

Date: 4th October 2022.

Committee Secretary
Joint Committee of Public Accounts and Audit
PO Box 6021
Parliament House
Canberra ACT 2600

RE: Submission to the Inquiry into Commonwealth grants administration

Door Socretory
Dear Secretary,
Please find my Submission attached to this covering letter.
Yours Sincerely
Vincent O'Grady.

Disclaimer

The author of this submission is a member of the Australian Labor Party (ALP). However, he has not been asked to write this on behalf of the ALP, nor been paid by the ALP or even influenced in his thinking by the ALP. All of this submission is the Authors own work and argument.

Introduction.

Since the ANAO report on the Sports infrastructure grants scheme and the controversy surrounding that scheme, the author has done extensive analysis on the Grants schemes which have been offered since late 2013 by successive Coalition Governments.

Having a background in evidence gathering (Police work) and then as a specialist product manager in a manufacturing environment the author has always dealt in the reality of detail and evidence.

The first policy failure was the actual reporting of the sports grants by the media. In my view their failure resulted from some assumptions and a complete lack of detail of the actual grant scheme being discussed and the assumptions minus evidence that "They all do it". As I progressed in the evaluation of many of the grants schemes discussed in this submission I found a "press groupthink" which proliferated the idea that "they all do it". All with a complete lack of any evidence to show that "they" actually did all "do it".

In order to understand the detail of the "Sports rorts" discussion I did my own analysis that showed a totally skewed allocation of funding between political parties. We had already been told that colour coded spreadsheets existed, but not the detail.

I provided the detail in my analysis. Please see **Appendix 1**.

Following that manual analysis, I was asked by a twitter follower to help with some further analysis on the "Community Development Grants". After an initial examination of the number of grants and the value of those grants, I realised we were discussing funding 10 times more than the "Sports Infrastructure Grants" and that the data tools to link the postcode to the 151 federal electorates didn't exist. That would be the only easy way to do a significant and accurate analysis of the \$1 billion involved. GrantConnect provided the raw data in spreadsheet format, but any further analysis would be up to the analyst.

I determined to build a master database of electorates and post codes and to see if I could apply that to the problem. I had done the same manually with 684 grants in the "Sports infrastructure Grants".

An IT friend agreed to assist, and he matched the spreadsheet of 17776 postcodes I had added into a spreadsheet model and matched them with their electorates. I then included the political party to the 151 Electorates, their sitting member and the margin (number) they had won the seat by in the 2019 election.

I now had a credible tool to use with the powerful functionality of Excel and could add 4 columns to the GrantConnect Excel spreadsheet which showed the Electorate, the political party, the sitting member and the margin they enjoyed.

My aim was to see if the same electoral bias existed in the "Community Development Grants" as had existed in the "Sports". That analysis confirmed that an uneven funding situation had also occurred. **See Appendix 2.**

By this time I had become very aware of the grants rules and guidelines, and that the guidelines for the different grant programs were substantially different. In fact there were many criteria applied across all grant programs in the guidelines in the **Selection Process**. They were:

- 1/ Closed non Competitive
- 2/ Demand Driven
- 3/ Open Competitive.
- 4/ Open Non competitive
- 5/ Targeted or restrictive competitive.

The "Community Development Grants" grants guidelines are illustrative of this difference.

"The CDG Programme is a non-competitive grants program. If your project has been identified to receive grant funding you will be contacted by the Australian Government."

On the face of it such a process leaves itself open to abuse and favouritism.

I then was asked to look at the regional program "Building the Better Regions Fund" to see if that bias existed there. It did. **See Appendix 3.**

Diagram 1. Showing the Stages of Grant formulation, administration, and delivery against an Audit framework.

Stage	Process	Legal Requirement	Audited by	Audit Adequacy	
1	Policy Formulation		.The Electorate . Opposition party argument.	Depends on opposition expertise at politics.	
2	Decision to develop the policy by a grant Program	. The Constitution . Statute Law . Administrative Law . Commonwealth Rules and guidelines . Appropriation bills . PGPA Act 2013	ANAO JCPAA	Partially adequate	
3	Develop Grant Guidelines and Publish	As per Stage2	ANAO JCPAA	Partially adequate	
4	Offer Grant to Target Demographic	As per Stage2	ANAO JCPAA	Partially adequate	
5	Evaluate Applications according to Guidelines	As per Stage 2	ANAO JCPAA	Partially adequate	
6	Approval of recommended Grantees	As per Stage 2	ANAO JCPAA	Partially adequate	
7	Contract Awarded	As per Stage 2	Depends on Audit guidelines	Not adequate	
8	Grantee receives and applies Grant as per the Guidelines and contract	As per Stage 2	Depends on Audit guidelines	Not Adequate.	

Prepared by Vince O'Grady October 2022.

How do these examples of Grant schemes relate to the JCPAA inquiry and particularly to the terms of reference?

They are directly relevant to the process of Policy and Grant establishment shown in Diagram 1 Above.

- 1. The Grants rules and guidelines miss a very important principle and that is one of fairness. They do not say that once a grant scheme is established that all applicants should have a fair opportunity to gain access to the funds available. The AEC work hard to balance the size and makeup of the divisions within the parliament. Mathematical probability tells us that if we toss a coin 100 times the probability of it coming up heads and tails is almost equal. If that is the case and the grants rules and guidelines are so "tight" then why has analysis shown that out of 15 out of 17 grant funds we have analysed, a substantial proportion of the funds have gone to the Coalition seats in our Analysis of the 17 programs. See Appendix 4 and 4.1.
- 2. In the case of the Sports Australia Commission and the approval of the Sport Australia grants there are many Questions which need to be asked regarding compliance with the legal framework of the grants scheme. It is particularly illuminating to read Submissions 16 and 18 to the Senate Select committee inquiry into the Sports infrastructure Scheme where professors Twomey, Cromellin and Saunders from Sydney and Melbourne University law schools (respectively) question the legality of the scheme under the constitution and other Stature and administrative law. In addition to their input I distilled the evidence into a timeline from the evidence given to that Inquiry and it is clear that a criminal offence of forging a government document may well have been committed. See Appendix 5
- 3. Likewise it is also Questionable whether the funding for the Female Facilities and Water Safety stream Grants scheme was compliant with. a) The appropriation bills. An examination of the budget papers for this scheme shows an Allocation in the Guidelines (obtained under FOI from the Dept of Health) as follows

 Sports infrastructure Female facilities and water safety Stream guideline released under FOI.

Grant amount and grant period

For this grant opportunity \$150 million is available over four years. Further funding will not be made available after this time.

Table 1.Grant Funding Breakdown

2019-20 FY 2020-21 FY 2021-22 FY 2022-23 FY Total \$150 M \$20 M \$40 M \$50 M (GST exclusive) (GST exclusive)

As you can see the \$150 million for this fund is over 4 years yet an analysis of the grants approved via GrantConnect shows an approval date of 2019 and 2020 for a Value of \$136,759,452.05. When the appropriation bills for that amount have not passed. (Note the Value for 2019-20 and 2020-21 was only \$60 millions). How can this be allowed? Unless the money was from another fund in the budget. If so that would highlight dubious budget practices. **See Appendix 6** and b) the production of a set of Guidelines for the program which at the time did not appear on any Government website (Either Dept of Health and Dept of Infrastructure) and if that Schemes selection process was Closed non Competitive what was the point of a set of guidelines in the first place?

- 4. Another relevant point with grants and policy, is, Is this the best way to implement policy? Take for example the Safer Communities scheme. Handing out specific amounts of money to Religious groups to do specific projects around their gathering places seems to me a poor use of resources. Wouldn't it rather be a better idea to fund the existing organisational structures such as The Intelligence services, Border Force, Police Forces, and LGA's who have the expertise and the skills to keep communities safe for longer periods than ad hoc single grants to specific community places? In my view this highlights the short term nature of policy development and coupling them with grants. An example of this short term thinking was in one grant (Safer Communities) to an organisation in Caulfield in the electorate of MacNamara to build a "Blast Wall" (presumably against a terrorist attack) The grant was for \$1 million. A further grant was for \$500,000 to change the Windows to blast proof. On inspection on the internet this building had a100% glass facade. The Expertise required to make communities safe does not reside in specific Community organisations but in people who work for the community in specific and expert ways such as the Intelligence agencies, Border Force, Police and LGA's.
- 5. Community Development Grants appropriations are another grant scheme where the grants approved do not quite meet the budgeted value. I did a search of the budget papers for the years 2013 MYEFO to Budget 2020 which showed an appropriation value of \$1.027 billion, yet the analysis of grants granted from the Department of Infrastructure website and the GrantConnect portal came to \$1,494 billion See Appendix 7 CDG budget allocations. Also add CDG Schemes 2 and 4 in Appendix 4.1 = \$1.494 billion.
- 6. The totality of the grants schemes analysed should also be taken into account when the adequacy or otherwise of auditing such schemes. As we have already identified, the audit process concentrates on the applicable law and the guidelines developed under that law to actually meet the legal requirements. However, the audit trail then goes dark (See Stages 7 and 8). There appears to be no check to see if the funds have been spent in the correct manner. That services contracted for are priced at the right point and that the funds are being distributed for real goods and services. There are

three periods that should be taken into account here. A) from September 2013 to 1 Jan 2018 when the "grantees" were all published on the departmental government website who was responsible for the administration of the scheme. B) between 1 Jan 2018 and 21st May 2022 when the Coalition lost government and C) those Grants signed off by the coalition government before the 2022 election, but published after it on GrantConnect. Those figures are A) At least \$1 billion from CDG and BBRF funding. See Appendix 8 B) 141,470 grants worth \$88,423,626,117.78. (\$88.4 billion) See Appendix 9 C) A further 4132 Grants worth \$5,939,865,989.69 approved under the coalition Government. See Appendix 9.1. A total of 145,602 grants worth \$94,363,492,107.50 Since 1 Jan 2018 plus at least another \$1 billion before that date. (Difficult to quantify as lots of grants spread across numerous Departmental web sites.) Point 6 leads to some difficult questions as to the adequacy of resources to actually Audit these schemes when at stages 7 and 8. For example Between 1 Jan 2018 to 21 May 2022 there were 1602 days and 145,602 grants. An average of 91 Grants per day. Worth an average \$648,092.00 per grant.

- 7. Whilst the author makes no criticism of the ANAO or the JCPAA committee point 6 above highlights the inadequacy of the Audit requirements of the Commonwealth given regard to the Total value and sheer number of grants and leads us back to the point as to whether this is the best way to deliver policy.
- 8. **Appendix 4 and 4.1** Actually shows the summary of grants analysed by www.thevogfiles.com
 - As you can see the total analysed to date is \$7,491,824,638 (Billion) in 17 Schemes. The Coalition got a Total of 69% of the funds on average. The Independents and Greens (others) got a total of 6% and the Australian Labor Party got a percentage of 25%. When that is viewed against how many seats are in the parliament and were won by each political party it appears to be biased to the Coalition seats. For example, they have 78 seats, the ALP have 68 and the Others have 6. Proportions of 51% Coalition, 45% to ALP and the others 4%.
- 9. Further to point 8 above the Averages per seat allocated also appear to be out of kilter. For example, Coalition seats got an average of \$66,804,804, the Independents and Greens (Others) got an allocation of \$82,668,291 and the ALP got an average allocation of \$27,233,014 per seat.
- 10. When one looks at the averages for the Coalition parties they are as follows, Liberal (44 seats) \$59,286,816 per seat, LNP (Liberal and Nationals 23 seats), \$51,647,420 per seat and Nationals (10 Seats), \$99,113,513. Such an allocation cannot have been by chance. One of the excuses given by a correspondent to me was that the Nationals and the Liberals are bound to get a larger allocation because they have a greater number of Seats which are Rural and/or Provincial.
- 11. This leads us back to the excellent evidence provided by the ANAO Building the Better Regions Fund Rounds 1 to 5 Audit in Report No 1 (2022-2023) Where at page 81/107 it shows the distribution of Nationals, Liberals and ALP in Rural and Provincial

seats. Nationals have 16, Liberals have 23 and the ALP have 19. Very close together. Yet the Averages per seat as shown in **Appendix 10** where www.thevogfiles.com did a comprehensive analysis of Rounds 1 to 5 and sent it as a submission to the ANAO show the following. There were a total of 718 Grants awarded in Rds 1 to 5 of the BBRF (Infrastructure stream) for a total value of \$1,123,931,958 of which 554 grants worth \$883,766,437.00 were awarded to the Coalition. That is 78.63%. 120 Grants worth \$167,233,999.00 were awarded to the ALP at 14.88% and 45 grants worth \$72,931,522.00 were awarded to the Greens and independents who have 3 Rural and Provincial seats. Once again, a mismatch of allocation of funds.

12. Please note that where Graphs and summaries of Grant Schemes have been prepared into Appendices, the working spreadsheets which support the data are available either online at https://www.thevogfiles.com/rorts-central.html or from the Author of this submission.

In this Section I have covered general comments about Report 848 which is the first Point in the terms of reference the committee has before it.

I have mainly commented on the legal basis which surrounds the audit process and the where it falls short at Stages 7 and 8 in the model diagram I have included.

Comments about the breadth of the guidelines and their applicability to the idea of "The Common Wealth" or fair distribution of funds as well as where policy can be achieved by the rapid proliferation of grants as a policy vehicle have also been made.

I have tried to show where the audit process falls over without continuing to audit the individual grants approved to make sure that the funds are used in the most productive way. (Stages 7 and 8 in Diagram 1.)

Also, whether grants are just a short term and stop gap measure as a policy vehicle. Rather more longer-term planning of community needs would provide a sound basis for a sustained and benchmarked local (at commonwealth electoral level) needs framework. A benchmarking approach to community needs and infrastructure would also inculcate the process with a degree of expertise in planning the best communities across Australia. As well as making the best use of scarce funds.

The "Sports Infrastructure" grants which was the first scheme to highlight potential difficulties in this area has been covered. The same demonstrated bias in the distribution of funds in the "Community Development" grants and the "Building the Better Regions" funds across all rounds is troubling.

The ANAO can only do so many audits with its resources and I have endeavoured to show by my private research that the vast majority of the grants funds I and my team have analysed show the same bias toward coalition electorates.

I have made no comment about the "Commuter Car Park" funding. That has been extensively covered and shows the same bias we have demonstrated with all the funds we have analysed. See Appendix 4 and 4.1 for that distribution.

The "Safer Communities" program is a scheme which possibly could be achieved by directing the funds towards those experts in the community where safety of the community is their primary purpose.

I have made no comment about the operation of grants hubs apart from to say that they may well be doubling up on the expertise which exists already to achieve policy aims.

"Building the Better Regions" fund has been commented on by me liberally in this submission.

I think I have covered all I want to say about the "Urban Congestion" fund and the "Regional Growth" fund in my comments about benchmarking the facilities and infrastructure for community's needs and requirements. It seems to me that there is a proliferation of regional funds all trying to do the same thing.

Lastly in the terms of reference we come to the "Modern Manufacturing Initiative". This needs a lot of attention.

My background in my career in Australia was in the telecommunications Industry where we had our own manufacturing facility. I arrived in the industry when analogue telecommunications changed to the digital era. Not only did the plant where I worked embrace the new technology, they were world leaders in R&D, design and manufacture of the products they sold in Australia. Our factory used to manufacture the printed circuit boards we used in our digital equipment, and we also mounted the components, soldered them and tested the products we made.

The factory had a state-of-the-art research and development branch as well as a well manned software development department.

We had products which had been designed in Australia which were sold to export, particularly in the financial trading Industry.

Unfortunately, that factory has long since closed but the skill it nurtured was able to dissipate among other industry.

While Australians are early adopters of new ideas and products we don't do so well at commercialising those products which we invent.

So, the decline of manufacture has gone on apace since the 1980's.

The last large manufacturing base we lost was the car industry. Soon after the 2013 Election a Productivity commission report was commissioned by the treasurer to see if subsidising the car industry was a good idea.

