Senate Select Committee on Administration of Sports Grants

Answers to Questions on Notice

Department/Agency: Australian National Audit Office
Inquiry: Select Committee on Administration of Sports Grants
Committee Member: Various
Type of question: Hansard
Date set by the committee for the return of answer: 21 February 2020

Number of pages: [to be updated]

Question No. 1
Committee Member: Senator Katy Gallagher
Pages 3-4

Senator GALLAGHER: I'd like to start on page 12 of your audit, where you note that your audit, as is expected, was provided to Sport Australia and the minister but also to the Department of Health, the Department of Finance—again, as is expected—and an adviser from the Prime Minister's office. The Prime Minister said a number of times that his office didn't have anything to do with the Community Sport Infrastructure Program—that he'd just passed on representations. Why did an adviser to the Prime Minister receive a copy of extracts of the proposed report prior to its tabling?
Mr Hehir: If you look at page 39, footnote 46, we mention a comment with respect to the Prime Minister's office. It's pretty standard practice for us, when we do that, as a matter of natural justice, to give people an opportunity to see what we're publishing.
Senator GALLAGHER: That footnote says: … *representations were received across the three rounds both directly and indirectly*— and that you saw evidence of that— *including through the Prime Minister's Office*.
So the audit draws particular attention to the Prime Minister's office.
Mr Hehir: We gave an individual that page of the audit.
Senator GALLAGHER: Which adviser received the report—just their role, if that's a more appropriate way of dealing with this?
Mr Boyd: I don't recall the name.
Senator ABETZ: Chair, can I just say that the tradition has been that we do not gratuitously—
Senator GALLAGHER: I'm not asking for a name.
Senator ABETZ: trawl individual names through the *Hansard*.
Senator GALLAGHER: Senator Abetz, it's named in the report. I'm asking for the role; I'm not necessarily asking for the name. I'm not seeking that information.
Mr Hehir: Can we take that on notice?

Answer: The role of the individual from within the Prime Minister's office to whom paragraph 3.20 and footnotes 45 and 46 of the report were provided was 'Senior Adviser – Infrastructure, Transport, Regional Development, Cities and Sport'.

Question No. 2
Committee Member: Senator Katy Gallagher
Page 5

Senator GALLAGHER: Absolutely. Can you tell me how many emails went backward and forward between the PMO and the minister's office?
Mr Boyd: We'd have to take that on notice.
Senator GALLAGHER: Right. I'm not seeking the emails or anything, just the number over that period of time that you've nominated, that six-month period of time.

Answer: Between 17 October 2018 and 11 April 2019, there were 136 emails included in the evidence that was collected for the audit that satisfied the following criteria:

- Emails were either:
    - from either one of two key staff members in the Prime Minister's Office (PMO) sent to one or all of three key staff members in the Minister's Office (MO); or
    - from one of three key staff members in the MO sent to one or both of the two key staff members in the PMO;
- Emails included one or more of the following in its text (i.e. email body or subject line):
    - "Community Sport Infrastructure";
    - "infrastructure grant" or "infrastructure grants";
    - CSIG; or
    - CSIP; and
- Emails did not include in their subject line "Automatic reply:" (i.e. six out-of-office automatic response emails were excluded from the total).

Question No. 3
Committee Member: Senator Katy Gallagher
Page 20

Senator GALLAGHER: I've just got one more issue. In relation to the documents which we have been talking about today—in particular, the spreadsheet of 8 November in various forms—are you in a position to table the information for the use of the committee?
Mr Hehir: I'd like to take that on notice. I believe that the Senate has requested the production of that document, and that's being considered by the government. I didn't consider, in my audit, the necessity to publish that information in order to produce the report. As I've talked about previously, what we do with the report is that we put all the information in it and then give it to the relevant people so they can make an assessment about it, both in terms of whether they agree with the evidence but it also gives them an opportunity to argue whether it should be made public or not. I haven't done that process. For me to provide you with that information, I believe that I'd need to go through that process as I would have done if it had been an audit report. So I'd prefer to take that on notice and adopt such a process and see how the government answers the question.
Senator GALLAGHER: Fair enough.

