

**Joint Committee of Public Accounts and Audit**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Department Industry, Science, Energy and Resources  
Hearing into Administration of Government Grants

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**TOPIC:** Minister Andrews consultation

**REFERENCE:** Question on Notice (Hansard, 7 February 2020, Page 9)

**QUESTION No:** PAA – 1

**Mr HILL:** If you can. And if so, if they were, when and in what form? Was Minister Andrews' office engaged or consulted about your decision not to make a submission, which, again, is not normal practice for your department?

**Ms Tressler:** We would need to take it on notice but we do not believe that that's the case.

**ANSWER**

No, Minister Andrews' office was not consulted in regard to the department not making a submission.

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**TOPIC:** Merit Assessment

**REFERENCE:** Question on Notice (Hansard, 7 February 2020, Page 15)

**QUESTION No:** PAA – 2

**Ms Wieland:** When the minister's office said they were interested in that project, we advised we hadn't undertaken a merit assessment. We then went to the grants hub and asked them to undertake that assessment.

**Mr HILL:** That's a very important point—the minister's office asked or directed you to undertake the merit assessment for an ineligible project. We don't know which minister. We don't know how or when. But we know that the minister's office asked you to do the merit assessment for an ineligible project.

**Ms Wieland:** That's my understanding, but we'll take that on notice and confirm that.

**Mr HILL:** Okay. Who completed the merit assessment and were they advised that the application was not eligible?

**Ms Tressler:** We will need to take that on notice.

**Mr HILL:** One of the key findings in this report is the ineligible application. You're all sitting here, with respect, looking completely surprised that anyone could be asking these questions when one of the key issues in the audit report—in the summary and right throughout—is that an ineligible application was funded. You can't even tell me who completed the merit assessment.

**Ms Kay:** We had a team conducting merit assessments at that time, so it would have been one of the trained assessors.

**Mr HILL:** One of the contractors or the department?

**Ms Kay:** I'll have to take it on notice.

**Mr HILL:** Were any assessments done by the department or were they all done by the contractor?

**Ms Kay:** Some assessments were done by the department, and the department also plays a quality assurance role.

**ANSWER**

Question: Who completed the merit assessment and were they advised that the application was not eligible?

Response: An assessment agent from the Regional Jobs and Investment Packages team undertook the merit assessment. The agent was aware that the application was not from an eligible entity.

It is not standard practice for the department to provide names of non SES officers.

Question: One of the contractors or the department?

Response:

This application was initially assessed by one of the contractor staff and reviewed for quality assurance by a departmental staff member.

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**TOPIC:** Expertise of assessor

**REFERENCE:** Question on Notice (Hansard, 7 February 2020, Page 15)

**QUESTION No:** PAA – 3

**Mr HILL:** Okay. We'll talk about that in a future hearing. Can you advise us what expertise the individual completing the merit assessment had to undertake this complex task of assessing an ineligible project?

**Ms Kay:** I'd have to take that on notice.

**ANSWER**

Response:

In accordance with the department's response to PAA-2, the ineligible project was initially assessed by one of the contracted staff. All contracted staff working on the Regional Jobs and Investment Program were recruited specifically to undertake grants application assessment work, including eligibility checks and merit criteria assessment. They were required to have expertise in service delivery, high level analytical and comprehension skills and advanced oral and written communication skills.

The assessment was also reviewed by two internal departmental officers each with 10 and 25 years experience in program management respectively.

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**TOPIC:** Conclusions of the merit assessment

**REFERENCE:** Question on Notice (Hansard, 7 February 2020, Page 15)

**QUESTION No:** PAA – 4

**Mr HILL:** What did the merit assessment analyse and what were the conclusions of the merit assessment?

**Ms Kay:** I can give you general examples of what the merit assessment looks like, which is that we develop an assessment framework that analyses the claim against the merit criteria that is spelled out in the program guidelines. We have an assessment framework that we develop for every selection process in consultation with our policy partners in infrastructure to ensure that the claims in the application are considered meritorious against the criteria and digs into those particular things.