Before even its interim report and the day after General Motors had given their evidence and submission to the commission a series of unhappy questions were asked in the federal parliament and because of the answers, Holden decided that evening to exit Australia.

Only the day before they had given evidence that Holden invested \$3 in Australia, Australia Invested \$1 and Australia got a return of \$18.

A subsequent report by Adelaide University showed that up to 200,000 Car manufacturing and allied workers would be lost to the industry.

We already had an advanced manufacturing industry; it was called the car manufacturing Industry. The loss of skills was enormous. There was no longer a need for the Education system to maintain a teaching cohort to teach and develop those skills.

With that experience in mind, it was with some disbelief that I read about the Modern Manufacturing initiative. An attempt to restart the manufacturing industry when this Government had destroyed a fair part of it 9 years ago.

As part of a working group I was asked to join, I wrote a paper about the loss and the broader implications of the downturn in manufacture in Australia. I enclose that paper as **Appendix 11.**

As well as the paper I endeavoured to show the nexus between the Education system in Australia and its effect on the Economy and innovative and forward-looking risk-taking behaviours of successful economies. They are also included as **Appendix 12, 13, 14 15, 16** respectively.

Suffice it to say, a modern manufacturing Initiative is probably not best done through a series of grants to individuals or individual enterprises, who may or may not have the expertise to make the best of the opportunity. Such a scheme is much better done with expertise from academia and business working as partners with government and exploring the alternatives, especially with a resource rich Australia.

That concludes my submission.

Appendix 1.

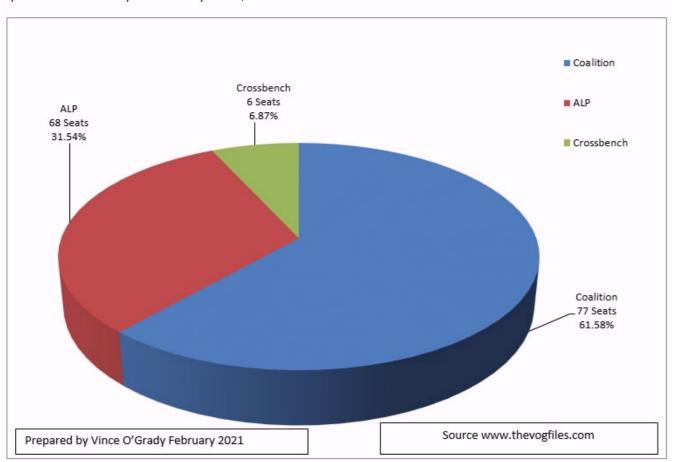
Summary Sports infrastructure Funding for "Sports Rorts"

Coalition total Grants	419
Coalition total GrantValue	\$61,751,371
Coalition Percentage grants	61.26%
Coalition Percentage grants Value	61.58%
Independent	
total Grants	43
Independent total GrantValue	\$6,892,089
Independent	
Percentage grants	6.29%
Independents	
Percentage grants Value	6.87%
Brailts value	0.0770

LaborPercentage grants Value	31.54%
Labor Percentage grants	32.60%
Labor total GrantValue	\$31,629,410
Labor total Grants	223

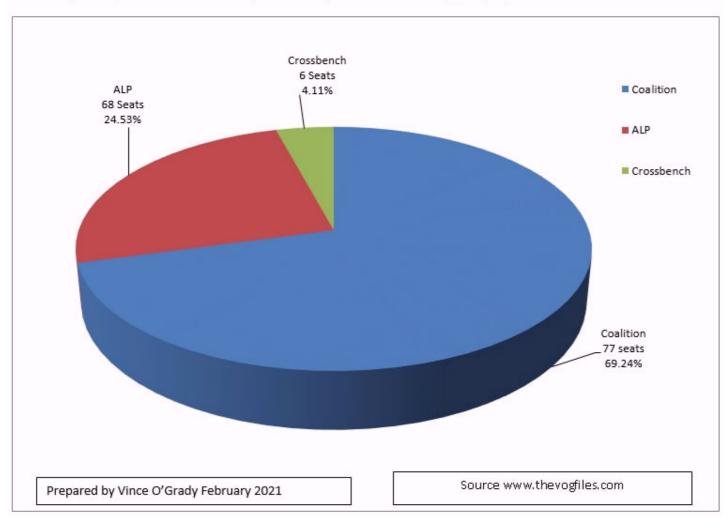
Total \$100,272,870

Sports Grants funded by Political Party. 2019 \$100 Million value

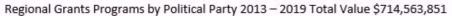


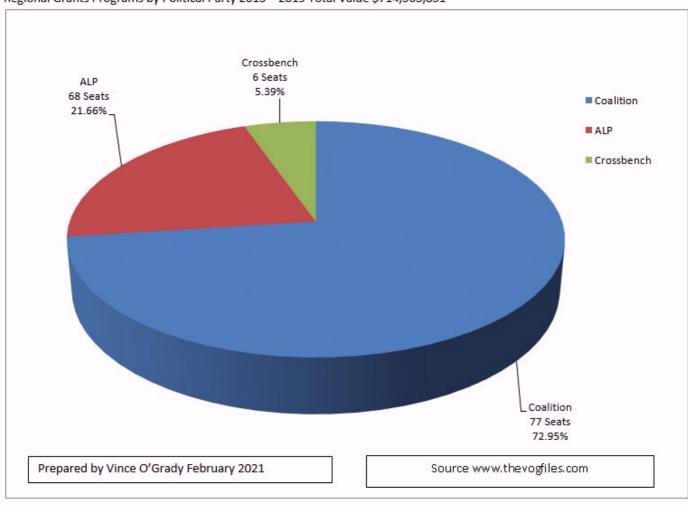
Appendix 2

Community Development Grants funded by Political Party 2013 – 2019 Value \$1,125,652,603.



Appendix 3.





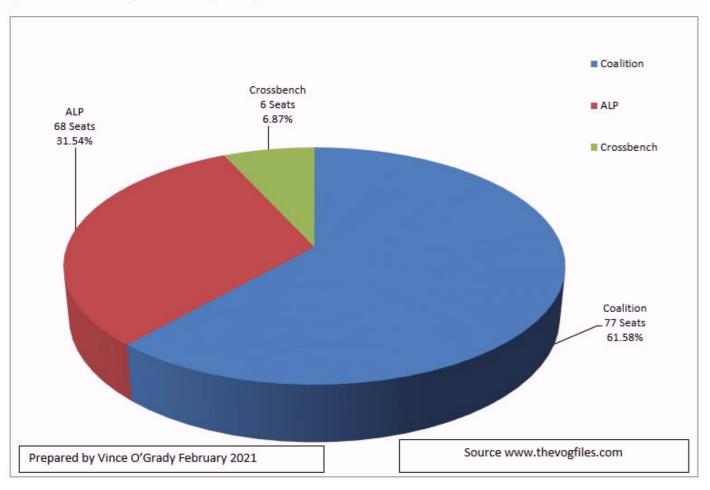
Appendix 3.

Appendix 4

Pie Chart Graphs of 17 Grant programs analysed by www.thevogfiles.com

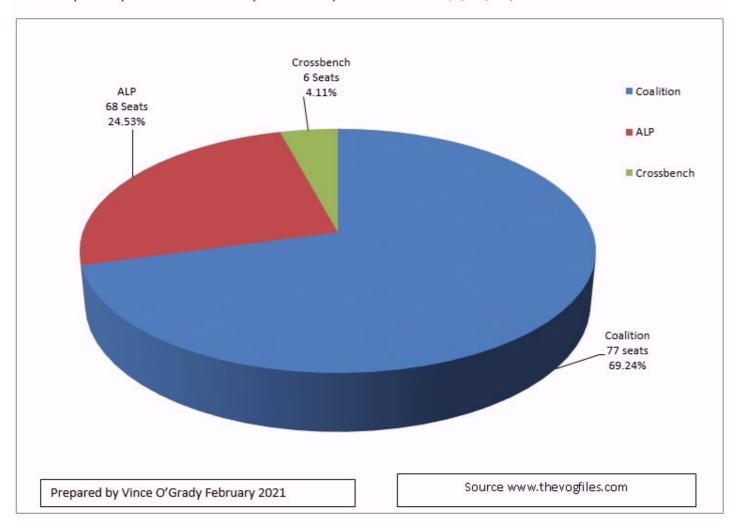
1. Sports Infrastructure grants.

Sports Grants funded by Political Party. 2019 \$100 Million value

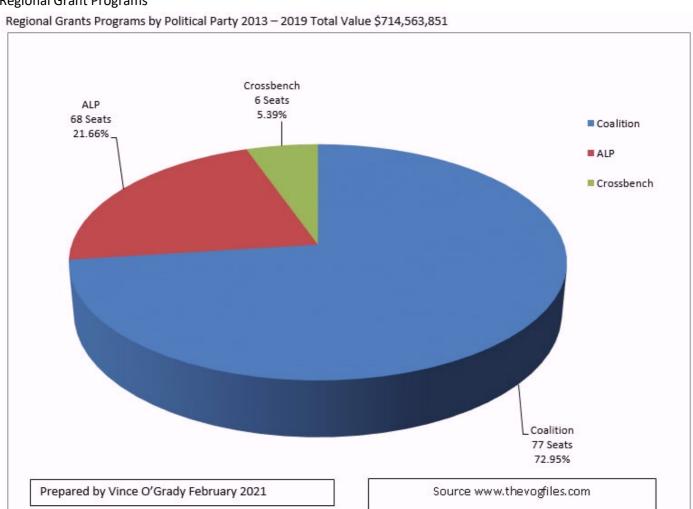


Community Development grants 2013-2019.

Community Development Grants funded by Political Party 2013 - 2019 Value \$1,125,652,603.



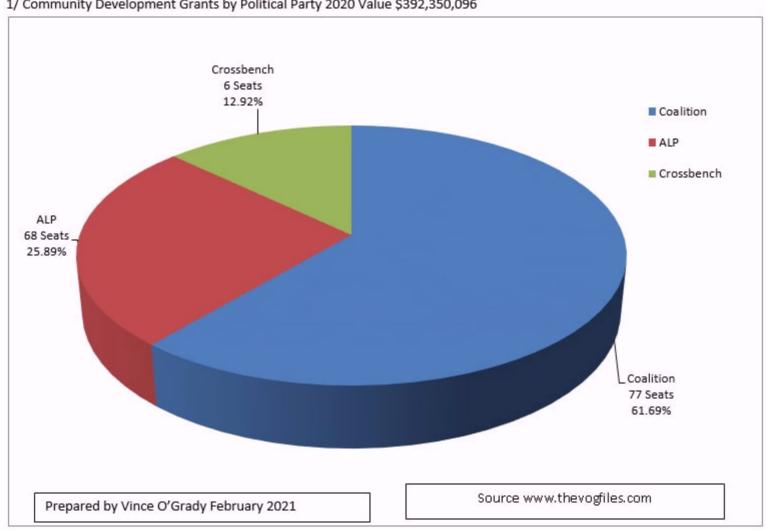
2. Regional Grant Programs



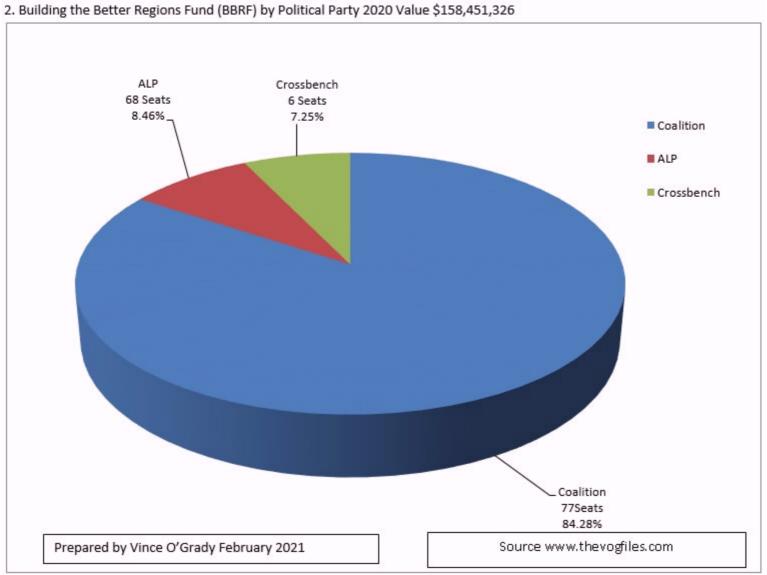
3. Community Development Grants

2020 Grants Analysed

1/ Community Development Grants by Political Party 2020 Value \$392,350,096

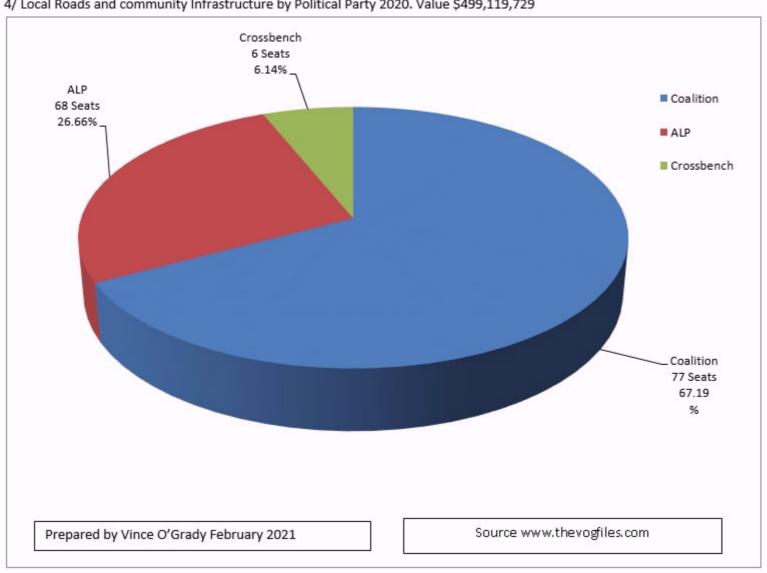


4. Building the Better Regions Fund



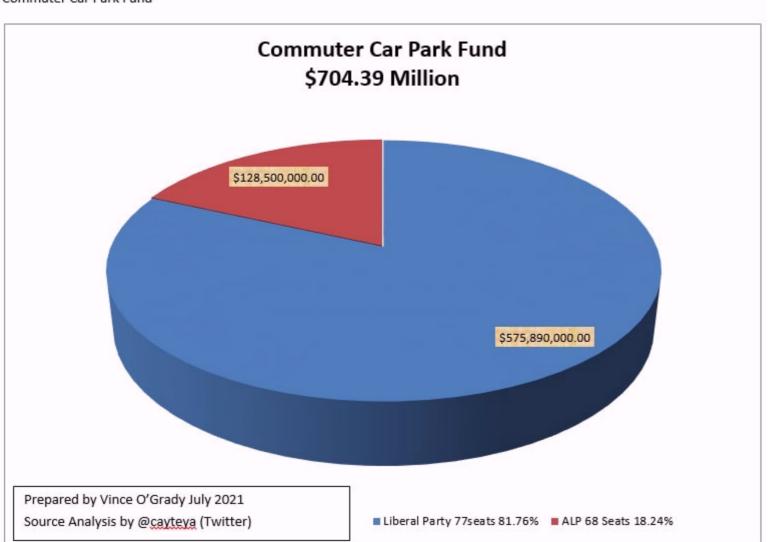
5. Local Roads and Community Infrastructure Program

4/ Local Roads and community Infrastructure by Political Party 2020. Value \$499,119,729