Question No. 8
Committee Member: Senator Katy Gallagher
Page 30

Senator GALLAGHER: I'm not sure we have been quite specific about the information that you're going to take on notice about providing documents to the committee, because there are many versions of the spreadsheet, as you have explained to the committee, so I'm wondering if you could take on notice whether or not you can provide the full list of 2,054 applications that had been received, and also, I think, probably the spreadsheet, as it related to round 3 of the grants round. Those are perhaps the two pieces of information that would assist the committee, accepting that you need to take advice on that.
Mr Hehir: Yes.

Answer to Questions 3 and 8:

The covering letter to these responses to questions on notice sets out the reasons why the Auditor-General has decided it is not in the public interest to provide the specific items of audit evidence requested. The following factual information with respect to the 8 November spreadsheet in its various forms is provided to assist the Committee in its inquiries.

As discussed in chapters 3 and 4 of the audit report, the Minister's Office spreadsheet was developed based on a spreadsheet it had been provided by Sport Australia on 8 November 2018. As indicated at pages 4 and 8 of the Proof Hansard from 13 February 2020, the ANAO identified that a number of versions were in use over the period from mid-October 2018 to mid-April 2019. The ANAO identified this was the case in four particular stages of the award of funding under the program:

1. Mid-October to late November 2018 to support a request that was made for the amount of program funding to be increased from the original $29.7 million;
2. December 2018 and January 2019 in relation to the Round 1 funding decisions;
3. January and February 2019 in relation to the Round 2 funding decisions; and
4. March and April 2019 in relation to the Round 3 funding decisions.

Versions relating to the proposal to increase program funding

The Minister's Office spreadsheet was based on data provided by Sport Australia on 8 November 2018 (see paragraphs 4.10 and 4.11 in the audit report). As the data was obtained from Sport Australia before the assessment process had been completed, it did not reflect the final assessment results. For example, it included 1943 applications – the correct number at the end of the assessment process including removing any withdrawn applications was 1936 (this figure does not include the five new applications that were assessed in March 2019). 8 November 2018 was the day before the meeting of the assessment panel identified in the program guidelines. Footnote 38 on page 36 of the audit report discusses risks that arise when decision-makers obtain information on the population of applications being assessed before the assessment work has been completed.

Compared with the data provided by Sport Australia, the Minister's Office:

- colour coded the electorate for each application to identify which party currently held the seat (red for Labor, blue for Liberal, green for The Nationals and orange for independents). Information on the electorate in which each project was located had been provided by Sport Australia on 2 October 2018, at the request of the Minister's Office (see paragraph 4.10 in the audit report);
- inserted and populated columns titled 'Successful' and 'Electorate status' (Marginal, Target or blank), as outlined in footnote 45 on page 38 of the audit report and at page 18 of the Proof Hansard from 13 February 2020;
- inserted another column titled 'MP/Senator Rep made', but this column was not populated; and
- created a second worksheet within the spreadsheet with five summary tables that: identified the total number and value of approved projects; analysed the distribution of funding by state/territory; analysed the distribution of funding by political party; identified the three electorates in which no applications had been received; and analysed the distribution of funding for each electorate in which one or more applications had been received.

There were three versions of the spreadsheet: one for a program with funding of $29.7 million as had already been appropriated, another for a program with $75 million in funding and a third for a $100 million program.

The ANAO identified that one or more of the spreadsheets were circulated on five dates between 8 November and 30 November 2018. The versions were emailed from an advisor in the Minister's Office to themselves, with one version of the $30 million spreadsheet and one version of the $100 million spreadsheet shared with the Prime Minister's Office.

Versions used to identify projects being approved in each of the three funding rounds

As each funding round proceeded, the Minister's Office spreadsheet was updated as projects were added and removed from those that were being flagged as approved by the Minister's Office. From Round 1 (as indicated at page 19 of the Proof Hansard from 13 February 2020) the column 'electorate status' (ie Marginal, Target or blank) and column 'MP/Senator rep made' were removed. The versions for Rounds 2 and 3 were also expanded to include:

- additional columns in the main worksheet that identified which applications had already been approved so as to identify the population of candidate projects that remained; and
- additional worksheets, including summary tables for each round.

