

Department of Finance

Response to Question on Notice

ENVIRONMENT AND COMMUNICATIONS REFERENCES COMMITTEE

Inquiry into the Great Barrier Reef 2050 Partnership Program

Friday, 21 September 2018

GENERAL COMMENTS

Nil.

SPECIFIC QUESTIONS ON NOTICE

Question 1 (Hansard Proof, Page 40)

CHAIR: In relation to the media report that Senator Keneally asked you about, which said the department had recommended that the budget allocate \$200 million to the Great Barrier Reef, has there been an investigation within the department on leaks of information relating to these media reports?

Mr Fredericks: I think the answer to that question is no, from the point of view of the Department of Finance, but I would be grateful if I could take that a notice to confirm that.

CHAIR: Please take it on notice. They have obviously come from somewhere, so I would be pleased to know whether you are investigating those...

Response

No. Finance did not undertake an investigation into the media report.

Question 2 (Hansard Proof, Page 40)

CHAIR: ... There is another thing you could take notice. In relation to Senator Keneally's questions on the \$5 million grant for the RRAP process, which we discussed earlier with stakeholders, was that an ordinary grant? You may not know about that if it was, but could you take that on notice.

Mr Fredericks: Yes, will take that question on notice.

CHAIR: I don't think that was part of the budget process.

Mr Fredericks: I am happy to take that notice.

Response

At the Environment and Communications References Committee hearing on Friday 21 September 2018, the Department of Environment and Energy advised the Committee that “the Minister approved the \$5 million grant on 4 April” (Hansard Proof, page 70).

The awarding of financial assistance through an established special account and/or grants program is ultimately the responsibility of the Minister for the Environment and Energy and the Department of the Environment and Energy.

Question 3 (Hansard Proof, Page 42)

CHAIR: ... have you seen a grant of this size go to a private foundation without a tender process?

Dr Helgeby: If you're asking me to look in detail about quantum and these sorts of things and the recipients, I would have to take that on notice.

Response

Under the devolved financial framework, individual decisions are the responsibility of the relevant Commonwealth Minister or entity. Information is not held centrally on the processes associated with individual grant decisions. Information on grants awarded since 31 December 2017 is available on GrantConnect, www.grants.gov.au.

Question 4 (Hansard Proof, Page 45)

CHAIR: ... On 13 August 2018, Ms Anna Marsden publicly stated that the foundation had to submit a retrospective application to the Department of the Environment and Energy in respect of the partnership grant. Is it common practice for Commonwealth agencies to request retrospective applications for grants, in your experience? Are there any risks?

Dr Helgeby: I would have to take that on notice and seek to understand the context. It's not a quote or a piece of information I'm particularly au fait with. It is very common and normal and good practice that a department would engage extensively, repeatedly, as the Department of the Environment and Energy has done, with the grant recipient. That is very common.

Response

The *Commonwealth Grants Rules and Guidelines* (CGRGs) note that, in some circumstances, it may be appropriate to use a non-competitive and/or non-application based process as part of the grant administration process (see CGRGs paragraph 13.13). This may involve the submission of a proposal by a potential grantee after the Government has provided policy approval to establish a grant. Such proposals could be used by the relevant Department to inform the decision maker before they make the final decision to commit relevant money.

Under the devolved financial framework, responsible Ministers, accountable authorities and officials make decisions relating to grants administration for their respective entities. The CGRGs do not mandate the processes that are to apply for these grants. Entities may seek advice from the Department of Finance on the application of the CGRGs, however this is not a requirement.

The CGRGs state that “Risk identification and engagement should be built into an entity’s grants administration processes. Risk identification and engagement activities will vary depending on the entity, grant opportunity, grant, and grantee.”(see CGRGs paragraph 7.7).

Any specific risks relating to assessing the Great Barrier Reef’s proposal against the published grant guidelines are a matter for the Department of Environment and Energy.

Question 5 (Hansard Proof, Page 45)

Mr Fredericks: For abundant caution, can I add to an answer that I provided to Senator Keneally?

CHAIR: Sure.

Mr Fredericks: I understand there was a discussion yesterday, at a more junior office level, between a number of departments in relation to this hearing today, and I understand it was largely about logistical arrangements about what statements people would be providing et cetera.

Senator KENEALLY: Et cetera? I'm sorry, Mr Fredericks, but I have to ask what 'et cetera' refers to.

Mr Fredericks: I'm happy to take it on notice. That's as much as I've got at the moment.

Senator KENEALLY: Thank you, I appreciate that.

Response

Following the announcement of the Senate Inquiry, officials from the Department of Finance met on two occasions with officials of a number of departments, including the Department of the Environment and Energy, the Department of the Treasury, and the Department of Industry, Innovation and Science. These meetings included discussion on submissions made by agencies to the Inquiry, whether agencies would be making an opening statement at the public hearing, and sharing the content of these opening statements, where applicable.