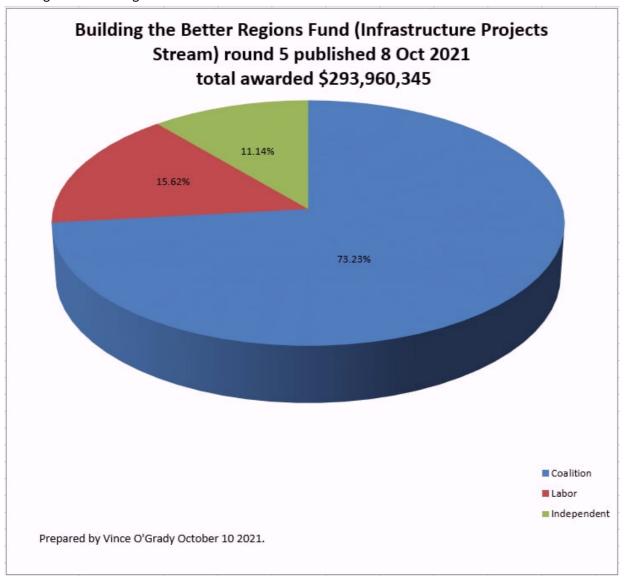


6. Commuter Car Park Fund.

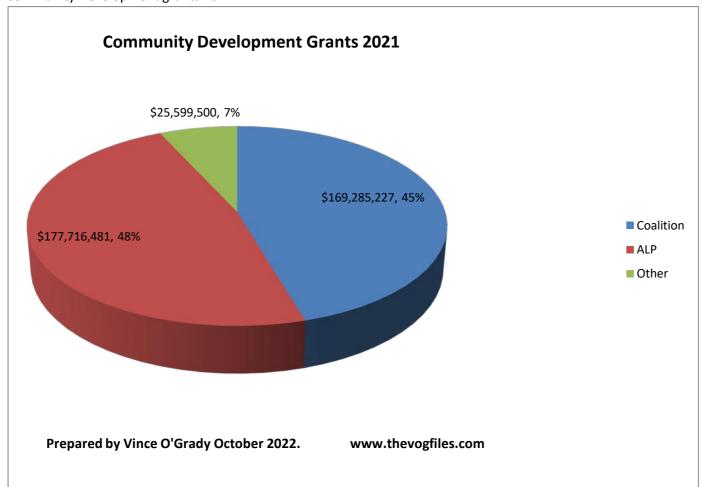
Commuter Car Park Fund



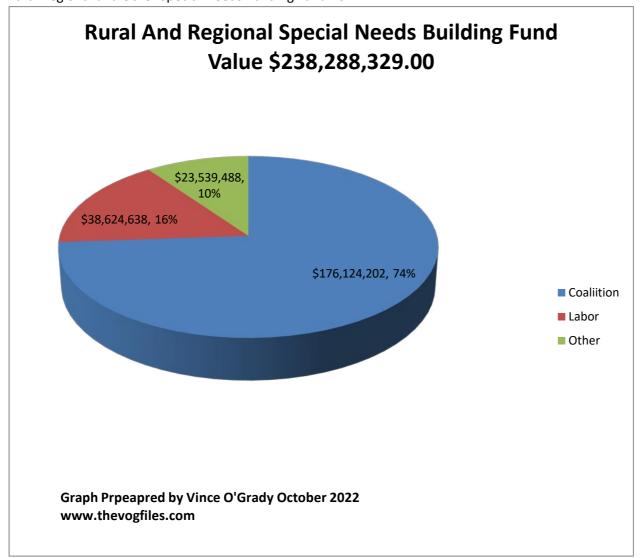
7. Building the Better Regions Fund Round 5



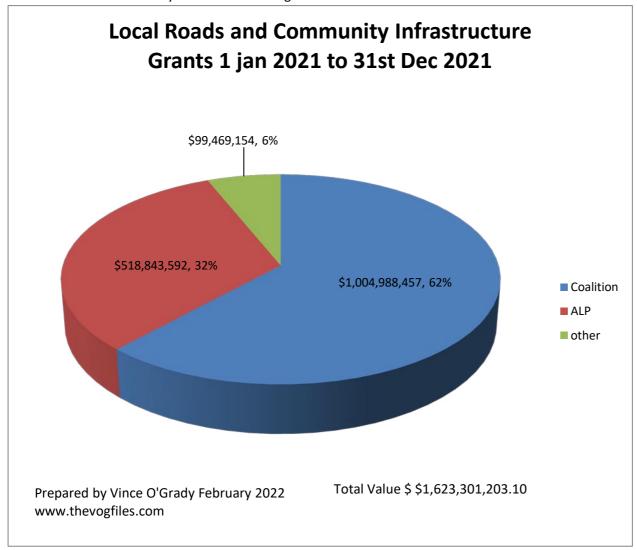
8. Community Development grants 2021



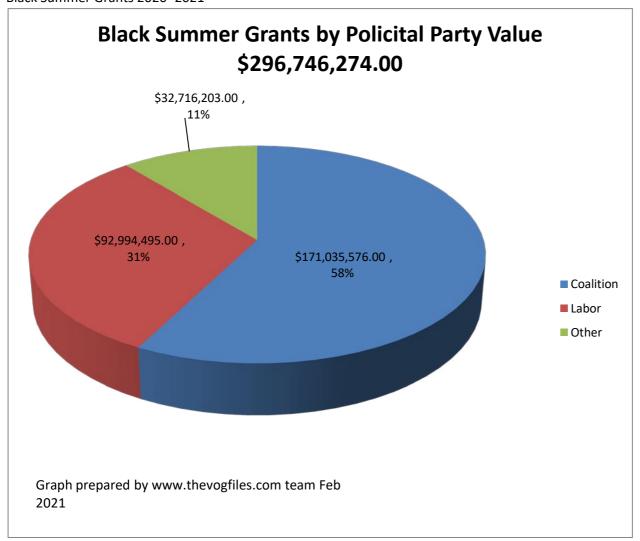
9. Rural Regional and Other Special Needs Building Fund 2021



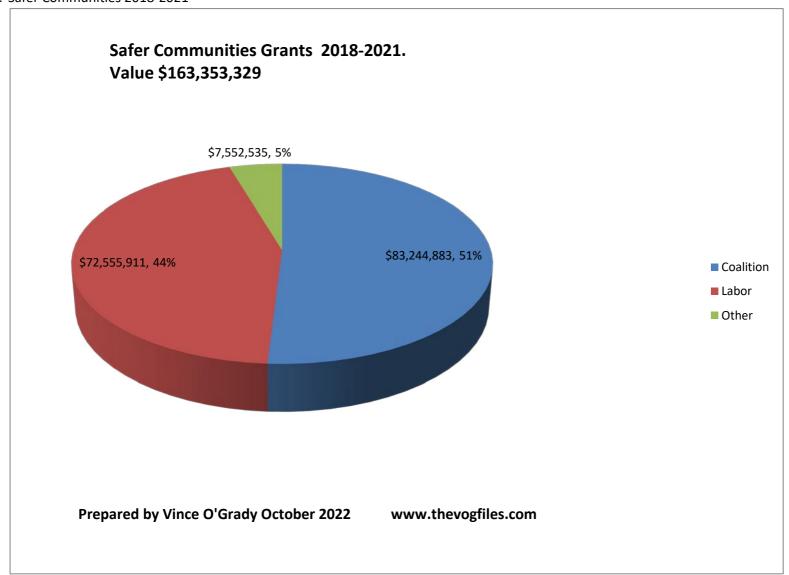
10. Local Roads and Community Infrastructure Program 2021



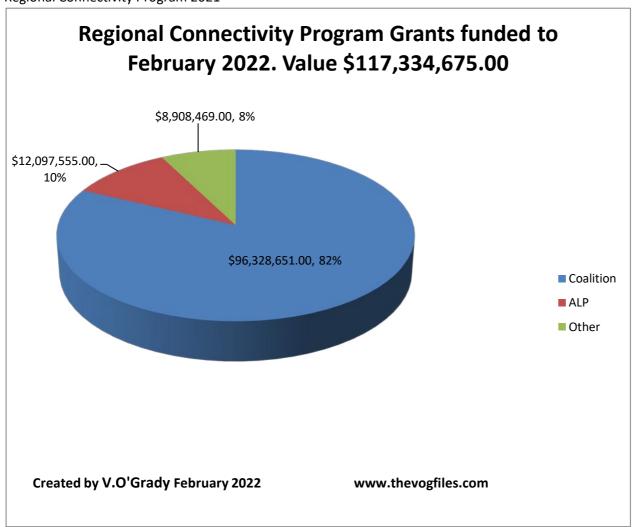
11. Black Summer Grants 2020- 2021



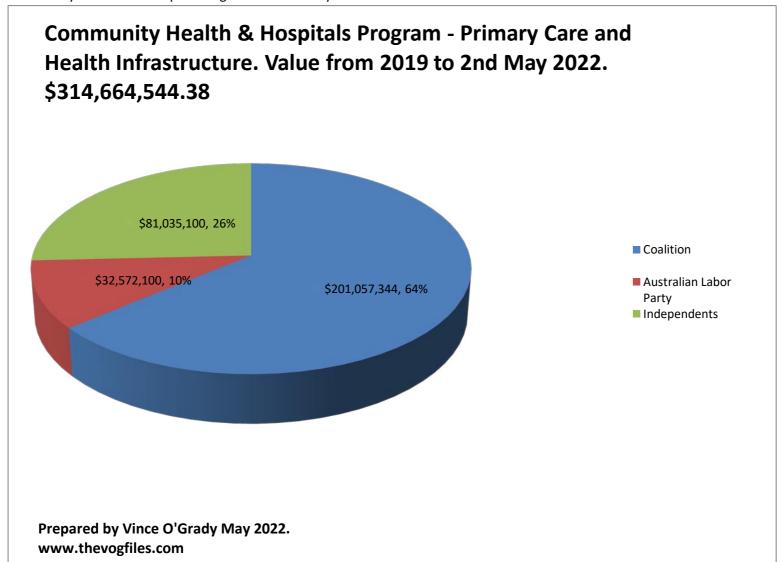
12. Safer Communities 2018-2021



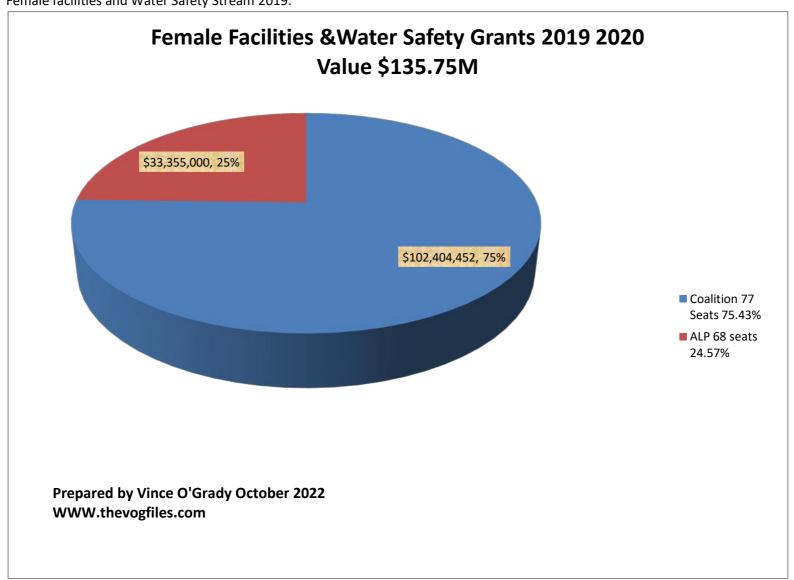
13. Regional Connectivity Program 2021



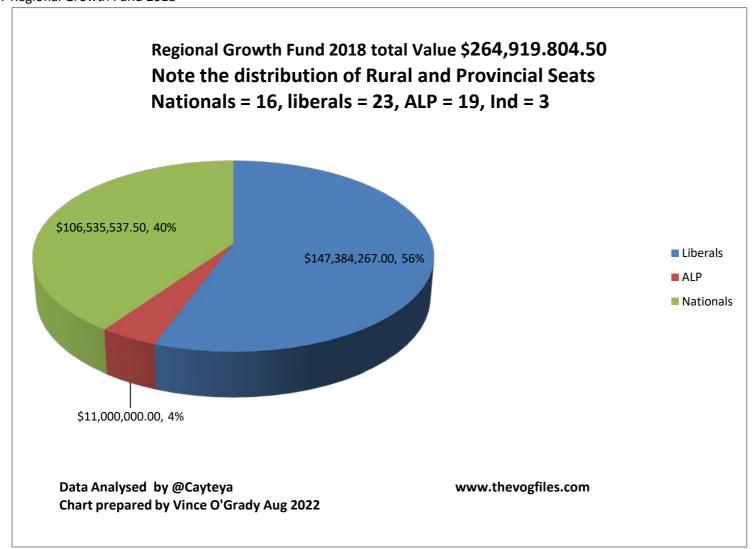
14. Community Health and Hospital Program. 2019 to may 2022



15. Female facilities and Water Safety Stream 2019.



16. Regional Growth Fund 2018



Appendix 4.1
Summary of all Grants programs analysed by Vince O'Grady And the team at www.thevogfiles.com 3 Oct 2022
Showing the Value and percentage of funds
allocated to Electorates