Versions recording applications being approved in Round 1

The spreadsheet was based on that used to support the proposal to increase the quantum of program funding. As outlined at paragraph 3.21 of the Audit Report, there were significant changes between the 20 November 2018 version and the funding decisions that were finalised between 5 and 20 December 2018.

The ANAO identified seven versions relating to the Round 1 decision making. Two versions were circulated on 5 December 2018 and one version on each of five dates between 7 December and 20 December 2018. The versions were mainly circulated to Sport Australia and one version was provided to the Prime Minister's Office (as indicated at pages 7 and 18 of the Proof Hansard from 13 February 2020).

Figure 4.1 on page 48 of the audit report illustrates the iterative process through which applications were selected for funding approval. As indicated at page 9 of the Proof Hansard from 13 February 2020, this involved projects initially flagged as being approved being removed, and projects not previously identified as being approved now being approved. As indicated at pages 9 and 10 of the Proof Hansard from 13 February 2020, this included recorded input from the Prime Minister's Office that some of the projects that were going to be successful had been funded under another program and so needed to be replaced on the list of approved projects. It also included changes made in response to concerns raised by Sport Australia about the approval of low scoring projects (as outlined in para 6 of Appendix 4 on page 70 of the audit report).

On 13 December 2018 the signed approval brief (dated 11 December 2018) was provided by Minister's Office to Sport Australia. There was no list of approved projects attached to the signed briefing and, as indicated at paragraph 4.17 of the audit report and at page 8 of the Proof Hansard from 13 February 2020, the population of approved projects was not yet settled with changes made up to and including 20 December 2018. The record of which applications were approved for funding comprised spreadsheets exchanged on 20 and 21 December 2018. The spreadsheet recording the Round 1 outcome was also emailed between staff within the Minister's Office on 2 January 2019.

Versions recording applications being approved in Round 2

The spreadsheet was an updated version of that used for the first round.

The ANAO identified seven versions of the spreadsheet circulated on seven dates between 9 January 2019 and 4 February 2019. The early versions had not fully allocated the available funding and projects to be approved were added across the versions. From the spreadsheet list of 236 approved projects first identified by the Minister's Office to Sport Australia on 29 January 2019 (see paragraph 14 in Appendix 4 of the audit report), four were removed with two of these later approved in the third round and two were not approved (see paragraph 14 in Appendix 4 of the audit report).

As indicated at pages 7 and 18 of the Proof Hansard from 13 February 2020, most of the versions were circulated within the Minister's Office and to Sport Australia. One version was provided to the Prime Minister's Office in response to a request from the Prime Minister's Office for details of the proposed grants under the second round.

On 5 February 2019 the signed approval brief (dated 4 February 2019) was returned to Sport Australia with an attached spreadsheet identifying the applications that were approved for funding.

Versions recording applications being approved in Round 3

The spreadsheet was an updated version of that used for the first and second rounds.

The ANAO identified nine versions circulated on seven different dates (two versions were circulated on each of two of those dates) between 4 March 2019 and 11 April 2019. Two of the versions involved the Minister's Office examining what the population of approved applications would be if all projects were approved with a score at and above a certain threshold (60 or 80). The remainder were focused on identifying the population of applications that were approved for funding. As indicated at page 9 of the Proof Hansard from 13 February 2020, there were additions and deletions to the list of projects being approved on versions circulated between 21 March 2019 and 11 April 2019. The five new applications (see paragraphs 2.28 to 2.31 in the Audit Report) that were approved for funding were added to the final version of the spreadsheet, as were three of the amended applications that were approved for funding.

As indicated at pages 7 and 18 of the Proof Hansard from 13 February 2020, versions were circulated within the Minister's Office and to Sport Australia as well as, on four occasions, with the Prime Minister's Office including, as indicated at page 5 of the Proof Hansard from 13 February 2020, input on which applications should be awarded funding.

On 10 April 2019 the Minister wrote to the Prime Minister attaching printouts of two worksheets within the spreadsheet – the list of projects she intended to approve for Round 3 funding and the worksheet with the summary tables (of distribution by state, political party and electorate).

