



KOBI SHETTY MP

MEMBER FOR BALMAIN

201-205 Glebe Point Rd, Glebe NSW 2037
02 9660 7586
balmain@parliament.nsw.gov.au



Abigail Boyd, Chair
Public Accountability and Works Committee
Parliament of NSW
C/- PAWC@parliament.nsw.gov.au

Monday 18 March 2025

Local Small Commitment Allocation inquiry – post hearing response

Dear Ms Boyd,

Please find below my response to matters arising from my appearance before the Public Accountability and Works Committee on Friday 14 February in relation to its inquiry into the integrity, efficacy and value for money of the Local Small Commitments Allocation process.

I confirm there are no corrections to be made to the transcript of my evidence at the hearing.

In response to questions taken on notice, please be advised:

1. The email was sent to my office by A copy of
the email is attached.
2. \$102,230 was allocated to Inner West Council for upgrades at Mort Bay Park, Birchgrove. \$48,160 was allocated to City of Sydney Council for upgrades at Mountain Street Reserve, Ultimo.

In response to the committee's supplementary questions, please note the following:

1. I am not aware if the community group was referred to me by anyone else or sought advice from anyone else. I do not know why they sought me out but as I was a trusted community representative serving as an elected councillor on Inner West Council, and a candidate for election to the state seat of Balmain at the time, it was not uncommon for local community leaders to raise matters of interest or concern with me. My recollection is that in this case I was approached on February 15th 2023.
2. I first raised concerns about the LSCA when I wrote to the Premier on Wednesday 19 July 2023. A copy of that correspondence is attached. Regarding questions about the publication of the story in the Sydney Morning Herald on March 15th, I refer the committee to my evidence at the hearing.
3. Regarding questions about my pre-existing relationships with members of the community group I refer the committee to my evidence at the hearing. For further

context, I knew several members of the community group in my capacity as an elected councillor on Inner West Council and candidate for election to the seat of Balmain. I have had several interactions with Ms Zoi Flannery in her capacity as a local P&C President and community leader. Ms Flannery is a respected member of my community.

4. My office was established in April 2023, approximately one month after concerns about Labor's community grant scheme were raised publicly.
5. I am not aware of any complaints being made to the Electoral Commission regarding LSCA funding being used as electoral leverage.
6. I did not refer the community group to the Electoral Commission. As I stated in my evidence, I referred them to the local Member. I received no further enquiries from the group in relation to this matter.
7. I did not make any representations to the Electoral Commission in relation to the matter.
8. I have published grant opportunities generally and I have provided information about available grant opportunities to organisations within my electorate that could provide enhanced community benefit if they had additional sources of funding. I frequently encourage and, where appropriate, support organisations to seek out information about grant funding opportunities and to consider applying for grants.
9. My evidence to the committee did not acknowledge that on multiple occasions the community group proactively approached the Labor campaign to seek funding, nor did I make any misrepresentations in my submission. Any apparent misunderstandings in relation to these aspects of my evidence were addressed during my appearance before the committee. I refer the committee to my evidence at the hearing.
10. I confirm my evidence that I was informed of the Labor campaign's request for their candidate to receive an invitation to a local P&C meeting, which would include a speaking opportunity and a group photograph, in exchange for a \$20,000 grant to be funded if Labor won the election. This information was given to me in the context of members of the P&C seeking advice on the legitimacy and integrity of Labor's offer.
11. I was not invited to take part in the allocation of funding at any stage of the LSCA process. As per my evidence at the hearing, I believe Labor's campaign team undertook a process to try and curry favour with particular groups within the electorate by offering them specific amounts of money that aligned with existing fundraising ambitions.
12. My briefing with the LSCA Program Office in October 2023 left me with two primary impressions. First, the program staff did not wish to enter into any discussion about the nomination process or any aspect of the scheme that occurred before the government's request for them to take on its administration. Second, there were some emerging concerns with conflicts of interest arising from the nomination

process that they wished to work through before they could move on to the application and assessment processes. The briefing did not alleviate my concerns that the scheme lacked integrity.