Spots infoaturature Grains	Name of grant Program	Year	Coalition	Other	ALP	Totals	Cumulative total	Liberal	LNP	National	Total Coalition
Community Development grant 2019	1. Sports infrastructure Grants	2019	\$61,751,371	\$6,892,089	\$31,629,410	\$100,272,870	\$100,272,870	\$35,626,516	\$17,986,082	\$8,138,773	\$61,751,371
Community Development grants Programs			61.58%	6.87%	31.54%	100.00%		57.69%	29.13%	13.18%	100.00%
Community Development grants Programs		2013-							\$226.062.02	\$144.120.3	
Part	2. Community Development grants		\$779,387,534	\$46,223,974	\$276,136,095	\$1,101,747,603	\$1,202,020,473	\$409,205,150	4		\$779,387,534
September Sept	,						, , , ,		29.01%	18.49%	
Second Crame Programs Community Second Crame Programs Community Development Grunts Community Community Development Grunts Community Community Development Grunts Community Commun		2013-									
Part	3 Regional Grant Programs		\$521 272 641	\$38 484 577	\$154 806 633	\$714 563 851	\$1 916 584 324	\$238 942 483			\$521 272 641
	3. Regional Grant Pograms	2013					γ1,310,301,321		_		
A Community Development Grants 1070 1075, 1075, 1075 1075, 1075, 1075 1075, 1075, 1075 1075, 1			72.5570	3.3370	21.00/0	100.0070		43.0470	25.5570		100.0070
September Sept	4. Community Development Grants	2020	\$257.571.220	\$50,679,905	\$84.098.971	\$392,350,096	\$2,308,934,420	\$149.642.759	\$79.346.461		\$257,571,220
S. Bullding the Better Regions Fund 2008 318,048,048 27.25% 27.25% 4.99% 100.00% 34.57% 26.75% 36.77% 319,048,000 34.57% 26.75% 36.77% 319,048,000 34.57% 26.75% 36.77% 36.95% 36.77% 36.95% 36.77% 36.95% 36.95% 36.77% 36.95% 36.9	ii community perciopinent crants	2020					φ2,300,33 1, 120				
Separation Sep			03.0370	12.32/0	21.43/0	100.0070		30.1070	30.0170		100.0070
6. Local Roads and Community 1877% 7.25% 4.99% 100.00% 34.57% 34.57% 5.96% 36.67% 5.90% 5.943.91% 5.943.	5. Building the Better Regions Fund	2020	\$139.048.040	\$11.491.516	\$7.911.770	\$158.451.326	\$2.467.385.746	\$48.072.223	\$37.207.149		\$139.048.040
							, , - ,, -			38.67%	
Infrastructure Program	6. Local Roads and Community		07.7070	7.2070		200.0070		0	_0		
Fig.	•	2020	\$335,378,905	\$30,662,481	\$133,078,343	\$499,119,729	\$2,966,505,475	\$160,581,016	\$80,438,031		\$335,378,905
7. Commuter Car Park Fund 202 \$575,880,000 \$0 \$12.80,0000 \$70,390,000 \$3,670,895,475 \$755,890,000 \$0 \$0 \$575,890,000 \$0 \$10,000%	-		67.19%	6.14%	26.66%	100.00%		47.88%	23.98%	28.14%	100.00%
8. Bullding the Better Regions Fund Round 5 2021 \$215,281,617 \$32,754,752 \$45,923,976 \$293,960,345 \$3,964,855,820 \$102,078,942 \$46,043,707 \$8 \$215,281,617 \$73,234 \$11,144 \$15,626 \$100,006 \$47,836 \$21,978,942 \$46,043,707 \$8 \$215,281,617 \$30,766 \$100,006 \$18,448 \$15,626 \$100,006 \$18,448 \$15,626 \$100,006 \$18,448 \$15,626 \$100,006 \$18,448 \$15,626 \$100,006 \$18,448 \$15,626 \$100,006 \$18,448 \$100,006 \$18,448 \$100,006	7. Commuter Car Park Fund	2020					\$3.670.895.475				
Seminary				•			, , , , , , , , , , , , , , , , , , ,		-	-	
Round 5	8. Building the Better Regions Fund		01.7070	0.0070	2012 170	100.0070		100.0070	0.0070		200.0070
9. Community Development Grants 2021 \$169,285,227 \$25,599,500 \$177,716,481 \$372,601,208 \$4,337,457,027 \$106,665,004 \$52,496,873 \$0 \$100,00% \$100,00	-	2021	\$215,281,617	\$32,754,752	\$45,923,976	\$293,960,345	\$3,964,855,820	\$102,978,942	\$46,043,707		\$215,281,617
Second S										30.78%	
9. Community Development Grants 201 \$169,285,227 \$25,599,500 \$177,716,481 \$372,601,208 \$4,337,457,027 \$106,665,000 \$52,496,873 \$0 \$169,285,227 \$10,000% \$10,											
10. Rural Regional and Other Special Roeds Building Fund 2021 \$176,124,202 \$23,539,488 \$38,624,638 \$238,288,329 \$4,575,745,356 \$71,994,971 \$43,596,964 \$8 \$176,124,202 \$73,914 \$9.888 \$16,214 \$100,000 \$11. Local Roads and Community Infrastructure Program 2021 \$1,004,988,457 \$99,469,154 \$13,969,485 \$100,000 \$10	9. Community Development Grants	2021	\$169,285,227	\$25,599,500	\$177,716,481	\$372,601,208	\$4,337,457,027	\$106,665,004	\$52,496,873		\$169,285,227
10. Rural Regional and Other Special Regional and Other Special Regional and Other Special Roeds Building Fund \$176,124,022 \$23,539,488 \$38,624,638 \$238,288,329 \$4,575,745,356 \$71,949,971 \$43,596,546 \$8 \$176,124,020 \$1. Local Roads and Community \$72,01 \$1,004,988,457 \$99,469,154 \$16,214 \$100.000 \$6,199,046,559 \$49,511,605 \$124,537,1 \$100.000 \$1. Infrastructure Program \$2021 \$1,004,988,457 \$99,469,154 \$18,843,592 \$1,623,301,203 \$6,199,046,559 \$492,511,805 \$12,609,934,655 \$12,004,988,457 \$100.000 \$100.000 \$1. 30.0000 \$1. 30.0000 \$1. 30.0000 \$1. 30.0000 \$1. 30.0000 \$1. 30.000	· ·				47.70%			63.01%	31.01%	5.98%	100.00%
11. Local Roads and Community Infrastructure Program 2021 \$1,004,988,457 \$99,469,154 \$518,843,592 \$1,623,301,203 \$6,199,046,559 \$492,511,805 \$5 87 \$1,004,988,457 \$100,000 \$12,810,000,988,457 \$100,000 \$12,810,000,988,457 \$100,000 \$12,810,000,988,457 \$100,000 \$12,810,000,988,457 \$100,000 \$12,810,000,988,457 \$100,000 \$12,810,000,988,457 \$100,000 \$12,810,000,988,457 \$100,000 \$12,810,000,988,457 \$100,000 \$12,810,000,988,457 \$100,000 \$13,660,590,940,950 \$12,810,000,988,457 \$100,000 \$13,660,940,940,940,940,940,940,940,940,940,94	10. Rural Regional and Other Special									\$60,532,26	
11. Local Roads and Community	Needs Building Fund	2021	\$176,124,202	\$23,539,488	\$38,624,638	\$238,288,329	\$4,575,745,356	\$71,994,971	\$43,596,964	8	\$176,124,202
Infrastructure Program 2021 \$1,004,988,457 \$99,469,154 \$518,843,592 \$1,623,301,203 \$6,199,046,559 \$492,511,805 \$5 87 \$1,004,988,457 \$1,000 \$1			73.91%	9.88%	16.21%	100.00%		40.88%	24.75%	34.37%	100.00%
12. Black Summer Grants	11. Local Roads and Community								\$269,939,46	\$242,537,1	
12. Black Summer Grants 2020 \$171,035,576 \$32,716,203 \$92,994,495 \$296,746,274 \$6,495,792,833 \$22,852,984 \$47,091,088 04 \$171,035,576 \$12. Black Summer Grants 2018 2018 2021 \$83,244,883 \$7,552,535 \$72,555,911 \$163,353,329 \$6,659,146,162 \$50,450,091 \$23,239,092 \$9,555,699 \$83,244,883 \$2021 \$83,244,883 \$7,552,535 \$72,555,911 \$163,353,329 \$6,659,146,162 \$50,450,091 \$23,239,092 \$9,555,699 \$83,244,883 \$100.00% \$20,200,000	Infrastructure Program	2021	\$1,004,988,457	\$99,469,154	\$518,843,592	\$1,623,301,203	\$6,199,046,559	\$492,511,805	5	87	\$1,004,988,457
12. Black Summer Grants			61.91%	6.13%	31.96%	100.00%		49.01%	26.86%	24.13%	100.00%
12. Black Summer Grants		2020								\$101,091,5	
13. Safer Communities 2018	12. Black Summer Grants		\$171,035,576	\$32,716,203	\$92,994,495	\$296,746,274	\$6,495,792,833	\$22,852,984	\$47,091,088		\$171,035,576
13. Safer Communities 2018			57.64%	11.02%	31.34%	100.00%		13.36%	27.53%	59.11%	100.00%
13. Safer Communities		2018									
14. Regional Connectivity Program 2021 \$96,328,651 \$8,908,469 \$12,097,555 \$117,334,675 \$6,776,480,837 \$48,316,157 \$21,781,985 9 \$96,328,651 82.10% 7.59% 10.31% 100.00% 50.16% 22.61% 27.23% 100.00% 2019 to 2019 to \$15. Community Health and Hospital Program. \$2022 \$201,057,344 \$81,035,100 \$32,572,100 \$314,664,544 \$7,091,145,382 \$94,889,785 \$89,759,794 6 \$201,057,344 \$100.00% \$16. Female facilities and Water Safety Stream \$2019 \$102,404,452.05 \$0.00 \$33,355,000.00 \$135,759,452.05 \$7,226,904,834 \$0.00 \$5 0.00 \$102,404,452 \$75.43% \$0.00% \$24.57% \$100.00% \$100.00% \$100.00% \$11000.00% \$11000.	13. Safer Communities		\$83.244.883	\$7.552.535	\$72.555.911	\$163.353.329	\$6.659.146.162	\$50.450.091	\$23.239.092	\$9.555.699	\$83.244.883
14. Regional Connectivity Program 2021 \$96,328,651 \$8,908,469 \$12,097,555 \$117,334,675 \$6,776,480,837 \$48,316,157 \$21,781,985 9 \$96,328,651 82.10% 7.59% 10.31% 100.00% 50.16% 22.61% 27.23% 100.00% 2019 to 2019 to 15. Community Health and Hospital Program. 2022 \$201,057,344 \$81,035,100 \$32,572,100 \$314,664,544 \$7,091,145,382 \$94,889,785 \$89,759,794 6 \$201,057,344 \$63.90% 25.75% 10.35% 100.00% 47.20% 44.64% 8.16% 100.00% 50.00% 50.00 \$102,404,452 \$94,889,785 \$10,200 \$10,200,404,452 \$10,200 \$10,200 \$10,200,404,452 \$10,200 \$10,200 \$10,200,404,452 \$10,200 \$10,200 \$10,200,404,452 \$10,200 \$10,200 \$10,200 \$10,200,404,452 \$10,200 \$10,2							+ -,,				
14. Regional Connectivity Program 2021 \$96,328,651 \$8,908,469 \$12,097,555 \$117,334,675 \$6,776,480,837 \$48,316,157 \$21,781,985 9 \$96,328,651 82.10% 7.59% 10.31% 100.00% 50.16% 22.61% 27.23% 100.00% 2019 to 15. Community Health and Hospital Program. May 2022 \$201,057,344 \$81,035,100 \$32,572,100 \$314,664,544 \$7,091,145,382 \$94,889,785 \$89,759,794 6 \$201,057,344 \$81,035,100 \$10.00% \$10.0			30.3070		270	100.0070		00.0070	27.3270		200.0070
15. Community Health and Hospital Program.	14. Regional Connectivity Program	2021	\$96,328,651	\$8,908,469	\$12,097,555	\$117,334,675	\$6,776,480,837	\$48,316,157	\$21,781,985		\$96,328,651
15. Community Health and Hospital Program.	, ,						, , , ,			27.23%	
15. Community Health and Hospital Program. 16. 407,76 100.00% 16. Female facilities and Water Safety Stream Program. 17. 40.00% 18. 37.00, 44.64% 100.00%		2019 to	02.2070	713370		200.0070		30.20,0		_,,,,	
Program. 2022 \$201,057,344 \$81,035,100 \$32,572,100 \$314,664,544 \$7,091,145,382 \$94,889,785 \$89,759,794 6 \$201,057,344 16. Female facilities and Water Safety \$83,265,000. \$3,789,452.0 \$15,350,00 Stream 2019 \$102,404,452.05 \$0.00 \$33,355,000.00 \$135,759,452.05 \$7,226,904,834 00 5 0.00 \$102,404,452 75.43% 0.00% 24.57% 100.00% \$147,384,267 \$63,274,750. \$43,260,78	15. Community Health and Hospital									\$16,407,76	
16. Female facilities and Water Safety \$83,265,000. \$3,789,452.0 \$15,350,00 Stream 2019 \$102,404,452.05 \$0.00 \$33,355,000.00 \$135,759,452.05 \$7,226,904,834 00 5 0.00 \$102,404,452 75.43% 0.00% 24.57% 100.00% \$147,384,267 \$63,274,750. \$43,260,78	Program.	-	\$201,057,344	\$81,035,100	\$32,572,100	\$314,664,544	\$7,091,145,382	\$94,889,785	\$89,759,794	6	\$201,057,344
16. Female facilities and Water Safety \$83,265,000. \$3,789,452.0 \$15,350,00 Stream 2019 \$102,404,452.05 \$0.00 \$33,355,000.00 \$135,759,452.05 \$7,226,904,834 00 5 0.00 \$102,404,452 75.43% 0.00% 24.57% 100.00% \$147,384,267 \$63,274,750. \$43,260,78			63.90%	25.75%	10.35%	100.00%		47.20%	44.64%	8.16%	100.00%
75.43% 0.00% 24.57% 100.00% 81.31% 3.70% 14.99% 100.00% \$147,384,267 \$63,274,750. \$43,260,78	16. Female facilities and Water Safety							\$83,265,000.	\$3,789,452.0	\$15,350,00	
\$147,384,267 \$63,274,750. \$43,260,78	Stream	2019	\$102,404,452.05	\$0.00	\$33,355,000.00	\$135,759,452.05	\$7,226,904,834	00	5	0.00	\$102,404,452
			75.43%	0.00%	24.57%	100.00%		81.31%	3.70%	14.99%	100.00%
17. Regional Growth Fund 2018 \$253,919,804.50 \$0.00 \$11,000,000.00 \$264,919,804.50 \$7,491,824,638 .00 00 7.50 \$253,919,805								\$147,384,267	\$63,274,750.	\$43,260,78	
	17. Regional Growth Fund	2018	\$253,919,804.50	\$0.00	\$11,000,000.00	\$264,919,804.50	\$7,491,824,638	.00	00	7.50	\$253,919,805

			Inquiry into Commonwealth grants administration Submission 1			
		95.85%	0.00%	4.15%	100.00%	
Totals		\$5,143,969,925	\$496,009,743	\$1,851,844,969	\$7,491,824,638	
Proportions		68.66%	6.62%	24.72%	100.00%	
	Seats	77	6	68	151	
	Average per seat	\$66,804,804	\$82,668,291	\$27,233,014	\$49,614,733	
Special projects.						
	Year	Coalition	Other	ALP	Totals	
The Golf Grants project	2018	\$2,459,320	\$42,200	\$173,986	\$2,675,506	
Tennis Grants	2022 2018	\$12,605,601	\$419,337	\$20,441,684	\$33,466,622	

\$25,744,285

88

\$26,980

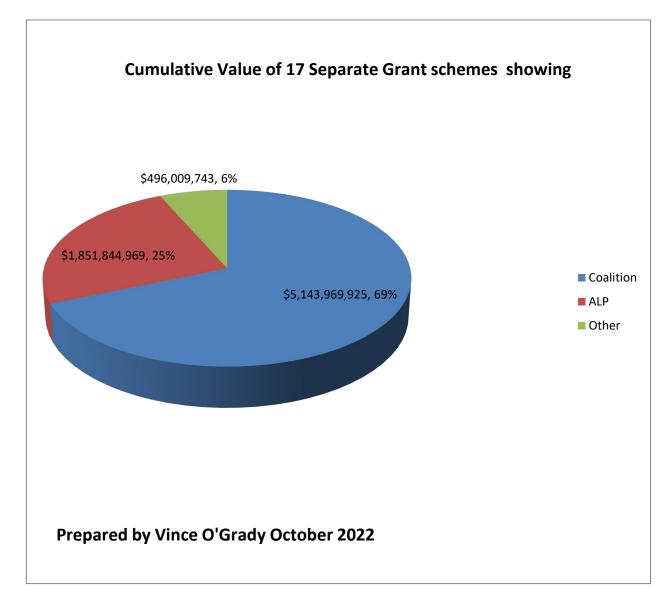
9

\$2,377,445

60

\$28,148,710

157



2022

Appendix 4.1.

Sailing club grants

Screen Fund Australia (Number of grants)

58.04%	24.92%	17.04%	100.00%
\$2,608,619,8 86	\$1,187,890,6 51	\$991,135,1 32	\$4,787,645,669
Liberal	LNP	National	Total Coalition
24.920/	15.960/	12 220/	62.00%
34.82%	15.86%	13.23%	63.90%
44	23	10	77
\$59,286,816	\$51,647,420	\$99,113,51 3	\$62,177,216

1

Appendix 5.

Time line of Events in the Minister for Sport's and Prime Minister's offices regarding the Community Sports Infrastructure Grants.

Background

In the run up to the 2019 May 18th Federal election, and before the election was even called (reported in the Victor Harbour Times on 28th February 2019) the liberal candidate for the seat of Mayo presented a celebrity cheque for \$127,373 to the Yankalilla Bowling club for the Award of a grant to that club under the Move It – Community Sports Infrastructure grants scheme. Referred to as CSIG in this document.

Normally these announcements are made by the sitting member. The sitting member at the time was Rebekha Sharkie. Sharkie is an Independent (Centre Alliance) member.

The report from the Auditor general states

"The decision to undertake the audit followed a request from the Shadow Attorney-General, the Hon Mark Dreyfus QC MP, for an audit into the circumstances surrounding the Liberal candidate for Mayo's presentation of a cheque to the Yankalilla Bowling Club for a project that received \$127,373 in funding under the second round. The key rationale for undertaking an audit was that Sport Australia (as a corporate Commonwealth entity) is not subject to the Commonwealth Grant Rules and Guidelines (CGRGs) when administering its grant programs."

