

The Senate

Select Committee on
Administration of Sports Grants

Select Committee on Administration of
Sports Grants

Final report

March 2021

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Terms of Reference

- (1) That a select committee, to be known as the Select Committee on Administration of Sports Grants, be established to inquire into and report on the administration and award of funding under the Community Sport Infrastructure Grant Program, with particular reference to:
 - (a) program design and guidelines;
 - (b) requirements placed on applicants for funding;
 - (c) management and assessment processes;
 - (d) adherence to published assessment processes and program criteria;
 - (e) the role of the offices of the Minister, the Prime Minister and Deputy Prime Minister, and any external parties, in determining which grants would be awarded and who would announce the successful grants;
and
 - (f) any related programs or matters.

Abbreviations

ABC	Australian Broadcasting Corporation
ALP	Australian Labor Party
ANAO	Australian National Audit Office
ASC	Australian Sports Commission/Sport Australia
Auditor-General's report	Auditor-General of Australia, Australian National Audit Office, <i>Award of Funding under the Community Sport Infrastructure Program</i> , 15 January 2020
CGRGs	<i>Commonwealth Grant Rules and Guidelines – 2017</i>
Coalition	Liberal-National Coalition
committee	Select Committee on Administration of Sports Grants
CSIG program	Community Sport Infrastructure Grant program
DPM&C	Department of the Prime Minister and Cabinet
Gaetjens report	Report prepared by Mr Philip Gaetjens, Secretary of the Department of the Prime Minister and Cabinet, in response to the Prime Minister's request for advice on whether there had been any breach of the Statement of Ministerial Standards in relation to the former Minister for Sport's administration of the CSIG program.
Health	Department of Health (Commonwealth)
JCPAA	Joint Committee of Public Accounts and Audit
LNP	Liberal National Party of Queensland
MP	Member of Parliament
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PMO	Prime Minister's office
the minister	Former Minister for Sport

List of Recommendations

Recommendation 1

2.68 The committee recommends that Sport Australia significantly improve communication with applicants, both successful and unsuccessful, and ensure clear and timely reasons for decisions are provided.

Recommendation 2

2.74 The committee recommends the Australian Government immediately fund in full all projects that were assessed as meritorious and recommended by Sport Australia, but dismissed in the final ministerial funding decisions.

Recommendation 3

3.83 The committee recommends the Australian Government develop and implement a coordinated national policy framework for community sport infrastructure, to facilitate:

- greater collaboration between community sport agencies at Commonwealth, state and local levels for community sports infrastructure programs;
- a streamlined approach to administering community sports grants schemes, including a process for notifying all community sports clubs and organisations of opportunities to apply for grants and other support; and
- the sharing of information from state facility audits and other sources to underpin a coordinated, longer-term process based on an audit of needs rather than the current ad hoc approach by different jurisdictions.

Recommendation 4

3.88 The committee recommends that the *Australian Sports Commission Act 1989* be reviewed to clarify the authority of the minister in relation to grant approvals. The committee also recommends the Australian Government consider a broader review of other relevant statutory bodies and agencies with the power to grant funds.

Recommendation 5

3.94 The committee recommends the Australian Sports Commission (ASC) make governance training mandatory for the ASC Board and all officers involved in grant administration within Sport Australia to ensure they are cognisant of their powers, responsibilities and duties under law.

Recommendation 6

4.83 The committee recommends that the Prime Minister provide a full explanation to the Parliament of the role he, his office, and if applicable, Liberal and/or National Campaign Headquarters played in the allocation of grants under the CSIG program.

Recommendation 7

4.85 The committee recommends that the Australian Government ensure the ANAO has the requisite level of resourcing it needs to properly scrutinise government expenditure and activities.

Recommendation 8

4.87 The committee recommends that the Australian Government establish a national integrity commission with the standing powers of a Royal Commission as a matter of urgency.

Recommendation 9

5.55 The committee recommends the Senate adopt a resolution requiring the production of the following documents:

That the Senate orders that there be laid on the table by the Minister for Sport no later than 10.00am on 12 May 2021, the following documents:

- the legal advice given to the board of Sport Australia relating to funding decisions under the CSIG program;
- the full unredacted list of grant applicants as they relate to Sport Australia's assessment scores and comments;
- the full list of applications recommended for funding by Sport Australia, regardless of whether that recommendation was later changed;
- the talking points memo prepared by staff within Senator McKenzie's office for her meeting with the Prime Minister on 28 November 2018; and
- any other relevant documents including attachments, spreadsheets and briefs.

