

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates 26 May-6 June 2014

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet

Outcome/Program: 1.1 Prime Minister and Cabinet

Topic: Aboriginals Benefit Account – grant

Senator: Senator Cory Bernardi

Question reference number: 250

Type of Question: Written

Date set by the committee for the return of answer: 11 July 2014

Number of pages: 2

Question:

1. The Arrulka Aboriginal Corporation has received funding from the Aboriginal Benefits Account Grants Programme. What was the purpose of the funding? When were the funding decisions made?
2. Why was a second application for funding submitted? Is it normal practice to approve top up funding like this? Did the Minister approve these funding requests? Did the Department recommend that the Minister approve this funding on both occasions?
3. What due diligence was conducted before this organisation was approved for either of the grants? Did the Department assess the value for money of this funding application? Did the Department assess this corporation as having a high risk of financial difficulty and is it true that the Minister was informed of this?
4. There was an application for a third payment after the event had occurred. Why was this refused?
5. Are there any Aboriginal corporations that are now out of pocket because the former Minister approved this inappropriate grant?

Answer:

1. The Arrulka Business Aboriginal Corporation received Aboriginals Benefit Account (ABA) grant funding for operational costs associated with the 2013 Mparntwe Aboriginal Cultural Festival in Alice Springs. An ABA grant of \$841,000 was approved by the previous Minister on 27 February 2012. Two subsequent variations, each for an additional \$250,000, were approved by the previous Minister on 8 April 2013 and 30 July 2013 respectively, for additional funds to meet the operating costs of the festival.
2. The first application for additional funding was considered by the ABA Advisory Committee at their November 2012 meeting. This funding was approved by the

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previous Minister in April 2013. The second application for additional funding was considered by the Committee and approved by the previous Minister, in July 2013. Both of these grants provide additional funds for the 2013 Mparntwe Aboriginal Cultural Festival and the administrative costs of Arrulka.

Additional funding applications are considered on the basis of their alignment with the Aboriginals Benefit Account programme guidelines and the benefit to Aboriginal people living in the Northern Territory.

3. The Department assesses all funding applications for value for money prior to making a recommendation to government. A risk assessment was undertaken prior to entering into an agreement with the Arrulka Business Aboriginal Corporation. This ensures Commonwealth funding is spent in accordance with the purpose approved by government.
4. A third application for additional ABA funding was made after the festival had occurred. This was considered by the ABA Advisory Committee at its October 2014 meeting. On 13 January 2014, the Minister for Indigenous Affairs, Senator the Hon Nigel Scullion, refused the application for funding as being inconsistent with the ABA guidelines as this funding would have been provided to address cost overruns.
5. The Department does not have access to the financial arrangements between Arrulka Business Aboriginal Corporation and Aboriginal corporations associated with the Mparntwe Aboriginal Cultural Festival. A media report (11 April 2014 ABC News) indicates creditors of the festival may take legal action to recover their money and references the Office of the Registrar of Indigenous Corporations investigation of Arrulka's financial and governance arrangements. <http://www.abc.net.au/news/2014-04-11/mbantua-festival-organisers-owe-creditors-oric-investigates/5383954>