On 11 April 2019, the signed approval brief (dated 4 April 2019) was provided to Sport Australia, with an attached printout from the Minister's Office spreadsheet (replacing the Sport Australia list of recommendations) identifying the projects that had been approved for funding by the Minister.

Question No. 4
Committee Member: Senator Janet Rice, Deputy Chair
Page 22

Senator RICE: In appendix 4, paragraph 17, you reference six extra projects that had already been identified by 4 March. Were any of these six extra projects included in the group of those four submitted and the five new applications provided by the minister's office on 20 March?
Mr Boyd: Sorry, I missed your reference there.
Senator RICE: Appendix 4, paragraph 17, says there are six extra projects that had been identified by 4 March.
Mr Boyd: Yes.
Senator RICE: So they were included in that group of nine new projects?
Mr Boyd: Yes.
Senator RICE: Were any of those projects—those six extra, which were included in those nine new and resubmitted applications—funded?
Mr Boyd: Each of the nine was funded.
Senator RICE: Can you tell us which projects they are?
Mr Boyd: I think that probably goes to the broader question around the spreadsheet.
Mr Hehir: We'll take that on notice.

Answer:

As outlined in footnote 92 of the audit report, five of these six projects were later among the nine that submitted new or amended applications forms and were funded under round three. An application was not received in relation to the sixth project.

The new and amended applications that were funded are identified in the following table:

	Applicant	New/ Amended
1	Westbury Bowling Club	New
2	Pennant Hills AFL Club	New
3	Yeppoon Swans AFL Club	New
4	Yarra Ranges Shire Council	New
5	Shire of Strathbogie	New
6	Katanning Country Club Incorporated	Amended
7	Shire of Coolgardie	Amended
8	Maroondah City Council	Amended
9	Wangaratta Rural City Council – North Wangaratta Football Netball Club	Amended

Question No. 5
Committee Member: Senator Janet Rice, Deputy Chair
Page 22

Senator RICE: Okay. Can you say whether one of those projects was the $500,000 grant for the Hawthorn-Malvern hockey centre, announced on 26 April last year?
Mr Boyd: If you bear with me for a second, Senator.
Mr Hehir: We'll take that on notice, I think. I don't want to give a false thing. With us running through spreadsheets and doing it on the run, I'd be concerned that we might not give you the correct answer. So I'd prefer to take that on notice.

Answer: Hawthorn Malvern Hockey Centre Pty Ltd submitted its application for $500,000 for the Hawthorn Malvern Hockey Centre Pavilion Upgrade in response to the open call for applications that closed on 14 September 2018 and so it was not one of the nine new or amended applications that were awarded funding in Round 3.

Question No. 6
Committee Member: Senator the Hon Matthew Canavan
Page 26

Senator CANAVAN: In terms of results, how many projects involving tennis were funded?
Mr Boyd: We can take that on notice.
Senator CANAVAN: I would be very interested if [sic] that number. I would also, on notice, then, like to know other sports and their funding, and, then, also, the proportion of success relative to applications in different—
Mr Boyd: It starts to become a challenge, and part of this was in the design of the program. It was meant to be looking to fund, as far as possible, infrastructure which would support multiple sports.
Senator CANAVAN: I get that. So there'll be some that are multiple sports.
Mr Boyd: Yes.
Senator CANAVAN: I get that. And then there'll be some devoted to individual sports. But it'd be very interesting, I think, to see those numbers compared to how many were actually provided.
Mr Boyd: I think Sport Australia is probably best because that's sort of day to day—
Senator GALLAGHER: Maybe, if we got the spreadsheet, we'd all be able to tell.
Senator CANAVAN: If you could take that on notice as well because, presumably—
Mr Hehir: Senator, could I just clarify what we're taking on notice? You'd like us to give you information about the success of individual sports—
Senator CANAVAN: Yes.
Mr Hehir: and the success of multisport—
Senator CANAVAN: Yes.
Mr Hehir: but not including the individual sports that are in multisport.
Senator CANAVAN: That's right. That's exactly the question now.