That the Senate orders that there be laid on the table by the Minister representing the Prime Minister no later than 10.00am on 12 May 2021 the Gaetjens report and any documents used to inform the report.

Chapter 1

Introduction

I believe you've broken a fundamental compact that you have with the Australian people and with the Australian taxpayer ...¹

- 1.1 Australians abhor the improper use of public funds for political advantage. They expect that all governments and public entities will act in a lawful, transparent and accountable manner, and that all citizens will be treated fairly and with respect.
- 1.2 Community sport infrastructure grant programs are a particularly sensitive area for governments, especially given the limited funding available to local clubs and organisations, and the heavy burden placed on local volunteers to manage and support community sports in Australia.
- 1.3 Perhaps nowhere has this been more obvious in recent years than in the public outcry over the evidence that Senator the Hon Bridget McKenzie, the former Minister for Sport (the minister), had intervened in the Community Sport Infrastructure Grant program (CSIG program) in order to gain political advantage for Coalition candidates and members in the 2019 federal election.

Background and context for this inquiry

- 1.4 The CSIG program was one of three new Commonwealth grant programs given to Sport Australia in 2018–19 to support Australians to get more active and to make sport as inclusive as possible. The objective of the CSIG program was 'to support local communities to participate, recreate, learn and develop together'.²

Response to CSIG program

- 1.5 The CSIG program received an overwhelming response from the community. Sport Australia received 2056 applications for grants amounting to \$397 million, far in excess of the \$29.7 million in funding initially made available for the CSIG program. The Australian Government subsequently increased this budget and the CSIG program was ultimately delivered over

¹ Mr Kosta Patsan, Director, Newcastle Olympic Football Club, *Committee Hansard*, 23 July 2020, p. 25.

² As discussed at paragraph 1.29, 'Sport Australia' refers to the entity and staff of the Australian Sports Commission responsible for administering the CSIG program. Information about the program and its objectives can be found at Australian Sports Commission (ASC), [Community Sport Infrastructure Grant Program: Program Guidelines](#) (CSIG program guidelines), August 2018, p. 1.

three rounds of announcements, with 684 projects receiving a total of \$100 million in grant funding (see Table 1.1 below).³

Table 1.1 CSIG program funding announcements and decisions

Program funding announced			Grant funding decisions		
Round	Document	\$ million available	Date	Number of grants	\$ million approved
1	2018–19 Budget	29.7	11 Dec 2018	224	28.7
2	December 2018 Mid-Year Economic and Fiscal Outlook (MYEFO)	30.3	4 Feb 2019	232	31.9
3	2019–20 Budget	42.5	4 Apr 2019	228	39.4
Totals		102.5		684	100.0

Source: ANAO analysis of the ASC and Department of Health records, Auditor-General Report, p. 16, Table 1.1

Public controversy

- 1.6 Public concerns about the award of grant funding under the CSIG program arose after the publication of an image showing the Liberal candidate for Mayo, Ms Georgina Downer, an unelected candidate for the upcoming federal election, presenting a 'mock' cheque featuring her image and Liberal Party branding, to the Yankalilla Bowling Club. The Shadow Attorney-General, the Hon Mark Dreyfus QC MP requested that the Auditor-General for Australia (the Auditor-General) investigate the circumstances surrounding this matter.⁴ Labor Senators also raised the matter at Senate Estimates on several occasions.⁵
- 1.7 In his report presented to the Parliament on 15 January 2020, the Auditor-General found that the award of grant funding for the CSIG program was not informed by an appropriate assessment process and sound advice, and that the

³ ASC, *Community Sport Infrastructure*, www.sportaus.gov.au/grants-and-funding/community-sport-infrastructure-grant-program (accessed 15 March 2021). The Community Sport Initiatives and Infrastructure Measure built on the 2018–19 Budget measures titled Sport—building a more active Australia, and the 2018–19 MYEFO measures titled Sport 2030—Community Sport Infrastructure Program—additional funding and Sport 2030—high performance funding. See Commonwealth of Australia, *Budget Measures: Budget Paper No. 2 2018–19*, p. 94.

