recipients is most important. The recent restructuring of FaHCSIA's Volunteer Small Equipment Grants (VSEG) program was driven partly by efficiency considerations, given the high volume of applications received (up to 15,000 per year) and the need to streamline the department's administrative processes; at the same time, however, a conscious effort was made to structure the new arrangements in ways which would make life easier for the non-profit community organisations which are the recipients of funding under this program. The new program arrangements now include, for example:

- > a telephone hotline and email mailbox service;
- > online advertisement of program guidelines and application forms;
- > the opportunity for online submission of grant applications (with the application form provided as an easy-to-use fill and submit PDF);¹⁸¹
- > online assessment of applications received, in the interests of both speed and consistency of assessment;
- > use of a simple form funding agreement, mass produced online (along with letters to all unsuccessful applicants);
- > provision for the acceptance of funding agreements by return email; and
- > electronic payment of grant funds to successful applicants.

These new arrangements have been well received by applicants and grant recipients, while at the same time delivering major efficiency benefits to the department. The use of online application and assessment tools, in particular, offers major benefits both to administering agencies and to grant applicants, and should be one of the matters considered in the design of the new whole-of-government reporting system recommended in Chapter 4.¹⁸²

A common criticism of government arrangements for the administration of grants has been the assumption that the same approach will suit all circumstances, regardless of the scale or purposes of the grant in question or the performance record of the grant recipient. The volume, detail and frequency of reporting obligations have been a particular focus of criticism in this regard.¹⁸³

180 Senator the Hon. Ursula Stephens, Parliamentary Secretary for Social Inclusion and the Voluntary Sector, Parliamentary Secretary Assisting the Prime Minister for Social Inclusion, *Speech to The PricewaterhouseCoopers Transparency Awards*, Sydney, 17 April 2008

181 In the latest VSEG selection round, about 75 per cent of all applications were submitted online.

182 The online grants system used by the United States Government (www.grants.gov) provides not only a single source of information on federal grant funding opportunities but also a portal through which grant applications can be submitted. Of the 25 agencies which responded to the AGIMO survey of February/March 2006, 13 had systems which allowed applicants to apply for grants online. In six of these cases, applicants could also monitor the progress of their applications online; in six further cases, grant recipients could report online on their performance under the funding agreement.

183 Commissioner Susan Pascoe AM, State Services Authority, Victoria, *Reducing Red Tape: Easing the administrative and compliance burden to achieve better results*, Best Practice in Grants Administration Conference, Melbourne, 29 February 2008.