Answer:

The guidelines stated that the program was seeking to 'encourage development of multi-use, shared and co-located facilities' with ten per cent of the total score that an application could achieve against the published merit criteria relating to the extent to which the project 'provides participation opportunities for multiple sports and/or user groups'. Reflecting this emphasis, more than two thirds of applications identified as being 'multisport'. The requested information from application data for all sports and including multisport is provided in table format below.

Count	Individual Sports	# Applications by Sport (As a % of Total # Applications)	$ Requested by Sport (As a % of Total $ Requested)	# Projects Funded by Sport (As a % of Total Projects Funded)	$ Funded by Sport (As a % of Total Funding Awarded)	Success Rate of Funded Applications in terms of the # of Applications Submitted by each Sport	Success Rate of Funded Applications in terms of the funding requested by each Sport
1	AFL	22 (1.07%)	$4,549,435 (1.14%)	10 (1.46%)	$1,587,511 (1.58%)	45%	35%
2	Aircraft Sport	7 (0.34%)	$516,487 (0.13%)	2 (0.29%)	$220,000 (0.22%)	29%	43%
3	Archery	6 (0.29%)	$438,300 (0.11%)	1 (0.15%)	$14,788 (0.01%)	17%	3%
4	Athletics	12 (0.58%)	$838,642 (0.21%)	3 (0.44%)	$395,182 (0.39%)	25%	47%
5	Baseball	2 (0.10%)	$103,820 (0.03%)	1 (0.15%)	$42,500 (0.04%)	50%	41%
6	Basketball	13 (0.63%)	$1,066,617 (0.27%)	3 (0.44%)	$236,070 (0.24%)	23%	22%
7	BMX	14 (0.68%)	$1,561,031 (0.39%)	4 (0.58%)	$323,036 (0.32%)	29%	21%
8	Bocce/Boules	1 (0.05%)	$50,000 (0.01%)	0 (0.00%)	$0 (0.00%)	0%	0%
9	Bowls	111 (5.39%)	$12,765,318 (3.20%)	31 (4.53%)	$2,035,008 (2.03%)	28%	16%
10	Calisthenics	2 (0.10%)	$53,090 (0.01%)	1 (0.15%)	$38,877 (0.04%)	50%	73%
11	Campdraft	2 (0.10%)	$84,250 (0.02%)	0 (0.00%)	$0 (0.00%)	0%	0%
12	Canoeing/Paddlesports	4 (0.19%)	$67,042 (0.02%)	1 (0.15%)	$2,840 (0.00%)	25%	4%
13	Cricket	37 (1.80%)	$2,274,228 (0.57%)	12 (1.75%)	$737,178 (0.74%)	32%	32%
14	Croquet	11 (0.53%)	$1,024,796 (0.26%)	0 (0.00%)	$0 (0.00%)	0%	0%
15	Equestrian	17 (0.82%)	$867,713 (0.22%)	8 (1.17%)	$355,951 (0.35%)	47%	41%
16	Football (Soccer)	41 (1.99%)	$7,653,676 (1.92%)	20 (2.92%)	$2,506,869 (2.50%)	49%	33%