⁴ The Hon Mark Dreyfus QC MP, Shadow Attorney-General, [Letter to Mr Grant Hehir, Auditor-General](#), 24 February 2019 (accessed 12 May 2020).

⁵ Senator Murray Watt, *Community Affairs Legislation Committee Estimates Hansard*, 5 April 2019, pp. 59–60; Senator the Hon Don Farrell, *Community Affairs Legislation Committee Estimates Hansard*, 23 October 2019, p. 156.

successful applications were not those that had been assessed as the most meritorious under published CSIG program guidelines. The Auditor-General cited serious concerns about the CSIG program's governance, including concerns about the minister's legal authority to make grant decisions and evidence of a 'distribution bias' in the award of grant funding in advance of the 2019 federal election.⁶

- 1.8 The governance matters raised in the Auditor-General's report attracted immediate and intense media scrutiny and public commentary.⁷ In response, the Prime Minister sought the advice of the Secretary of the Department of the Prime Minister and Cabinet, Mr Philip Gaetjens, on whether there had been 'any apparent breaches' in the Statement of Ministerial Standards in relation to the minister's administration of the CSIG program.⁸
- 1.9 In preparing advice from the Prime Minister, Mr Gaetjens undertook a two week process which involved consideration of information provided by Sport Australia, Senator McKenzie and her staff in relation to her decision making.⁹ This included a spreadsheet dated 20 November 2018, recommendations assessed by Sport Australia and the minister's final approvals.¹⁰ The scope of the considerations did not include the minister's legal authority, decision-making during caretaker period, or the process of the minister's decision-making.¹¹

⁶ Australian National Audit Office (ANAO), *Award of Funding under the Community Sport Infrastructure Program* (Auditor-General's report), Auditor-General Report No. 23, 2019–20, pp. 8–11. The Auditor-General presented the report to the Australian Parliament on 15 January 2020.

⁷ See, for example, Jack Snape, 'Federal government targeted marginal seats in potentially illegal sports grants scheme, auditor-general reports', *ABC News*, 15 January 2020, updated 16 January 2020, <https://www.abc.net.au/news/2020-01-15/government-sport-grants-targeted-marginal-seats-audit-office/11870292>; Senator Don Farrell, 'Scott Morrison must explain sports rorts', *Media release*, 15 January 2020, <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query%3DId%3A%22media%2Fpressrel%2F7133381%22>; Andrew Tillett, 'Sports grants "rort" targeted marginal seats', *Australian Financial Review*, 16 January 2020, <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressclp%2F7130416%22>; Tim Watts, MP, Statements by Members, House of Representatives, 5 February 2020, <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22chamber%2Fhansardr%2F43b57ed0-16b8-4818-a5ea-01bcab23df0b%2F0092%22> (all accessed 14 May 2020).

⁸ Mr Philip Gaetjens, Secretary of the Department of the Prime Minister and Cabinet (DPM&C), *Submission 1*, p. 1. The Prime Minister's request for advice was made under paragraph 7.4 of the Ministerial Standards. The report prepared by Mr Gaetjens was limited to the application of the Ministerial Standards to the actions of the minister.

⁹ Mr Philip Gaetjens, Secretary, DPM&C, *Committee Hansard*, 22 July 2020, p. 4.

¹⁰ Mr Philip Gaetjens, DPM&C, *Submission 1*, p. 1.

¹¹ Mr Philip Gaetjens, DPM&C, *Committee Hansard*, 22 July 2020, pp. 4–5 and 16.

1.10 Mr Gaetjens concluded that, whilst there were shortcomings in the administration of the CSIG program, 'Senator McKenzie did not act in breach of the Standards with respect to fairness'. Mr Gaetjens found only that the minister had 'breached the Standards by failing to declare her memberships of two organisations and that she had an actual conflict of interest when awarding funding to one of those organisations'.¹²

Minister for Sport's resignation

1.11 The Prime Minister received Mr Gaetjens' advice on 1 February 2020. On 2 February 2020, the Prime Minister announced that Senator McKenzie had submitted her resignation from the ministry on the grounds of the conflict of interest issues highlighted in Mr Gaetjens' report. The Prime Minister stated that he would not be releasing the advice received from Mr Gaetjens as the report was a Cabinet document and remains subject to the rules of Cabinet confidentiality.¹³