This report found:-

- **"7.** The award of grant funding was not informed by an appropriate assessment process and sound advice.
- **8.** The design of the program was deficient in a number of important areas. A positive aspect was that the program guidelines were well structured and included clear assessment criteria with transparent weightings. A significant shortcoming was that, while the program guidelines identified that the Minister for Sport would approve CSIG funding, there are no records evidencing that the Minister was advised of the legal basis on which the Minister could undertake an approval role, and it is not evident to the ANAO what the legal authority was. The design would also have been improved had:
 - greater analysis been undertaken of the likely demand for grant funding, and strategies developed for managing a high level of demand;
 - strategies to manage risks to the quality of the assessment process set out in Sport Australia's *Grant Management Framework* been implemented; and
 - conflict of interest management arrangements been to a consistently high standard.
- **9.** Sport Australia's assessment of applications was largely in accordance with the published program guidelines. Sport Australia assessed each application for eligibility and against the three merit criteria to arrive at an overall assessment score. Scores against the three merit criteria were used to rank the applications, but Sport Australia did so within the three funding streams, which was not consistent with the program guidelines.

2

- **10.** In parallel, the Minister's Office had commenced its own assessment process to identify which applications should be awarded funding. The Minister's Office drew upon considerations other than those identified in the program guidelines, such as the location of projects, and also applied considerations that were inconsistent with the published guidelines. It was this assessment process that predominantly informed the Minister's funding decisions, rather than Sport Australia's process. This resulted in the assessment advice to the Minister being inconsistent with the approved program guidelines.
- **11.** Funding decisions for each of the three rounds were not informed by clear advice and were not consistent with the program guidelines."

This report was sent to the President of the Senate and the Speaker of the House of Representatives on 15th January 2020

Source.

https://www.anao.gov.au/work/performance-audit/award-funding-under-the-community-sport-infrastructure-program

The link to the full report is here.

https://www.anao.gov.au/sites/default/files/Auditor-General_Report_2019-2020_23.pdf

Following the report, Many questions were asked by the main stream media to the government about the processes followed.

"On 5 February 2020, the Senate resolved to establish a Select Committee on Administration of Sports Grants to inquire into and report on the administration and award of funding under the Community Sport Infrastructure Grant Program."

Source.

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Administration_of_Sports_Grants

The ANAO gave evidence before this committee

https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22committees%2Fcommsen%2Fd0298186-bde8-4f3d-a14c-600ab8e111d4%2F0000%22

The ANAO also answered Questions on notice.

https://www.aph.gov.au/DocumentStore.ashx?id=9d32c013-5731-4983-ac63-383996d52b44

And

The ANAO were also asked by the Chair of the Senate Select committee into Sports Infrastructure grants to provide additional information.

https://www.aph.gov.au/DocumentStore.ashx?id=b588f6c0-45c0-4b71-8a83-6a963cba95c6

Questions were also asked in Senate Standing Committees on Community Affairs.

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Comm
unity_Affairs

3

The Portfolio covering CSIG is the Department of Health, Sport Australia is a Commonwealth entity not covered by the Commonwealth Grants Rules and Guidelines.

The following Timeline relates to pertinent information regarding Round three of the CSIG approval process, the differences between the Grants recommended by Sport Australia and the ones approved by the Minister.

All the information below is drawn from evidence given to the Senate committees mentioned above, The Hansard for the Committees mentioned above and from other searches done on the Sport Australia website as well as the "GrantConnect" portal of the Commonwealth Government.

Our conclusion is that three grants streams may have been manipulated to the Coalitions advantage, (otherwise known as "Pork Barrelling" or buying votes for the upcoming election).

These grants streams were:-

- a. Move it Community Sports Infrastructure grants (CSIG) to the Value of \$100M, chosen in 2018 and 2019. The Coalition seats attracted 61.58% of the value, Labor 31.54%
- b. Community Development grants over a period from 2014 to the May 2019 Election, a value of \$1,125,652,095. The Coalition Seats attracted 69.24% of the value, Labor 24.53% and finally
- c. A series of Regional Development grants over the time that the Coalition were in power from 2013 to present for a value of \$719,363,851. The Coalition seats attracted 72.95% of the value, Labor 21.66%.

A total of over \$2 Billion of public money spent which was very largely skewed to the advantage of the Coalition electorates.

A further conclusion is that someone in the Prime Minister's Office was responsible for co-ordination the distribution of these grants between electorates to the advantage of Coalition electorates.

The evidence for this is:-

- a) The mention of The Grange-Thistle Soccer club for a grant of \$500,000 which was taken out on advice from the PMO's office on 9 April 2019 and then reinserted as an approved grant on 11 April 2019. On the 9 April it had apparently been funded under the Community Development grants program and on 11 April it was to be funded under the Sports Infrastructure program.
- b) Another Grant, which had been approved by the Minister and which was asked to be taken out by the PMO's office was a Grant for \$500,000 in the seat of Kennedy, and which apparently was going to be funded under another Grants scheme.

A search of the grants connect data found a Grant In Leichhardt for \$500,000 for the Munro Martin Parklands in Cairns. (Just over the boundry with Kennedy)

This grant was awarded under the building better Regions Fund BBRF _ Infrastructure stream, a Regional Grant scheme. It was approved on 20 March 2019 and published on grant connect on 12 June 2019 (after the 21 days stated in the Rules and Grants guidelines. The project had a start date of 30 May 2019 and an end date of 21 June 2021.

Following further research and evidence before the Senate Select committee given in a letter From the ANAO to the Senate Select Committee on 16 April 2020 and the sighting of the spreadsheet which contains all of the applications, there is another grant which may be the candidate for this removed grant. The grant is Question was an application from the Cassowary Coast Regional Council which was moved to the Community Development Grant program [GA58077] (DiTRC via DoFin 25 Mar'19; part of 2019/20 CDG Budget and approved on 5 August'19). This grant was announced by press release by the member for Kennedy on 4th April 2019

https://www.bobkatter.com.au/media/media-releases/view/1012/start-practicing-your-mexican-waveshellip-katter-secures-extra-3m-for-tully-grandstand-/media-releases

One has to ask the Question. How can Bob Katter announce that he has secured funding for a Grant worth \$3 million on 4th April 2019? When it was approved on 5th August 2019 and gazetted in GrantConnect on 9th September 2019. AND that Grant had been recommended by Sport Australia for maximum funding (\$500,000) under the Sports Infrastructure Scheme on the very same day that Bob Katter was announcing the \$3 Million CDG grant? The very same day that Minister MacKenzie signed the final approval for all the grants in that round.

c) Further evidence of manipulation of the grant process was highlighted by Senator Watt in Questioning in the Community Affairs Legislation Committee where he asked about a grant for the Bayside United Football club for \$580,000, which apparently the local Federal member (for Bonner) had promised the club this money.

On 22 March 2019 Mr Vasta put out a media release which stated

"DELIVERING FOR BAYSIDE UNITED FOOTBALL CLUB"

"Federal Member for Bonner, Ross Vasta is delivering for Bayside sporting women. Mr Vasta has today announced \$580,000 for Bayside United Football Club to build female amenities, female referee facilities and a parent's room at the Bayside sporting club."

https://www.rossvasta.com.au/delivering-for-bayside-united-football-club/

Further investigation revealed that Vasta had indeed put out another media release when The work was done on 13 March 2020.

https://www.rossvasta.com.au/renovations-complete-for-bayside-united-fc/

This press release also states an amount of \$580,000. However an investigation on the 2019 GrantConnect database revealed no such grant amount. Further investigation found a 2020 Community Development Grant for an amount of \$638,000 approved on 28 November 2019 and published on Grant connect on 17 January 2020. (GA69351). The start date was 10 January 2020 and finish date 30 Sept 2020. This was Published after the 21 Days Required under the Rules and Guidelines. (The value \$638,000 is \$580,000 plus 10% GST)

This grant accords with the press release on 13 march 2020 which the grant says is for :-

"To provide upgraded facilities to allow for a greater number of female players participating in sport and recreation pursuits."

5

The works had actually finished, according to the Press statement on Mr Vasta's webpage at the time of the 13 March 2020 Press release.

Our conclusions lead us to believe that Manipulation of grants money was done in order to advantage the Coalition government.

We believe it was co-ordinated across three grants streams administered by two portfolios, The Department of Health (CSIG) and the Department of infrastructure grants and Regional Grants schemes.

d) The Minister Bridget McKenzie has stated in two documents before the Select Committee inquiring into Sports Infrastructure grants, that she signed off and approved 228 grants on 4th April 2019.

The evidence below shows that the attached document of approved grants was altered after that date.

This raises the spectre of a Criminal charge under section 143.3 of the Criminal Code Act 1995. This defines a Commonwealth document.

Offences related to Forgery are detailed under Section 144 of the Criminal Code Act.

This leads on from other unlawful matters to do with these grants schemes.

1. Against the constitution.

Whether the Commonwealth has the power to appropriate money to various Infrastructure projects for sporting bodies?

See Professor Anne Twomey's submission (14) to the Senate Select committee. From Sydney University Law School.

https://www.aph.gov.au/DocumentStore.ashx?id=68e3a1fc-012d-4006-89be-ebb93d402e40&subId=678782

and submission 16 from Professor Saunders and Professor Michael Crommelin from Melbourne University.

https://www.aph.gov.au/DocumentStore.ashx?id=bb3ce000-f067-49f6-be88-fe7468a4533d&subId=678882

- 2. Against Statute law. Again see Professor Twomeys submission. Did the minister have authority to approve the grants funded?
- 3. Against Statute law.
 Did the officers of both the Prime Minister's office and the Officers of the Minister of Sport's office commit criminal Offences against the Criminal Code Act 1995?

There is no doubt that their actions need to be further investigated. This brings into stark light the powers needed to investigate Government. Bodies such as an Integrity Commission or a Royal Commission come to mind.

6

In the Last 2 years alone, (2018 and 2019) the Government has granted \$30 Billion to over 48,000 grantees. We have analysed \$2 billion covering 6 years, a small part of which was part of that \$30 billion.

Another area to review and investigate in depth is the tenders let by this Coalition Government. A search of their TenderAus portal reveals that since 2013 this Coalition Government has let \$348 Billion in Tenders.

Timeline of Approval of Sports infrastructure grants (Round Three).

- 1. 14 September 2018. Applications for the Move It Community Sports Infrastructure grants closed.
- 2. 24 October 2018 Media release from Senator Bridget McKenzie re 50 million funding for High performance sports leading up to the Next Olympics. (Media release in Folder media releases McKenzie.) Also mentioned on page 197/330 MYEFO 2018-19.
- 3. 9:32am 5 December 2018 Email from Sport Australia to the minister's office regarding a revised list of grants from the minister's office and advising the minister of the obligations when making changes to recommendations by Sport Australia for specific grants.
 Source Answers to Question on notice from Sport Australia 27 February 2020
- 4. 9:03pm 9 December 2018. Email from Sport Australia to the Minister's office regarding the approval of 130 grants which were not recommended by Sport Australia. These grants were Low scored by Sport Australia and some of them were ineligible. It also asked that if changes had been made that the Minister record the reasons why they were approved.
- 5. December 2018 Web page in Sport Australia folder which says Round 1 was awarded to "224 successful (round 1) applicants were announced and notified in December 2018."
- **6. 13 December 2018** Minister visited Pennant Hills AFL Club. new application for \$500,000 approved on 11 April 2019.
- 17 December 2018 MYEFO FOR 2018-9 BUDGET issued. It contained an extra (new) \$30.3 million for Sports infrastructure grants. (Page(s) 146/330 and 197/330 refer).

Source.

https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwiP5Z3DtKjqAhUdzzgGHRdBCtAQFjADegQIBRAB&url=https%3A%2F%2Farchive.budget.gov.au%2F2018-19%2Fmyefo%2Fmyefo_2018-19.pdf&usg=AOvVaw2DU9QHZS6ocdrUWGHznYAM

- 8. 02 February 2019 Minister visited Westbury Bowling Club. (They submitted a new application for \$232,000, approved for a grant of \$235,000 on 11th April 2019.) also visited Yarra Ranges Shire Council's (new application for \$500,000 approved for funding on 11th April 2019.)
- 05 February 2019 Minister visited Yeppoon Swans AFL Club. (New application for \$146,200 approved on 11th April 2019)
- 10. 18 February 2019 Local Member of Deakin (Michael Sukkar) announced on social media that the Maroondah City Council's project for the Cheong Park Pavilion upgrade was receiving Australian Government funding. This amended application received funding on 11th April 2019.

- 11. 1:12pm 5 March 2019. Email from Sport Australia to the Ministers office re a request from the minister's office for an Application form for the CSIG. Sport Australia advised that applications were closed and to consider new applications would not accord with the guidelines and may disadvantage other applicants/potential applicants.
- 12. March 2019 "232 successful (round 2) applicants were announced and notified in March 2019." (Details In Sport Australia Folder (website saved))
- 13. 3:15pm 22 March 2019. Email from Sport Australia to the Minister's office, advising that "
 the Community Sport Infrastructure program closed on 14 September 2018" It also advised
 that no new or amended applications had been received/accepted and that this would go
 against the guidelines.
- 14. 4.33pm 22 March 2019. Email from the Minister's office thanking Sport Australia for an email which allows them to clarify the Minister's request. It then goes onto quote clause 8.1 of the CSIG guidelines which would allow the attached table of new and amended applicants to be evaluated and considered. The attached list of 9 new or amended applications are the same as those detailed in Para 56 below
- 15. 9:40am 25 March 2019 Email from the Minister's office to Sport Australia asking for Sport Australia to consider a list of new and amended candidates for the CSIG because of Emerging circumstances.
- 16. 26 March 2019 PMO to Sports Minister (Footnote 5 ANAO additional Information) The Prime Minister's office had advised the Minister's office that it was expected that the Minister would write to the Prime Minister to seek 'authority' on the approved projects and inform him of the roll out plan.

Note. See letter of 10th April from the Minister to the Prime Minister.

- 17. 28 March 2019 Move It —Community Sports Infrastructure round 3 Participation program announced by Press release by Bridget McKenzie.
- 18. 19:44pm (29 March 2019) Version 1 of Ministers office spreadsheet was created. Senior Adviser in Minister's Office emailed this version from Dept of Health email account (on an ipad supplied by DofH.) to same account + her Dept of Infrastructure email account which she accessed through a laptop supplied by DofI.

Note "her" with two email accounts in the minister's office shows that she also liased across Health and Infrastructure and was working on Sports grants as well.

Note This spreadsheet was called Copy of Copy of Copy of ROUND # UPDATE.xlxs.

Note. this spreadsheet contained 220 projects for funding.

- 19. 03 April 2019 Media release from Bridget MCKenzie re the INVESTING IN OUR NATIONAL SPORTS PLAN value \$385.4 million package. It added a further \$42.5 million for the Sports Infrastructure Grants program. (Round 4). (In folder Media Releases McKenzie.)
- 20. 11:05am (03 April 2019)(Source Additional Information provided by the Auditor General on 16 April 2020 in response to a Letter from Senator Chisholm on 13 March 2020 Paragraph 1).

Sport Australia submits Ministerial Briefing to the Sports Minister for Round 3 funding of the Sports Infrastructure Grants.

The briefing was sent to the Deptartment of Health to be entered into the PDMS and the Minister's office was copied into this 11:05am email.

21. 5:33pm (03 April 2019) The briefing package was assigned to the Minister's office in PDMS. (Source Additional information from Auditor general Paragraph 2)

The Briefing package contained

1/ A covering briefing recommending that the minister approve funding for 245 applications identified in Attachment A.

2/2 Attachments

- A. Recommended 245 round three Grants for funding
- B. Those grants not recommended for funding.
- 22. 12.16pm (03 April 2019) Version 2 of the Ministers office spreadsheet created and the Senior Adviser in Minister's Office emailed to a Dept Liaison Officer's official email account in Minister's Office at 12:16pm Version 2 was sent one hour and 11 minutes after the Ministerial briefing from Sport Australia was received by the Minister's office.

Note. Comparing Spreadsheet **Version 1** and Spreadsheet **Version 2** One project (a Project in Denison)was removed from **Version 1** and two were added into **Version 2**. (these two were funded in round 3)

Note. This document was called 'Copy of Copy of Copy of ROUND # UPDATE.xlsx'.* (same name as **Version 1**)

Note. The Auditor General's information was that this spreadsheet version also contained 220 grant applications.