13. The nomination process lacked transparency. We have subsequently learned that there was no requirement for conflicts of interest to be properly declared or managed. Basic accountability measures were unable to be applied until well after the fact.
14. I always do what I can to assist each of the community organisations and groups in my electorate who received a grant under this scheme, as well as so many others in dire need of funding but who missed out on Labor's opportunistic grant. In the 2024 round of Community Building Partnership applications – the long-running program that LSCA was based on, and whose budget was cut to accommodate the LSCA scheme – my electorate received requests for more than \$1.6 million in funds. There is clearly a need for a well-designed, properly administered and generously funded program for small project grants across Sydney's inner west. But of the \$400,000 allocated to the LSCA scheme in my electorate, more than a third did not go to the community organisations who so desperately need and deserve additional funds. \$150,390 of the Balmain candidate's LSCA funding pool was diverted to Inner West Council and City of Sydney Council instead. Quite aside from my concerns with the integrity of the scheme, it is clear that the Labor candidate's distribution of this grant in the Balmain electorate does not reflect the effective use of these funds.

Thank you again for your consideration of the integrity, efficacy and value for money of the Local Small Commitments Allocation process, and for the opportunity to contribute to the Committee's inquiry. Should you wish to discuss the matters raised here in any further detail please do not hesitate to contact my office on (02) 9660 7586 or Balmain@parliament.nsw.gov.au.

Yours sincerely,

Kobi Shetty MP
Member for Balmain

Ned Cutcher

From: Matthew lemma
Sent: Thursday, 13 July 2023 2:25 PM
To: Kobi Shetty
Cc: ElectorateOffice Balmain
Subject: FW: From Cherie Burton re Election Commitments
Attachments: Important Information for MPs - Election Commitments.docx

Follow Up Flag: Anastasia is following this up
Flag Status: Flagged

Categories: Anastasia, Respond ASAP

OFFICIAL

Good afternoon,

As per your conversation with Cherie could you please contact the organisations listed below and reply to this email with:

- Organisation name
- Name of organisations contact person
- Contact persons telephone number
- Contact persons email address

Further information about the 400k election commitments is attached.

If you need anything please contact Cherie Burton

Thank you,

Seat	Commitment	Allocated expenditure (capped)
Balmain	NSW Labor will deliver up to \$18,000 to Sydney Secondary College towards a bathroom renovation and shower upgrade for Glebe Rowing Club	\$18,000
Balmain	NSW Labor will deliver up to \$28,500 to Gunawirra towards the renovation and refurbishment of the kitchen	\$28,500
Balmain	NSW Labor will deliver up to \$9,000 to Sydney Heritage Fleet towards materials and equipment for volunteers for the restoration of the heritage Kanagra ferry	\$9,000
Balmain	NSW Labor will deliver up to \$4,000 to Glebe Assistance Partnership Program at St Johns Church Glebe towards completing electrical upgrades to automatic external awnings	\$4,000
Balmain	NSW Labor will deliver up to \$160,000 to Glebe Greyhounds towards a lighting upgrade at Jubilee Oval	\$160,000
Balmain	NSW Labor will deliver up to \$10,000 to Glebe Youth Services towards facility upgrades	\$10,000
Balmain	NSW Labor will deliver up to \$20,000 to Boomalli Aboriginal Artists Co-operative towards a kitchen upgrade and storage space renovation	\$20,000

Balmain	NSW Labor deliver up to \$150,500 to local councils across the electorate towards upgrades to playgrounds and parks.	\$150,500
TOTAL		\$400,000

OFFICIAL



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balmain@parliament.nsw.gov.au



The Hon. Chris Minns
Premier
GPO Box 5341
Sydney NSW 2001

Wednesday, 19 July 2023

Local Small Commitments Allocation

Dear Premier,

I am writing on behalf of the Greens Legislative Assembly members being myself, Jenny Leong MP and Tamara Smith MP, in relation to the "local small commitments allocation" offered by Labor candidates in the run up to the 2023 election.

We understand candidates were each allocated an amount of \$400,000 to be distributed amongst local community organisations.

We are in the process of collating the information requested to ensure the nominated organisations to whom commitments were made may receive their funding.

We have some concerns regarding the process by which these grants will be determined, and as such request further information regarding the process and scrutiny given to the allocation of these grants. To assist us with these concerns, could you please clarify:

- Where is funding for the program drawn from?
- What are the criteria against which applications are being assessed?
- Who comprises the assessment team?
- On what basis were organisations nominated to be offered the chance to apply for funding?
- Will information about the assessment and nomination of grants be made public?
- What conflict of interest disclosures were required at the time these commitments were made by the candidates and what probity process was undertaken?

I look forward to your reply. Please don't hesitate to contact my office on (02) 9660 7586 or by email Balmain@Parliament.nsw.gov.au should you wish to discuss this request further.

Thank you for your time.

Yours sincerely,

Kobi Shetty MP
Member for Balmain