1.12 During these events, the ABC reported that it had obtained documents relating to the CSIG program's assessment process, including emails sent by Sport Australia to the minister's office in March 2019, in which executives voiced concern about the decision making process. The documents included a spreadsheet, apparently prepared by the minister's office, indicating that 94 of the 223 successful projects in the first round of the CSIG program did not meet Sport Australia's 'threshold' score above which all applications were recommended to be funded.¹⁴ The ABC reported that, based on its analysis, 54 per cent of grants funded in Round 1 were awarded to key and marginal seats (defined by the ABC as having margins of less than 6 per cent).¹⁵ On 29 January 2020, the ABC published a list of applicants whose projects had

¹² Mr Philip Gaetjens, DPM&C, *Submission 1*, p. 6.

¹³ The Hon Scott Morrison, Prime Minister of Australia, *Press conference*, Australian Parliament House, Canberra, 2 February 2020, <https://www.pm.gov.au/media/press-conference-australian-parliament-house-act-4> (accessed 3 November 2020). In a letter dated 6 February 2020, in response to an Order for the Production of Documents in the Senate, Senator the Hon Mathias Cormann claimed public interest immunity in relation to Mr Gaetjens' report, on the grounds that the report was the subject of Cabinet deliberations. Report on Ministerial standards and sports grants—Order for Production of Documents—Attendance by minister, *Journals of the Senate*, No. 37, 5 February 2020, p. 1217.

¹⁴ The Auditor-General's report indicated that a score of 74 out of 100 would have been the threshold score under Sport Australia's merit-based assessment process. See Auditor-General's report, p. 10.

¹⁵ Andrew Probyn, 'Sport Australia complained about political interference in the government's sports grants program', *ABC News*, 28 January 2020, <https://www.abc.net.au/news/2020-01-28/sport-australia-complained-pre-election-government-grants/11905250> (accessed 2 November 2020). See Auditor-General's report, Table 3.1, p. 37 for a summary of Sport Australia's proposed recommendations for each round of funding.

scored highest in the CSIG program but whose applications were not successful.¹⁶

Senate inquiry

1.13 In view of the seriousness of the matters raised in relation to the way in which the minister determined the award of grant funding, the Senate established the Select Committee on Administration of Sports Grants (the committee), on 5 February 2020, to inquire and report on the administration and award of funding under the CSIG program, for inquiry and report by 24 March 2020, with particular reference to:

- (a) program design and guidelines;
- (b) requirements placed on applicants for funding;
- (c) management and assessment processes;
- (d) adherence to published assessment processes and program criteria;
- (e) the role of the offices of the Minister, the Prime Minister and Deputy Prime Minister, and any external parties, in determining which grants would be awarded and who would announce the successful grants; and
- (f) any related programs or matters.¹⁷

1.14 On 27 February 2020, the Senate granted an extension of time for reporting until 24 June 2020.¹⁸ On 10 June 2020, the Senate granted a further extension from 24 June to 8 December 2020.¹⁹ On 30 November 2020, the Senate granted a further extension from 8 December 2020 to the last sitting day of March 2021 (18 March 2021).²⁰

Conduct of the inquiry

1.15 The inquiry was advertised on the committee's website and the committee wrote to relevant organisations inviting submissions by 21 February 2020. The committee agreed to continue to receive submissions after this date.

¹⁶ Nour Haydar and Jack Snape, 'Sporting clubs denied funding in Sport Australia grants scandal want answers from Government', *ABC News*, 29 January 2020, <https://www.abc.net.au/news/2020-01-29/sports-clubs-denied-funding-sports-australia-grants-want-answers/11907988> (accessed 2 November 2020).

¹⁷ [Administration of Sports Grants—Select Committee—Appointment](#), *Journals of the Senate*, No. 37, 5 February 2020, p. 1208.

¹⁸ [Administration of Sports Grants—Select Committee—Extension of time to report](#), *Journals of the Senate*, No. 46, 27 February 2020, p. 1512.

¹⁹ [Committee reporting dates—Extensions pursuant to the order of 23 March 2020](#), *Journals of the Senate*, No. 52, 10 June 2020, p. 1753.