Important Check. When we look at the Auditor general's original report we see on page 9/76 that the grants recommended by Sport Australia were not the same as the Ones approved by the Minister.

"Sport Australia provided a written briefing that identified the 245 applications it was recommending for approval. The briefing was annotated and attached a list of 228 projects that the Minister had approved.

One hundred and sixty-seven (73 per cent) of the approved projects had not been recommended by Sport Australia."

23. 04 April 2019 Minister's signature on briefing signed "Agreed" (ANAO Additional Information document from Select Committee) The list of attached projects had handwritten edits against them. (Must have been a lot of edits. See note below).

Note. The difference between those approved by the Minister and those recommended by Sport Australia. The minister did not record reasons as to why she approved those grants which were not recommended. (167 of them out of 228)

24. 04 April 2019 "228 successful (round 3) applicants were notified in April 2019." From Sport Australia Website (In Sport Australia folder) (Sport Australia was actually notified on 11 April 2019)

Note. the 228 Successful projects don't accord with the 245 recommended by Sport Australia or the 220 which were approved by Bridget McKenzie on 4th April.

25. 04 April 2019 Bob Katter, the member for Kennedy posted via social media: \$3 million in Federal funding. GrantConnect: \$3 million from Community Development Grants (footnote 6 ANAO additional information)

This grant is for the Cassowary Coast Regional Council [GA58077]

26. 04 April 2019 Dept of Health records identify that the Departmental Secretary (Ms Glenys Beauchamp) sought advice from her officers on status of Minister's approval of briefing / following interactions within Dept were recorded:

Note. Ms Beauchamp knew that she was attending estimates the next day (5 April 2019)

- 27. 2:54pm (04 April 2019) Urgent response to Secretary's query requested by Acting Deputy Secretary's Executive Assistant from office for Sport at the Dept of Health;
- 28. 7:00pm (04 April 2019) A senior official in the Minister's Office, emailed 'aware of deadlines and was making this a priority to ensure that it would be signed before caretaker period commences.'

(This is an extremely important fact. The caretaker period didn't commence until after 08:29hrs on 11 April 2019 when the parliament was prorogued) So why discuss it here? Obvious that the election was imminent.)

Note. Senator McKenzie was in Canberra on this day. On 5^{th} April she flew to Adelaide, then on 6^{th} to Melbourne and on the 7^{th} to Sydney where she stayed until the 27^{th} April.

7:27pm (04 April 2019) A senior official recorded that she would be in Adelaide with the Minister the following day (5 April 2019) and could raise this matter with Minister then.

Note. So this senior official didn't know at 7.27pm that the Minister had already signed the Briefing Approvals.

- 30. **05** April **2019** Sport Australia (with Dept of Health) informed the Community Affairs Legislation Committee that, to its knowledge, round three decisions had not yet been made; (Source Hansard Community Affairs Legislation Committee, 5th April 2019 pp 60-61)
- 31. 10.27am 08 April 2019 Version 1 of Minister's office spreadsheet created on 29th March emailed by Senior Adviser in Minister's Office to **her personal Gmail account** and to the official email Account of another staff member.

Grange Thistle Soccer Club, was included in this circulated copy

- 32. 09 April 2019 Itinerary document by Chief of Staff to Mia Davies (Leader of Nationals WA) (Footnote 8 ANAO additional answers)
- 33. 09 April 2019 Media Release from Local Member for Brisbane [Trevor Evans] that included statement / 'the Federal Government will provide funding of \$500,000 to improve the sports facilities at Grange-Thistle Soccer Club located at Lanham Park in Grange, Brisbane' The PMO advised Minister's Office this project would be funded through CDG (Community Development Grants) program, so it was removed from list attached to Minister's 10 April 2019 letter to the Prime Minister.

Note. The Grange Thistle Soccer club was funded under Round 3 of the Sports Infrastructure grants.

34. 10 April 2019 PMO provided with a copy of a letter from the Minister. Attached to letter were printouts of two worksheets within spreadsheet - list of 220 projects to be approved for Round 3 funding (titled 'COPY PMO.pdf') / and worksheet with summary tables of distribution by state, political party and electorate (titled 'COPY PMO overview.pdf').

Note. The Prime minister's office didn't want this information in PDF but in Excel format.

- 35. 10 April 2019 Compared to prior version (V1 &V2) circ within Minister's Office on / 3 & 10 April 2019 one project was added to those approved with a grant value of \$500,000; and one Project was removed with a grant value of \$500,000. These projects were in the electorates of Kennedy and Kooyong respectively.
- 36. 10 April 2019 V2 of the spreadsheet emailed within Minister's Office again. On both dates, it identified 220 applications as approved for funding. Comparing V1 & V2, 1 project originally marked as successful in V1 was removed and two added in V2. These two projects remained on list and were funded under round three.
- 37. 10 April 2019 The status of Round 3 approvals was raised at Senate Estimates. Dept of Health informed Community Affairs Legislation Committee that funding decisions had not yet been made. Source. Hansard, Community Affairs Legislation committee, 10 April 2019, p.104
- 38. 10 April 2019 (V2): Denison project was removed.
- 39. 12:45pm (10 April 2019) Prime Minister's office emailed the minister's office asking that one of the 220 projects be removed and substituted with another project. The one removed was for \$500,000 for the electorate of Kennedy (Bob Katter) and the one substituted was for \$500,000 for the Hawthorn Malvern Hockey centre located in the electorate of Kooyong (Josh Frydenberg).
 - Note. Kennedy was described as a "target" electorate in the spreadsheet. (The 2016 result was with a margin of 19,130, a 61.12% lead).
- **40. 10 April 2019** The Minister's office informed the Prime Minister's office that it did not intend to remove the Kennedy project as it was a very important one to the region and the minister was due to visit Kennedy with the LNP candidate who had been pushing for the project.
- **10 April 2019** Sometime after the Minister's letter was sent with the list of approved projects, the PMO's office asked the Minster's office to take The approval for the Grange-Thistle soccer club off the list as it had been funded under the Community Development Grants program.
- **42. 11:46pm** (10 April 2019) Advice from the Minister's office to the Prime Minister's office at 11:46pm on Wednesday 10 April 2019 had been "the minister has signed off on all the projects we will send The brief to Sport Australia tomorrow. We wanted to wait until after estimates before sending." (Footnote 7 ANAO additional information).
- **12:52am (11 April 2019)** Email from the Prime Minister's office advising that the Kennedy program had already been funded through another grants program.

Note. The Author of this document has done an extensive search of the grant connect Database for Grants which were for \$500,000 and also in the Seat of Kennedy. Only One grant came up. It was for the Munro Martin Parklands (MMP) Stage 2 Redevelopment in Cairns. Under the Building better regions (BBRF) Infrastructure fund. Round 3. However later further analysis shows this to be just over the boundry in the seat of Leichardt.

https://www.cairns.qld.gov.au/water-waste-roads/works-in-progress/open/munro-martin-parklands-stage-2-redevelopment

It would have been ineligible in the Sports Infrastructure grants because it had a portable bar and cold room which was ineligible under the Sports infrastructure grants guidelines and may well have been ineligible also because the project had already commenced.

There are several questions that this application poses. The first is the opening date of the Scheme. It opened on 27 September 2018 and the closing date was 15 November 2018. The second is that final decisions were taken by a ministerial Panel, chaired by the Minister for Infrastructure.

- 44. 07:00am (11 April 2019). Prime Minister Visits the Governor General to call the election.
- **45. 07:13am** (11 April 2019). Minister's Office's responds to PMO's request for Kennedy to be taken out, advising that requested substitution would be made and an updated spreadsheet circulated. There was no explanation recorded as how project in Kooyong was identified by PMO as substitute approval.
- **46. 08:27am** (11 April 2019). The earliest version of signed briefing (approval of grants) located by ANAO and scanned by an administrative staff member in Minister's Office

Note. This is important because the signed briefing was supposed to have been signed on 4 April 2019

Note. Refer to Senator McKenzies Submission (Submission 44) to the Senate Select committee and her press release of 5 March 2020 which is a tabled document in the same committee, both stating that the Ministerial Approval was signed on 4 April 2019.

- **47. 08:27am** (11 April 2019). Minister's Office created a PDF of the briefing the Minister had signed with a date of **4 April 2019**. No list of approved projects was attached to scanned briefing, which was immediately forwarded by an administrative staff member to the Minister's Senior Adviser.
- 48. 08:29am (11 April 2019). ++++++ Caretaker Mode Entered ++++++ (Source Parliamentary website.)

Note. Everything done after this time and date (08:29am 11 April 2019) was subject to the caretaker conventions.

- 49. 08:43am (11 April 2019). (version titled 'COPY PMO v.1.pdf' created)
- 50. 08:46am (11 April 2019). signed briefing dated 4 April 2019 and a PDF version of updated an spreadsheet giving effect to substitution was sent to Sport Australia. This was called 'COPY PMO v.1.pdf'
- 51. 08:47am (11 April 2019). 'COPY PMO v.1.pdf' version also provided to the PMO
- **52. 08.54am** (11 April 2019).PMO asked the Ministers office to provide them with a spreadsheet in Excel form rather than as a PDF.

'We need to be able to cross check against our list and also be able to pull individual projects out to coordinate announcements and material from CCHQ.'

Note. CCHQ is the Coalition Electorate team for the 2019 May Election and shows that the manipulation of grants approvals was political.

53. 11:48am (11 April 2019). The Minister's Office agreed to send the approvals in Excel format but the

next version sent to the PMO's office was provided in the same PDF format.

- **54. 12:02pm** (11 April 2019). A further request was sent from the PMO asking for Excel spreadsheet format.
- 55. 12:04pm (11 April 2019). Minister's Office's response again agreed to provide spreadsheet in Excel form that, 'there are a couple of mistakes which we are fixing- we were just missing a couple of additional projects'.
- 56. 12:35pm (11 April 2019). Final version of the Spreadsheet was sent to the PMO from the Minister's office. ANAO's analysis found a total of 11 changes made between 'COPY PMO v.1.pdf' sent to Sport Australia and PMO, and 'Copy of MO Spreadsheet 3.4.19.xlsx' sent to Sport Australia and the PMO. There was a net increase of \$2,767,071 to amount of grant funding approved:

Those changes are detailed below.

Grantee	Status	Value	Party
1 Westbury Bowling Club	New	\$235,000	Liberal
2 Pennant Hills AFL Club	New	\$500,000	Liberal
3 Yeppoon Swans AFL Club	New	\$146,200	LNP
4 Yarra Ranges Shire Council	New	\$500,000	Liberal
5 Shire of Strathbogie	New	\$350,000	Ind (INDI)
6 Katanning Country Club Inc	Amended	\$248,048 From \$500,000	Liberal
7 Shire of Coolgardie	Amended	\$287,823 From \$500,000	Liberal
8 Maroondah City Council	Amended	\$500,000 From \$100,000	Liberal
9 Wangaratta Rural City Council			
–North Wangaratta Football	Amended	\$500,000 From \$174,500	Ind (INDI)
Netball Club			

Source Answers to Questions on notice from the ANAO. Modified to add Electorate and values details.

- **12:35pm** (11 April 2019). One grant of \$500,000 was removed from list. It had been added to the list on 10 April 2019. The other Grants added and amended were as follows.
 - 1. Westbury Bowling club new application for \$235,000 was added to the list.
 - 2. Pennant Hills AFL club new application for \$500,000 was added to the list.
 - 3. Yeppoon Swans AFL club new application for \$146,200 was added to the list.
 - 4. Yarra of Shire ranges Council new application for \$500,000 was added to the list.
 - 5. Shire of Strathbogie's new application for \$350,000 added to the list.
 - 6. Katanning country club Incorporated amended application for \$ 248,048 was added to the list.
 - 7. Shire of Coolgardie's amended application for \$287,823 was added to the List.
 - 8. Maroondah City Council's amended application for \$500,000 for Cheong Park Pavilion Upgrade approved. It was not approved initially: original application had sought \$100,000 for four light towers at Cheong Park and had been recommended for funding in first round by Sport Australia (with a score of 82) but not approved.
 - 9. Wangaratta Rural City Council's amended application for \$500,000 approved. The original

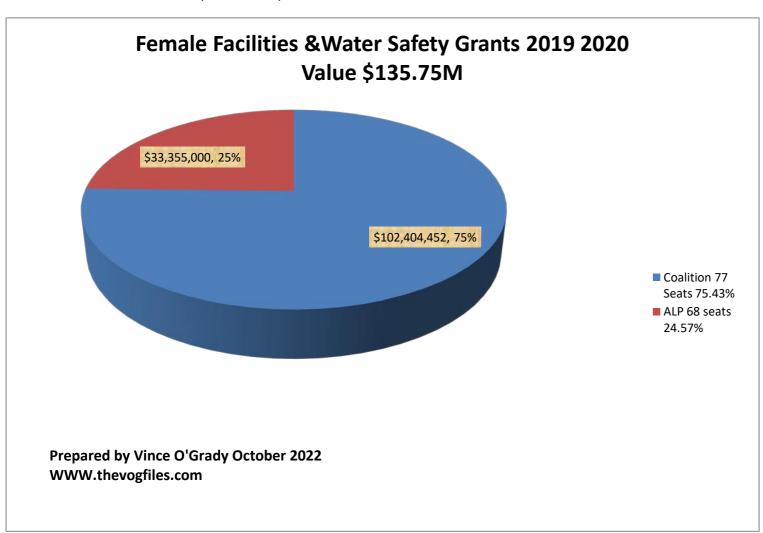
application had sought \$174,500.

Note. None of these approved projects were recommended by Sport Australia. Please see Answer to Question 6 Answers on Notice from Sport Australia. Name of file SA 27 February.PDF.

- **12:43pm** (11 April 2019). The List of approved grants was emailed to Sport Australia, titled 'Copy of MO Spreadsheet 3.4.19.xlsx'.
- 59. 12:43pm (11 April 2019). Sport Australia, stated that they received an email from the Ministers office saying that the 8:46am emailed briefing contained errors ('some errors' in 'COPY PMO v.1.pdf' version sent that morning.)
- **9:10pm** (11 April 2019).PMO asked Minister's Office to confirm that the Grange-Thistle Soccer club project would be included in list of grants approved in third round of CSIG as it had not been funded under the Community Development grants as advised on 10 April 2019, so it was re-included in the final version of spreadsheet as approved for funding.

Appendix 6

Female facilities and Water Safety Stream Graphic.

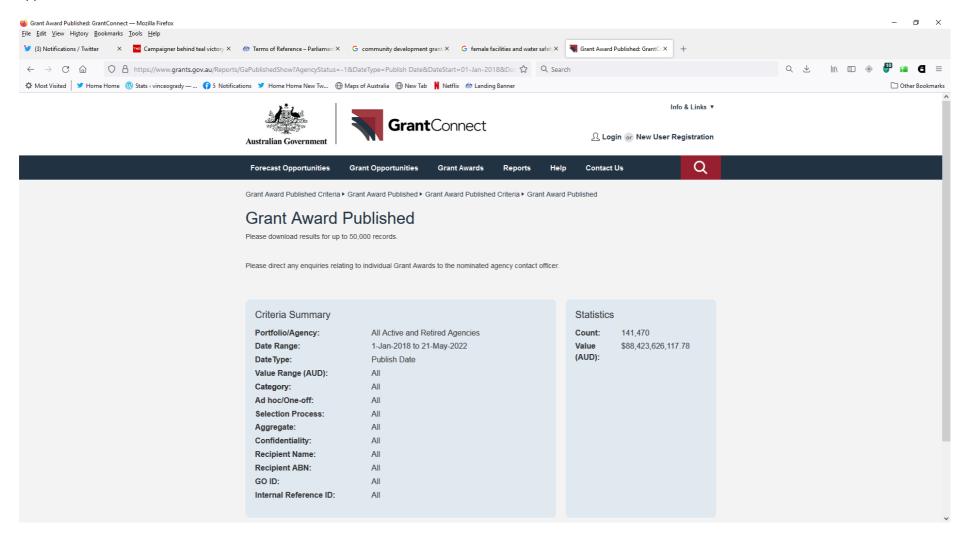


Appendix 7.

