

Submission to the Senate Select Committee on Administration of Sports Grants

Department of Health

1. Thank you for inviting the Department of Health (the department) to make a written submission to the Senate Select Committee on Administration of Sports Grants (the Committee).
2. The department welcomes the Auditor-General's report 'Award of Funding under the Community Sport Infrastructure Program' (the ANAO report).
3. The department notes the four recommendations in the ANAO report. Three were directed to, and agreed by, Sport Australia (Australian Sports Commission [ASC]).¹ The fourth related to the Australian Government's grants administration framework, which the Department of Finance has noted. The Prime Minister has since indicated the government accepts the recommendation.²
4. The department notes there was no recommendation in the ANAO report for the department.
5. The Community Sport Infrastructure Grant Program (the Program) was established in 2018 with the Government allocating \$29.7 million to Sport Australia in the 2018-19 Budget to ensure more Australians have access to quality sporting facilities and to encourage greater community participation in sport and physical activity.
6. The Government subsequently provided additional funding for the Program of \$30.3 million (reflected in the December 2018 Mid-Year Economic and Fiscal Outlook) and \$42.5 million (reflected in the 2019-20 Budget papers).
7. To assist the Committee, I note the Department of Health and Sport Australia are two separate, and different, legal entities and there are different operational and governance systems and different grant obligations applying under the Commonwealth Resource Management Framework depending upon the type of entity.³
8. The Sport Australia Board, as the accountable authority, determines the organisation's overall direction, decides on allocation of resources and policy for delegated decisions and is accountable to the Minister for Sport.

¹ The ASC was established in 1985 and operates under the *Australian Sports Commission Act 1989*.

² House of Representatives Hansard, Wednesday 5 February 2020, page 59.

³ <https://www.finance.gov.au/government/managing-commonwealth-resources>

9. As the ANAO report points out at para 2.1, *'although not subject to the Commonwealth Grants Rules and Guidelines (CGRGs), consistent with better practice Sport Australia has in place a documented Grant Management Framework that is based on the CGRGs.*
10. Further, at para 2.1 the ANAO states: *"The Sport Australia framework outlines that it 'has made an internal policy decision to implement the seven key principles for grants administration as detailed in the CGRGs as a better practice tool when administering all grant programs "*. In relation to the Program the process included development of guidelines, calling for applications, and an industry panel with independent members that assessed applications against the guidelines. As a point of clarification, regarding footnote 28 of the ANAO report, the Department did not participate in the industry assessment panel.
11. The ANAO report states at para 2.17 *"the Department of Health identified that, in the event the Minister was to be the approver, legal advice may be required on the use of the section 11 directions power in order for the Minister to be able to undertake this role."*
12. While the department collaborated with Sport Australia on the development the program guidelines (ANAO report para 2.10), the department did not seek legal advice. It was the responsibility of Sport Australia to satisfy itself in relation to the legality of processes outlined in the guidelines.
13. The process of administering the Community Sport Infrastructure Grant Program was ultimately a matter for Sport Australia.
14. I trust this information is of assistance to the Committee.

Glenys Beauchamp PSM
21 February 2020