²⁰ [Committee reporting dates—Extensions pursuant to the order of 23 March 2020](#), *Journals of the Senate*, No. 74, 30 November 2020, p. 2621.

- 1.16 The committee published a media release on 11 February 2020 calling for submissions to the inquiry.²¹ The committee published a second media release on 25 February 2020 advising that the date for submissions had been extended to 28 February 2020.²² The committee published a third media release on 4 March 2020 advising that the date for submissions had been extended to 1 May 2020.²³
- 1.17 The committee received a total of 53 public submissions, including one submission with the name withheld. A list of submissions received by the committee is available at Appendix 3 and copies of public submissions can be accessed on the committee's website.
- 1.18 The committee held a total of 12 public hearings as follows:
- ten public hearings in Canberra on 13, 27 and 28 February 2020, 22 and 23 July 2020, 3 and 27 August 2020, 2 September 2020, 2 November 2020 and 12 February 2021;
 - one public hearing in Adelaide on 10 March 2020; and
 - one public hearing in Melbourne on 12 March 2020.
- 1.19 The conduct of the inquiry was impacted by the COVID-19 pandemic, which resulted in a number of public hearings being delayed over the course of 2020. The committee appreciates the contributions made by witnesses at the inquiry's public hearings, and acknowledges the challenges of giving evidence remotely over the phone and by video.
- 1.20 A list of witnesses who provided evidence at the public hearings is available at Appendix 4.

Interim report

- 1.21 The committee published an interim report on 1 December 2020 to inform the Senate of a claim for public interest immunity received from Senator the Hon Richard Colbeck, Minister for Youth and Sport.
- 1.22 The report concluded that the claim for public interest immunity did not sufficiently explain the specific harm to the public interest that would result in disclosure. It recommended the Senate require the Chair of Sport Australia to produce the legal advice that it received on the issue of the legal authority of the minister and whether Sport Australia acted within its power under the

²¹ Senate Select Committee on Administration of Sports Grants, 'Call for submissions', *Media release*, 11 February 2020.

²² Senate Select Committee on Administration of Sports Grants, 'Submissions date extended', *Media Release*, 25 February 2020.

²³ Senate Select Committee on Administration of Sports Grants, 'Submissions date extended', *Media release*, 4 March 2020.

CSIG program. The report also noted that the committee had provided the opportunity to receive the legal advice confidentially and in camera.²⁴

- 1.23 On 1 December 2020, the Senate adopted the report's recommendation requiring Sport Australia to table its legal advice.²⁵ On 3 December 2020, the Acting Chair of Sport Australia wrote to the President of the Senate making a claim of public interest immunity in relation to the legal advice on the basis of legal professional privilege. Sport Australia advised that the Federal Court is considering an application from an unsuccessful grant applicant.²⁶

Joint Committee of Public Accounts and Audit report

- 1.24 The Joint Public Accounts and Audit Committee reported on its inquiry into the Auditor-General's performance audit of the CSIG program on 7 December 2020.²⁷
- 1.25 The report explored 'thematic and systemic issues for grants administration' and made several recommendations focused on improving compliance with grant policies and guidelines.²⁸
- 1.26 In relation to the CSIG program, the report recommended Sport Australia review its guidelines in relation to all current and future grants programs to clarify the authority, duty and role of the Minister for Sport and the Australian Sports Commission Board (the board) in relation to decision-making.

Structure of the report

- 1.27 This report is presented in five chapters:
- Chapter 1 provides the rationale and context for the inquiry.
 - Chapter 2 describes how grant decisions were made and the impact that had on the community.
 - Chapter 3 examines shortcomings identified in the governance of the CSIG program, including outstanding questions regarding the minister's legal authority to make grants.
 - Chapter 4 describes the extent of political interference in the CSIG program and the role of the minister and the minister's office in the decision-making process, and the involvement of the Prime Minister and his office.

²⁴ Senate Committee on Administration of Sports Grants, *Interim report*, December 2020, pp. 1 and 5.

²⁵ *Journals of the Senate*, No. 75, 1 December 2020, pp. 2652–2653.

²⁶ Mr Steve Moneghetti AM, Acting Chair, ASC, [Letter to the President of the Senate](#), received 3 December 2020.