**Mr HILL:** Perhaps you can take on notice rather than give a general outline, which I'll come to in another hearing, what the conclusions of the merit assessment were for this particular ineligible project. My final question: did the department caution the minister and the ministerial panel in any way against approving an ineligible project?

**ANSWER**

Question: What did the merit assessment analyse and what were the conclusions of the merit assessment?

Response: All merit assessment were based on information that was provided within the application and supporting documents and any due diligence drawing on information in the public domain. The merit assessment analysed the strength and weakness of the applicant's claims provided against the merit criteria as described in the Program Guidelines.

The conclusions of the merit assessments were as follows:

- The application was initially determined to be an ineligible organisation to apply under the business stream as it was a Registered Training Organisation as per the Program Guidelines.
- Having proceeded to the next stage of assessment, the application was rated as meritorious and able to be supported for funding.
- The project was assessed against the following merit criteria:
  1. The extent to which the project addresses the Local Investment Plan's investment sectors and strategic priorities
  2. The level of net economic benefit the project would create for the business and the region during and beyond the project period.
  3. The value for money offered by the project.
  4. The capacity, capability and resources to carry out the project.

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**TOPIC:** Audit Findings

**REFERENCE:** Written Questions – Mr Julian Hill MP

**QUESTION No:** PAA – 5

**With reference to the Audit finding that the Ministerial Panels awarded funding to an ineligible organisation:**

1. What is the name of this organisation?
2. Paragraph 2.7 of the Audit Report notes that the Department advised the ANAO that the successful ineligible application went on to be merit assessed because “the Minister’s Office showed a strong preference to fund this project”. What does the Department mean when it says “showed a strong preference”?
  - a) Who was the Minister that made this request? Former Senator Nash? Former Minister McVeigh? Minister Fletcher? Minister Chester?
  - b) Who in the Minister’s office gave the Department this advice?
    - On what date(s) did the Minister’s office provide this advice?
    - Who in the Department received this information?
    - In what form? Can you table a copy?
  - c) Did the Department seek any clarification as to the Minister’s intentions to fund an ineligible organisation?
    - If yes, what did the Department ask? When? What was the response?
    - If no, why not?
  - d) Did the Department check if there was a conflict between the ineligible organisation and the local planning committee?
3. Paragraph 2.7 of the Audit Report goes on to state that the Minister’s Office deemed the RTO element of the business to be “incidental” to the project seeking funding under RJIP. How did the Minister’s office come to this view?
  - a) Who in the Minister’s office gave the Department this advice?
    - On what date(s) did the Minister’s office provide this advice?
    - Who in the Department received this information?
    - In what form? Can you table a copy?
  - b) Did the Department agree with the Minister’s and their office that the RTO element of the business is incidental to the grant?
    - How did the Department come to this view?
    - Did the Department provide any advice on this matter to the Minister?
4. Paragraph 2.7 of the Audit Report concludes that the Department requested a merit assessment “to better understand the project in order to appropriately advise the Minister”.

- a) Who completed the merit assessment? Were they advised that the applicant was not eligible?
  - b) How was it possible for an ineligible application to be included for merit assessment?
  - c) What expertise did the individual completing the merit assessment have to complete such a complex task?
  - d) What did the merit assessment analyse?
  - e) What were the conclusions of the merit assessment?
  - f) Why would the Department request a merit assessment of an ineligible project?
5. Did the Department caution the Minister and the Ministerial Panel against approving the ineligible project?
- a) If yes, when? In what form? Can you table a copy?
  - b) If not, why not?

## **ANSWER**

Responses to Questions 4a – 4e are included in responses to PAA- 2 to 4.  
The remainder of the questions above have been referred to the Department of Infrastructure, Transport, Regional Development and Communications for response as the policy owner of the program.