Budget Allocation (Appropriation) for Community Development Grants 2013 to 2020.

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23]
Community Development Grants Program											
Myefo 2013-14 (CDG established)	22	160	140	20							
Budget 2014 papers		0	0	0	0						
Myefo 2014-15		0	0	0	0	0					
2015 budget papers			10	30	10						
Myefo 2015-16			0	0	0	0	0				
2016 budget					0	0	0	0			
Myefo 2016-17				59.3	222.9	219.2	66.6				
2017 budget						0	0	0	0		
Myefo 2017-18						0	0	0	0		
budget 2018							0	0	0	0	
Myefo 2018-19						2.2	5.5	8.1	17		
budget 2019							18.7	32.5	19.3	18.8	L
											<u> </u>
Totals	22	160	150	109.3	232.9	221.4	90.8	40.6		1027	L
Myefo 2018-19 Note.										Total Appropriated 2013-2020	
The Government will provide an additional \$177.7 million over five years from 2018-19 to the Community Development Grants Programme for 68 infrastructure projects that support local communities across Australia.											
Funding for this measure has already been partially provided for by the Government.											

Appendix 8.



Appendix 9.

Grant Award Published

Criteria Summary

Portfolio/Agency All Active and Retired Agencies
Date Range 22-May-2022 to 18-Sep-2022

Date Type Publish Date

Value Range (AUD) ΑII Category ΑII Ad hoc/One-off ΑII **Selection Process** ΑII Aggregate ΑII Confidentiality ΑII **Contact Name** ΑII **Recipient ABN** ΑII GO ID ΑII Internal Reference ID ΑII

Statistics

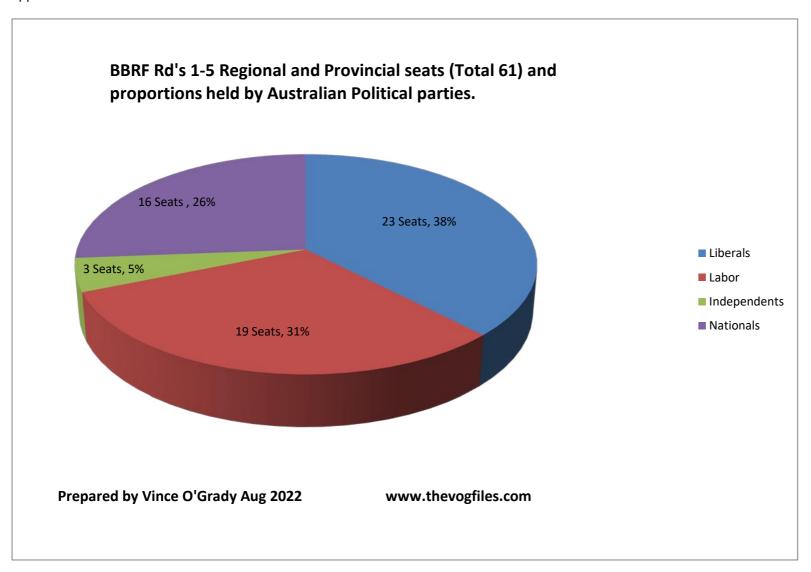
Count 11,315

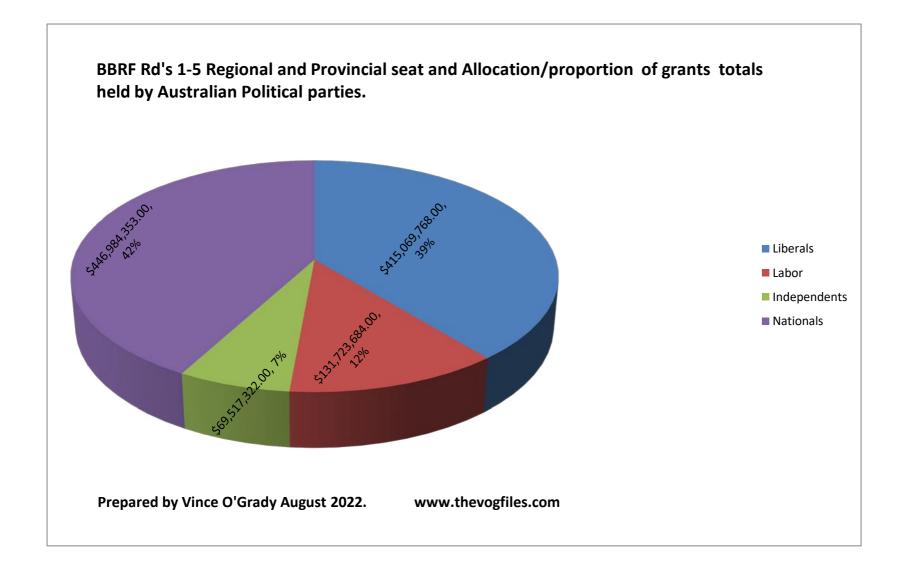
Value (AUD) \$7,986,441,896.81

Made up of 1. Approved under the Coalition government before 22nd May 2022.

		No of grant	No of		
Number	Government Dept	Programs	grants	Value	%age
1	Attorney-General's Department	11	135	\$92,435,702.90	1.56%
2	Australian Securities and Investments Commission	1	3	\$53,262.00	0.00%
3	Australian Trade and Investment Commission (Austrade)	4	334	\$199,201,266.38	3.35%
4	Australian Transaction Reports and Analysis Centre (AUSTRAC)	2	2	\$50,000.00	0.00%
5	Cancer Australia	1	4	\$1,700,083.00	0.03%
6	Department of Agriculture, Fisheries and Forestry	23	370	\$149,190,381.69	2.51%
7	Department of Climate Change, Energy, the Environment and Water	15	98	\$68,078,721.60	1.15%
8	Department of Defence	5	22	\$6,256,964.66	0.11%
9	Department of Education	11	60	\$11,453,364.29	0.19%
10	Department of Employment and Workplace Relations	3	57	\$1,140,840,797.03	19.21%
11	Department of Foreign Affairs and Trade	7	32	\$4,233,551.92	0.07%
12	Department of Health and Aged Care	97	995	\$1,237,483,654.80	20.83%
13	Department of Home Affairs	3	4	\$1,609,568.80	0.03%
14	Department of Industry, Science and Resources	4	72	\$7,416,765.60	0.12%
4.5	Department of Infrastructure, Transport, Regional Development,	10	161	4470.005.650.00	2.070/
15	Communications and the Arts Department of Social Services	19	164	\$170,225,652.29	2.87%
16	·	50	609	\$455,892,430.22	7.68%
17	Dept of Treasury	1	1	\$5,000.00	0.00%
18	Department of Veterans' Affairs	5	206	\$5,038,967.99	0.08%
19	National Health and Medical Research Council (NHMRC)	2	34	\$75,381,427.64	1.27%
20	National Indigenous Australians Agency	5	796	\$249,624,869.56	4.20%
21	National Recovery and Resilience Agency	4	122	\$2,062,948,219.90	34.73%
22	Organ and Tissue Authority	3	12	\$745,337.42	0.01%
		276	4132	\$5,939,865,989.69	100.00%

Appendix 10





Appendix 11

A Labor Party Policy initiative to rescue automotive industry skills as the foundation of the Manufacturing industry in Australia and the knowledge economy.

1/ Introduction.

The Post Compulsory Sub-committee of the Education and Youth Affairs Policy Committee (EYAPC) has set its policy task to review the Coalition Government's automotive decision which has resulted in the planned exodus of Holden and Toyota from manufacturing cars in Australia.

"The desired outcome would be to work with our elected Labor progressives to initiate the formulation of a breath-taking policy for manufacturing in Australia, focusing on the Automotive Industry, for the twenty first century which would be founded on nurturing the knowledge society and the knowledge economy. This desired outcome is only achievable with an integrated Higher Education/TAFE sector integrated within a 21st Century 'complex' manufacturing industry in Australia underwritten by a vibrant automobile industry such as demonstrated by Holden and Toyota."

This statement best describes the requirements of a dynamic economically viable State and Federal economy in Australia.

With the advent of more and more World trade, many firms seek to pursue the competitive advantage of cheap labour from country to country in the production of goods and the realization of profits. This occurs mainly in underdeveloped countries where there is an abundance of cheap labour, lack of government regulation and a willingness of those countries to attract investment in manufacture by enticing policies offering taxation breaks and Government assistance.

In the developed countries where there is higher taxation, lower subsidies and more expensive labour, there is a shift away from rote manufacture to specialized use of the skill base of the workers in order to keep them employed and to develop new specialist manufacturing bases from their skills.

In Australia the danger is that the whole skill base of a variety of disciplines used in the Automotive Industry will be lost if a new and dynamic policy is not forthcoming.

This paper reviews the situation in Australia and then proposes a way forward to retain these skills.

2/ The Automotive Marketplace.

2.1 The Market in Australia

- a) Compared to other car markets, the domestic market for cars is small.
- b) This was alleviated somewhat by the export of cars from Australian shores.
- c) Australia had the lowest import Tariffs of any OECD country so was a competitive market for imported cars.
- d) But economies of scale could not be had without greater local and export volumes.
- e) The Australian dollar was high so we could not reasonably export large volumes.

2.2 The World Market.

Automotive manufacturing is carried on in many countries with a similar level of economic sophistication.

Every Automobile manufacturing Country provides subsidies to their car Industry.

Country	Estimated Assistance (Local Currency)	Population (million)	Per Capita Assistance (Local currency)	Currency Conversion (purchasing power parity)	Per Capita Assistance \$US
Australia Canada France Germany Sweden	\$573.3 million \$C4 billion €8.6 €6,5 28.5 billion kronor	22.0 32.5 62.1 81.7 9.2	\$26.11 \$C118.55 €137.36 €79.52 3085.81 kronor	1.467 1.23 0.932 0.88 9.234	\$US17.80 \$US96.39 \$US147.38 \$US90.37 \$US334.18
United Kingdom	£1.15 billion	61.8	£18.61	0.665	\$US27.99
United States	\$US81.3 billion	307.0	\$US264.81	1.0	\$US264.82

See page 7 of the Sapere report. Budgetary Assistance to the Australian Automotive Sector

The Australian dollar is no longer as high as it was and it must be recognised that every automotive manufacturing country of any note provides subsidies to their automotive industry to ensure their longevity and business security. Australia is the lowest with \$US 17.80 per capita assistance but Germany gives a substantial \$US 90.37 per capita. Sweden is highest with \$US334.18 and the USA second with \$US264.82. When Holden made the critical decision to exit the Automotive Industry in Australia the Australia Dollar was above 100cents/\$US: now it is around 72cents/\$US and envisaged to remain in that zone or lower for the foreseeable future.

3/ Skills in the Manufacturing Industry.

"Holden has a highly skilled workforce, with expertise in Engineering, Design, Robotics, Ergonomics, Logistics, Purchasing, Tool Making, Assembly Work and Process Control." Page 3 Holden's Submission to the Productivity Commission.

This quote highlights the complex diversity of their manufacture and complexity of the skills requirements to build an automobile.

Most of these skills are from a lower level to a higher level, across the whole spectrum of the Australian Qualifications Framework and taught, primarily at TAFE institutes and at universities.

One only has to look at any car, truck or bus to see the complexity of the skills required in many different materials (Steel, Wood, Instrumentation, Electronics, Plastic and Rubber to name a few), which make up the vehicle.

Each area of expertise has a dynamic ever changing life cycle, which is possibly unnoticed in the short term but is highly pronounced in the longer term.

A good example of this is the use of electronics in vehicle manufacture. Thirty years ago this discipline which was largely absent, but now controls engine management, brakes, safety and emission from the vehicle.

With the closing down of Holden and Toyota in Australia these skills will be mainly lost. Once lost they will probably never be regained as the barriers to re-entry would be too high.

A detailed list of skills, workshopped by the Post Compulsory Subcommittee is appended for a larger appreciation of the diversity of these skills.

Labor cannot afford to delay developing policy in this space while yet more and more of Australia's brilliant brains will be destined to leave their country to be head - hunted overseas, never to return.

4/ The effect of the Automotive industry on the economy.

In their 2014 final report, the Productivity Commission, which had been tasked to look into Industry assistance to the Automotive Industry in Australia, recommended many of the restrictions on imports and trade in automotive products be discontinued. In a sense the Commission's enquiry should have been discontinued because they no longer had an industry to inquire into because Holden and Toyota had decided to exit Australia after being basically called dishonest by the Treasurer, Joe Hockey, on 10 th December 2013 in the Federal Parliament. This was the day after the CEO of General Motor's Holden Mr Mike Devereaux had given his company's submission to the Productivity Commission.

In that submission, Holden set out comprehensively their contribution to the Victorian, South Australian and the Australian economies.

The Coalition has consistently dismissed the contribution the automotive industry has made in Australia, however from 2001 to 2012, Holden generated \$32.7 billion of economic activity in Australia and paid \$21 billion to other businesses. Commonwealth government assistance to Holden was \$1.8 billion. The Coalition has been silent on this 18 to 1 return on investment. E.g. Holden procured 14,000 tonnes of Steel from Bluescope in 2012 in the future that will now be gone.

"The automotive manufacturing industry provides direct employment for approximately 45,000 people and is estimated to employ another 3-6 people in supporting industries for every one direct automotive job.

Over \$3 billion was spent on Australian automotive supplier businesses in 2012, including Holden's more than 120 direct suppliers. "

Page 26 Holden's submission to Productivity Commission.

The economic multiplier effects of Holden and Toyota are huge including port and transport costs for overseas parts.

The worst loss from Holden and Toyota leaving Australian manufacturing is the loss of jobs and skills.

5/ Political considerations and arguments.

The Productivity commission found;

- Quantitative comparisons of assistance levels across countries do not yield robust results, and are not useful for informing policy decisions on industry-specific assistance to Australia's automotive manufacturing industry.
- Australia's industry assistance policy, regulatory settings and trade negotiation outcomes are best determined according to the interests of the Australian community as a whole.

Page 31 Australia's Automotive Manufacturing Industry

This statement, is directly contrary to Holden's submission which states exactly the opposite and now we also have the 72cent/\$US which ensure a competitive edge.

It could also be argued that other automotive manufacturing countries directly subsidise their industry because of the economic benefit it brings to the whole of industry. In skills jobs and research, aspirational opportunities for students in higher education and polytechnics, social wellbeing and import offsets.

The past treasurer, Joe Hockey, who instigated this enquiry by the Productivity Commission did not follow the typical convention of allowing the Commission to do its job. Rather than answering questions in Parliament after their final report, he called Holden dishonest 10 days before the preliminary report was due and one day after Holden's CEO had appeared before the Commission. Leading to the supposition that the whole exercise was political in nature.

The Holden submission also refuted two other Liberal party assertions. The first was that the Carbon pricing mechanism was a substantial cost impost and the second that the unions were killing the industry. Holden's submission showed that the carbon price impact was \$45 per vehicle and they were happy to absorb that cost and the second was that the Union was prepared to negotiate away substantial award conditions in order to help make Holden more viable in trying global financial crisis times.

Under the Liberals, we are not only facing the shutdown of the automotive industry, but abandoning a generation of students who may no longer seek to study in the fields of Engineering, Design, Robotics, Ergonomics, Logistics, Research and Science in general because there will be little need for a highly skilled workforce: the STEM subjects (Science Technology, Engineering and Mathematics)

6/ The Future policy horizons.

In, 'Manufacturing into the Future' Goran Roos wrote, -- " As the primary employment generating sector (both direct and indirect jobs) manufacturing is fundamental to the social cohesion of society. This importance cannot be over - emphasised and as Dani Rodrick, Professor of International Political Economy, Harvard University expressed it, 'Manufacturing may ultimately be central to the vigour of a nation's democracy.'

Labor has always been committed to opening access to higher education to more Australians and supporting universities as critical drivers of innovation across the economy. To do nothing to protect Australia's future knowledge society and knowledge economy is not an option.