²⁷ Joint Committee of Public Accounts and Audit, *Report 484 The Administration of Government Grants*, December 2020.

²⁸ Joint Committee of Public Accounts and Audit, *Report 484 The Administration of Government Grants*, December 2020, p. 93.

- Chapter 5 describes the obstruction of evidence experienced by the committee in the course of this inquiry and makes concluding comments.

Notes on terminology and references

- 1.28 References in this report to Committee Hansard are to the official transcripts. Page numbers may vary between the proof and official transcripts.
- 1.29 The Australian Sports Commission (ASC) and Sport Australia were used interchangeably in evidence to this inquiry. In this report, except where quoted evidence differs:
- 'the ASC' refers to the legal entity known as the Australian Sports Commission, established under the *Australian Sports Commission Act 1989* (ASC Act) and is a corporate Commonwealth entity under the Public Governance, Performance and Accountability Act 2013;
 - 'the ASC board' or 'board' refers to the Board of Commissioners appointed by the Minister for Sport under the ASC Act; and
 - 'Sport Australia' refers to the entity and staff of the ASC responsible for administering the CSIG program. The ASC adopted the name 'Sport Australia' in 2018–19 to 'reflect its changing role in sport', and it is the name commonly used in evidence to this inquiry.
- 1.30 The report of the Australian National Audit Office (ANAO) is generally referred to as 'the Auditor-General's report', except where quoted evidence differs.

Acknowledgements

- 1.31 The committee thanks all of the individuals and organisations who submitted to the inquiry and appeared as witnesses.
- 1.32 The committee acknowledges the efforts of the Auditor-General for Australia, senior management and staff at the Australian Sports Commission (ASC/Sport Australia), and relevant government departments for their assistance during the course of the inquiry.

Chapter 2

Impact of grant decisions for sporting communities

2.1 The CSIG program presented an opportunity for Australian sporting communities to access much needed grant funding to improve their facilities. This chapter focuses on how grant decisions were made and how those who missed out were affected.¹ Later chapters will explore in more detail the governance issues and political interference in the CSIG program.

How decisions were made

The assessment process

2.2 The assessment process followed by Sport Australia involved four stages. Stages one and two, conducted by Sport Australia staff, involved checking eligibility and conducting a merit assessment. Stage three involved further assessment by a panel to produce a list of recommended applications, and stage four was endorsement by the board.²

2.3 Entities eligible to apply for grants included sporting organisations, local government entities, remote education institutions (in defined circumstances) and not-for-profit organisations. There were three selection criteria and associated weightings: community participation (50 per cent); community need (25 per cent); and project design and delivery (25 per cent).³

2.4 According to the Australian National Audit Office (ANAO), Sport Australia's assessment process largely followed the published guidelines. It involved

¹ A timeline which sets out in detail the events before, during, and after grant decisions were made is included at Appendix 1.

² Mr Brian Boyd, Executive Director, Performance Audit Services Group, Australian National Audit Office (ANAO), *Committee Hansard*, 13 February 2020, p. 14. The assessment panel included a member of the board and two members external to Sport Australia. The Department of Health was represented on the assessment panel, but did not provide advice to Sport Australia in relation to the administration of the program because there no was obligation to provide advice in relation to the *Public Governance, Performance and Accountability Act 2013* or the *Commonwealth Grants Rules and Guidelines 2017*. See Ms Glenys Beauchamp, Secretary, Department of Health, *Committee Hansard*, 2 February 2020, p. 29; Department of Finance, *Commonwealth Grants Rules and Guidelines 2017* (CG RGs), <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-and-guidelines> (accessed 10 November 2020).

³ Australian Sports Commission (ASC), *Community Sport Infrastructure Grant Program: Program Guidelines* (CSIG program guidelines), August 2018, https://www.sportaus.gov.au/grants_and_funding/community_sport_infrastructure_grant_program/resources2/CSI_Grant_Program_guidelines.pdf (accessed 10 November 2020), p. 10.

assessing each application for eligibility, then applying the selection criteria to determine an overall score out of 100 for ranking them. The ANAO told the committee that it had calculated that all CSIG program funding could have been allocated to applications that scored 74 or more out of 100.⁴

Minister to approve grants

2.5 The committee heard that the CSIG program was originally designed on the basis that Sport Australia would be the decision-maker as a corporate Commonwealth entity.⁵