17	Golf	56 (2.72%)	$6,387,656 (1.60%)	13 (1.90%)	$821,944 (0.82%)	23%	13%
18	Gridiron	1 (0.05%)	$7,000 (0.00%)	0 (0.00%)	$0 (0.00%)	0%	0%
19	Gymnastics	3 (0.15%)	$900,000 (0.23%)	1 (0.15%)	$140,000 (0.14%)	33%	16%
20	Hockey	14 (0.68%)	$3,324,382 (0.83%)	6 (0.88%)	$1,034,233 (1.03%)	43%	31%
21	Indoor Football/Futsal	1 (0.05%)	$169,098 (0.04%)	1 (0.15%)	$169,098 (0.17%)	100%	100%
22	Karate	3 (0.15%)	$221,171 (0.06%)	0 (0.00%)	$0 (0.00%)	0%	0%
23	Lacrosse	1 (0.05%)	$250,000 (0.06%)	0 (0.00%)	$0 (0.00%)	0%	0%
24	Motor Sport	8 (0.39%)	$1,614,479 (0.41%)	0 (0.00%)	$0 (0.00%)	0%	0%
25	Motorcycling	6 (0.29%)	$1,500,743 (0.38%)	1 (0.15%)	$50,000 (0.05%)	17%	3%
26	Multisport	1403 (68.07%)	$318,736,560 (80.02%)	473 (69.15%)	$83,015,944 (82.79%)	34%	26%
27	Netball	21 (1.02%)	$4,368,268 (1.10%)	7 (1.02%)	$1,173,563 (1.17%)	33%	27%
28	Other activity not listed here	12 (0.58%)	$1,630,232 (0.41%)	4 (0.58%)	$427,503 (0.43%)	33%	26%
29	Petanque	1 (0.05%)	$49,950 (0.01%)	0 (0.00%)	$0 (0.00%)	0%	0%
30	Pony Club	6 (0.29%)	$379,272 (0.10%)	2 (0.29%)	$77,360 (0.08%)	33%	20%
31	Roller Sports	1 (0.05%)	$44,909 (0.01%)	0 (0.00%)	$0 (0.00%)	0%	0%
32	Rowing	6 (0.29%)	$1,721,734 (0.43%)	2 (0.29%)	$500,000 (0.50%)	33%	29%
33	Rugby League	3 (0.15%)	$44,690 (0.01%)	1 (0.15%)	$27,000 (0.03%)	33%	60%
34	Rugby Union	4 (0.19%)	$830,000 (0.21%)	1 (0.15%)	$125,000 (0.12%)	25%	15%
35	Sailing	12 (0.58%)	$1,822,924 (0.46%)	3 (0.44%)	$65,075 (0.06%)	25%	4%

36	Shooting	42 (2.04%)	$3,829,294 (0.96%)	4 (0.58%)	$153,239 (0.15%)	10%	4%
37	Skateboarding	1 (0.05%)	$300,000 (0.08%)	0 (0.00%)	$0 (0.00%)	0%	0%
38	Softball	5 (0.24%)	$952,487 (0.24%)	0 (0.00%)	$0 (0.00%)	0%	0%
39	Squash	4 (0.19%)	$207,295 (0.05%)	1 (0.15%)	$50,000 (0.05%)	25%	24%
40	Surf Life Saving	1 (0.05%)	$2,980 (0.00%)	0 (0.00%)	$0 (0.00%)	0%	0%
41	Swimming	2 (0.10%)	$61,458 (0.02%)	2 (0.29%)	$61,458 (0.06%)	100%	100%
42	Table Tennis	3 (0.15%)	$73,440 (0.02%)	0 (0.00%)	$0 (0.00%)	0%	0%
43	Tennis	137 (6.65%)	$14,764,205 (3.71%)	65 (9.50%)	$3,885,625 (3.88%)	47%	26%
44	Volleyball	1 (0.05%)	$100,000 (0.03%)	0 (0.00%)	$0 (0.00%)	0%	0%
45	Water Skiing / Wakeboarding	1 (0.05%)	$121,000 (0.03%)	0 (0.00%)	$0 (0.00%)	0%	0%
	Totals	**2061**	**$398,329,672**	**684**	**$100,272,852**		

Question No. 7
Committee Member: Senator Katy Gallagher
Page 30

Senator GALLAGHER: I was just checking. Footnote 56, back on page 46, goes to the issue of the minister's request for information from 19 September and receiving some information from Sport Australia on 26 September, which was being provided for the first time with the full list of 2,054 applications. The footnote says: *The Minister's Office had provided Sport Australia with a list obtained in relation to another grant program, outlining the type of information it was seeking.*

Can you inform the committee what 'another grant program' was?
Mr Boyd: I can't recall the name. It was in the agriculture portfolio.
Senator GALLAGHER: Could you take that on notice for the committee.
Mr Boyd: We can take that on notice.

Answer: The other grant program referred to in footnote 56: '*The Minister's Office had provided Sport Australia with a list obtained in relation to another grant program, outlining the type of information it was seeking'*, was the 25th Anniversary Landcare Programme 2014–15.