Professor Peter Fairbrother from RMIT University (The Age Saturday November 14, 2015) believes the car industry should be thrown a lifeline and there is a very small window of time to re-visit the car industry. Others have argued that once an industry closes it is almost impossible to bring it back. Lose the car industry and you lose a whole lot more.

Dr Peter Moar of La Trobe University lived for five years in Munich Germany and worked as an engineer, manager, and researcher in the manufacturing sectors of telecommunications, automotive, aerospace and nanotechnology. He believes that basic and advanced skills which are present in the Australian Automotive Industry are skills which cannot afford to be lost to the Australian economy.

Labor should not leave it to the Turnbull Government to announce it will revitalise the Automotive Industry and initiate the restarting / recreating the industry with a focus on higher education and TAFE students: **this is what Federal Labor must do.** What is needed is the commencement of a steering group to own the political space via policy and the platform for the next Federal Election.

Preferred future options for a recreated Automotive Industry could include the continuation of the hybrid automotive production, encouragement of electric car/battery production with the setting up of a national

5 Prepared by Vince O'Grady 2015

electric 'plug-in' network commencing in the large cities together with the focussed integration of all forms of

people vehicular movement including the ongoing manufacture of trains, buses, trams, trucks, tenders, defence vehicles and related equipment. To achieve and develop the above 'complex' manufacturing Industries and desired vehicles the Higher Education and TAFE sectors will need to be restructured to service the 'knowledge' demands of the 'complex' manufacturing processes necessary for sustained success into the future.

7/Conclusions and Recommendations

- 1. As concluded by Steve Bracks in the 'Review of Australia's Automotive Industry 'and Goran Roos in 'Manufacturing into the Future 2010/2011' the Australian Automotive Industry must be transformed to meet the 21Century's digital and environmental revolutions and be the focus for a 'complex' manufacturing industry in Australia: without which Australia will be left behind in Asia and a transforming Global Economy.
- 2. It is concluded, the restarting of the automotive industry and the creation of a 21st Century 'complex' manufacturing industry is Australia's *most important line of defence* in ensuring national security and the maintenance of a comparable standard of living for all Australians.
- 3. It is recommended the Australian Labor Party, being the voice of the Australian Labor Movement, articulate a policy for the recreation of the Automotive Industry and the Manufacturing Industry for a Federal Labor Platform for the 2016 Federal Election.

References

1/ Productivity commission report Australia's Automotive Manufacturing Industry.

http://www.pc.gov.au/inquiries/completed/automotive/report/automotive.pdf

2/ Sapere report into Budgetary Assistance to the Australian Automotive Sector

http://www.fcai.com.au/library/publication//fcai_report.pdf

3/ Holden's Submission to the productivity commission.

https://www.google.com.au/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&ved=OahUKEwixtozzzarJAhXJkZQKHbg_DLQQFggiMAE&url=http%3A%2F%2Fwww.pc.gov.au%2Finquiries%2Fcompleted%2Fparental-support%2Fsubmissions%2Fsub222.pdf&usg=AFQjCNF6r1OhXCFQWcLoOmzVgxBylikfbw&sig2=qblLEDLmGKuyfAdkRVuGAA&cad=rja

Appendix of Skills in the Automotive manufacturing Industry.

What Skills are there in the Automotive Industry?

"Holden has a highly skilled workforce, with expertise in Engineering, Design, Robotics,

6 Prepared by Vince O'Grady 2015

Ergonomics, Logistics, Purchasing, Tool Making, Assembly Work and Process Control." *Page 3 Holden's Submission to the productivity Commission.*

Engineering expanded.

Chemical Engineering - Suitable Plastics in design life

Metallic Engineering - Traditional Engine design

Electrical Engineering - New and existing car features

Electronic Engineering - Body control Modules, Smart lock modules

Software Engineering - Emissions control.

Integrated Engineering of all of above.

Design expanded.

Aesthetic design - Style, Trends

Engineering design – Electronics, Plastics, Metal fabrication, Ergonomics, Materials, Battery, Safety

Robotics expanded.

Mechanical design

Applications specific, Paint-shop, Welding, Positioning and fitting of parts.

Programming and Programmable logic controllers.

Ergonomics expanded.

Safety of vehicle, Comfort of vehicle, View from vehicle, Placement of instruments, Distraction minimised.

Logistics expanded.

Flow control of parts, - Just in time ordering of components, Warehousing of parts Negotiation of agreements – Length of agreements, Continuity of supply

Purchasing expanded.

Dealing with a variety of Industries

Steel for body components/chassis

Shaped Plastic parts manufacturers (bespoke car parts)

Flat Plastic parts manufacturers (trim etc)

Glass manufacturers.

Specialist manufacturers (EG. Carbon Fibre. Aluminium and other metal alloy parts.)

Tool making expanded.

Plastics extrusion tools, Tools for body parts, Tools for smaller car parts, Stamping for logos/badges Etc.

Assembly Work expanded.

Sequencing of work, Delivery of parts to work stations, Skills of workers, Time to fit specific parts, Specific Skills to fit parts correctly, Recognition of problems Fixing special problems, Identifying productivity improvements.

Process control expanded.

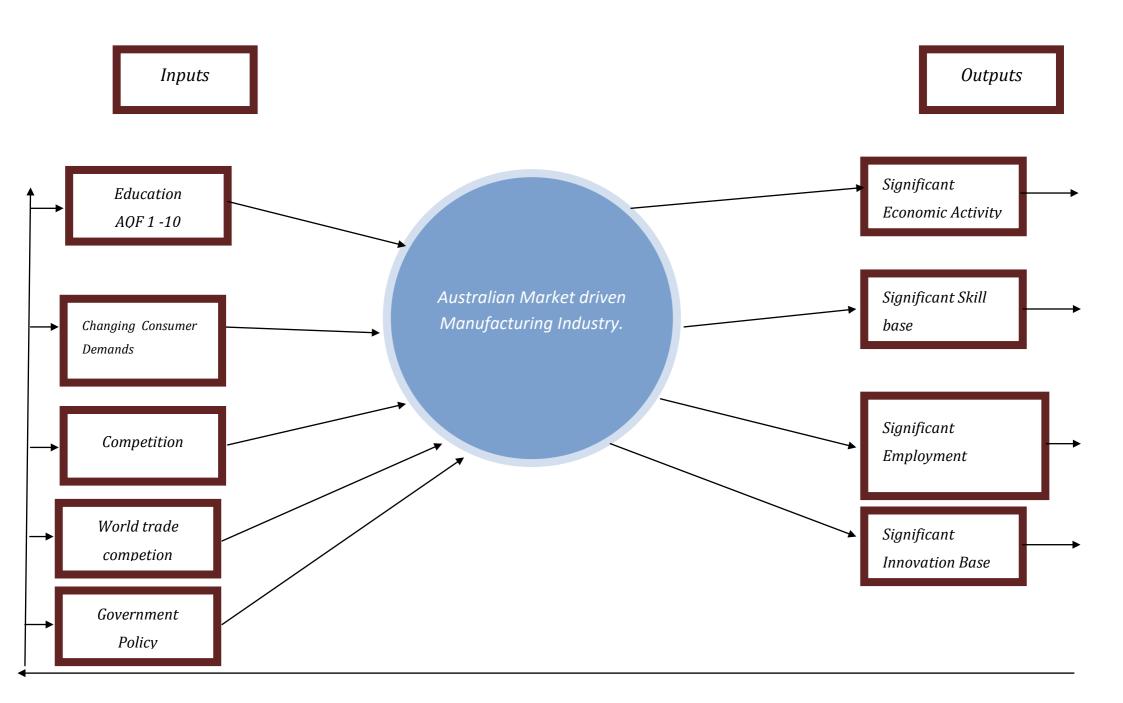
Speaks for itself with the delivery of parts to the factory and the control of the process. To deliver the market requirements as to colour model etc.

These are not an exhaustive list of skills.

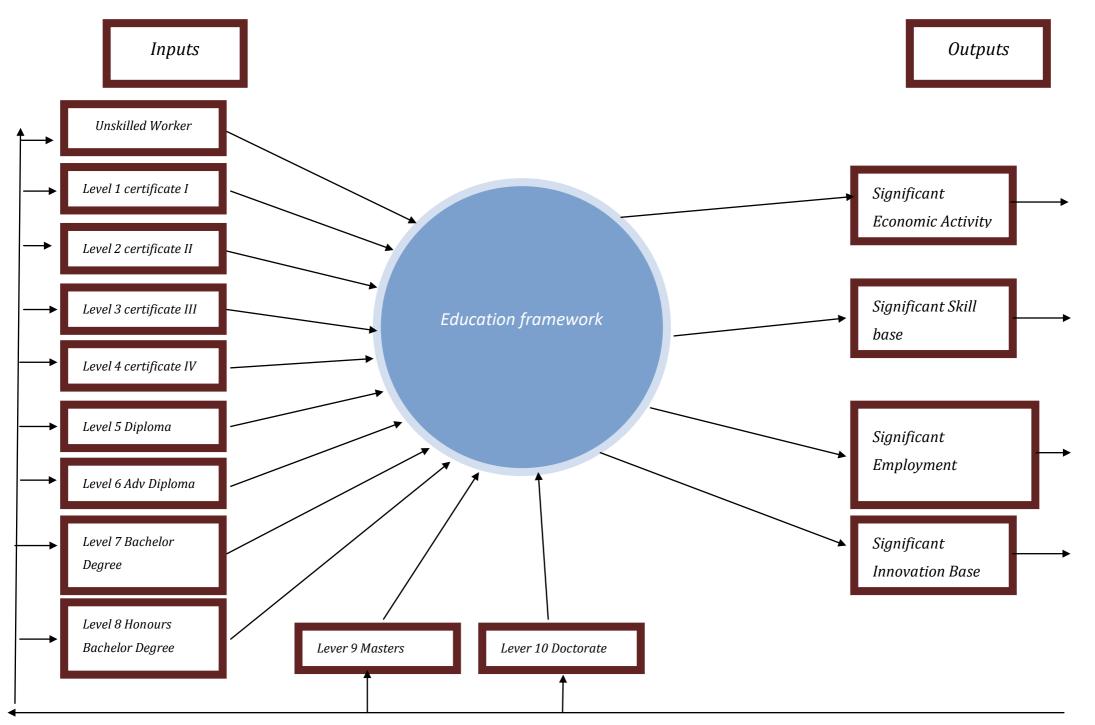
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The skills required in the development and build of a motor vehicle are an integrated whole. They haven't even addressed the numerous satellite companies who provide parts to the factory and the process.

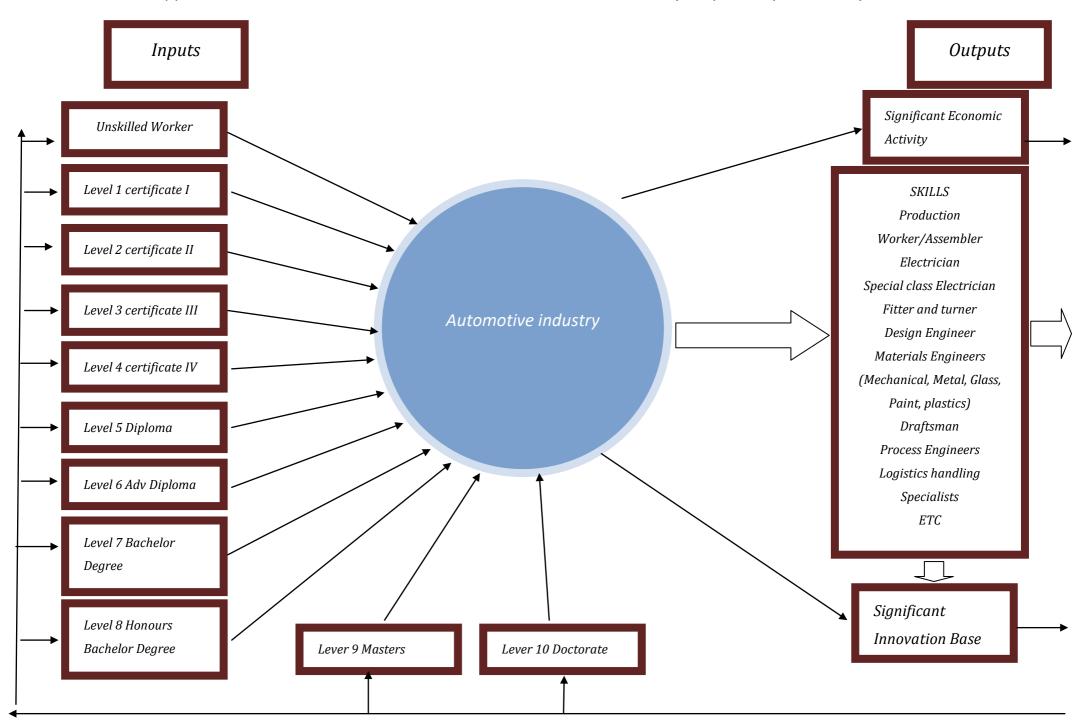
Inquiry into Commonwealth grants administration
Appendix 12. Characteristics of Industry on the Anistralia Economy Prepared by V. O'Grady 19/12/2015.



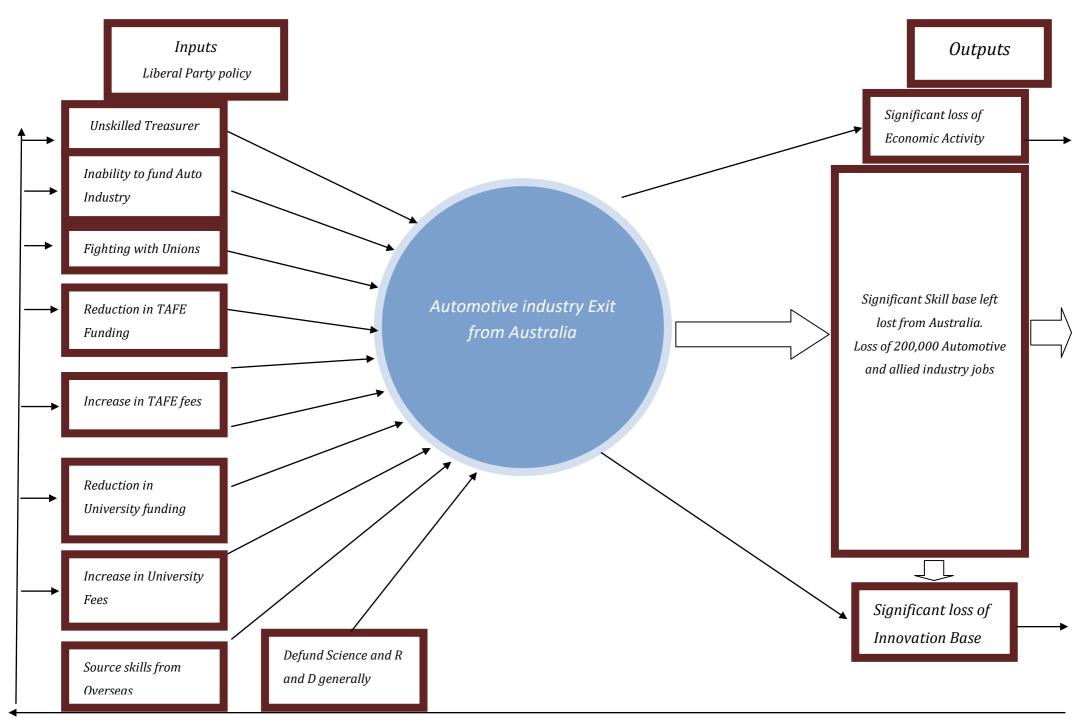
Inquiry into Commonwealth grants administration
Appendix 13. Characteristics of Education on the Australia Economy Prepared by V. O'Grady 19/12/2015.



Inquiry into Commonwealth grants administration
Appendix 14. Characteristics of Education on the Appendix 14. Characteristics 14



Inquiry into Commonwealth grants administration
Appendix 15. Characteristics of Liberal Policy on Appendix 15. Characteristics 15. Chara



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