2.6 During the development of the guidelines, however, the minister's office insisted to Sport Australia that the minister wished to have the final say in approving grants.⁶ This occurred across multiple drafts, despite drafting by Sport Australia that the decision maker be an official in the independent statutory agency.⁷

2.7 The published CSIG guidelines stated that:

The Minister for Sport will provide final approval. In addition to the application and supporting material, other factors may be considered when deciding which projects to fund.⁸

Funding decisions for Rounds 1, 2 and 3

2.8 For the first round of funding, Sport Australia initially submitted its draft assessment results to the minister, but did not subsequently provide the board-endorsed list to the minister. This was because the minister's office had informed Sport Australia which applications would be approved before the assessment panel (and the board) had considered the assessment results.⁹

⁴ The score of 74 was also referred to as the 'threshold score' in evidence to the committee. See the ANAO, *Award of Funding under the Community Sport Infrastructure Program* (Auditor-General's report), Auditor-General Report No. 23, 2019–20, pp. 8, 10 and 47. For an explanation of the ANAO's calculation of the cut-off score, see Mr Brian Boyd, Executive Director, Performance Audit Services Group, ANAO, *Committee Hansard*, 13 February 2020, p. 24.

⁵ Sport Australia, answers to written questions on notice, 10 March 2020 (received 13 May 2020), p. 11.

⁶ See, for example, Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 12; Ms Caroline Edwards, Associate Secretary, Department of Health, *Committee Hansard*, 27 August 2020, p. 4; Sport Australia, answer to written questions on notice, 10 March 2020 (received 13 May 2020); Department of Health, answers to questions on notice, 11 September 2020 (received 28 September 2020), p. 1.

⁷ ANAO, answers to written questions on notice, 11 September 2020 (received 25 September 2020), p. 2.

⁸ ASC, *CSIG program guidelines*, p. 10.

⁹ Mr Grant Hehir, Auditor-General, *Committee Hansard*, 13 February 2020, p. 2. See also Auditor-General's report, pp. 38–41.

- 2.9 The committee heard that, for the second and third rounds, Sport Australia used the results of its assessment work, but 'the assessment panel and the Sport Australia board did not otherwise play a role in deciding which applications should be recommended'.¹⁰
- 2.10 Amongst the projects that received funding for Round 3, there were five late applications and four amended applications.¹¹ The applications were funded despite late applications and amended applications being 'ineligible under the guidelines'.¹²
- 2.11 The minister's office explained to Sport Australia that the minister had identified 'emerging issues since the completion of the assessment process', and that the late and amended applications 'were all constructed according to the guidelines and are considered priorities that have not been met'.¹³
- 2.12 The ANAO noted that several of the late applications were incomplete, and had scored poorly as a result, reflecting the fact that 'in some cases Sport Australia felt they didn't have a great deal to conduct an assessment of'.¹⁴
- 2.13 In its report the ANAO noted that, unlike the previous two rounds, Sport Australia did not amend its recommended list at the minister's request for the third round. Instead it provided a set of recommendations to the minister and the signed brief replaced Sport Australia's list with a 'significantly different' alternative list including projects that scored as low as 39 in the merit-based assessment process.¹⁵

¹⁰ Mr Grant Hehir, Auditor-General, *Committee Hansard*, 13 February 2020, p. 2. For details of how Sport Australia approached the decision-making process for all three rounds, see Auditor-General's report, pp. 47–50. For a detailed explanation of how the spreadsheets were used to identify projects being approved see ANAO, answers to questions taken on notice, 13 February 2020 (received 25 February 2020).

¹¹ Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 22. For details of the new and amended applications funded in Round 3 see Sport Australia, answers to questions on notice, 27 February 2020 (received 17 March 2020), [p. 31–34].

¹² Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 11. The ANAO found that Sport Australia had identified ineligible applications as part of the assessment process in accordance with its Grant Management Framework, but that some projects had become ineligible by the time they were awarded funding. See Auditor-General's report, pp. 9 and 29; Mr John Wylie, Chair, ASC, *Committee Hansard*, 27 February 2020, p. 12.

¹³ Sport Australia, answers to questions on notice, 27 February 2020 (received 17 March 2020), [pp. 32–33].

¹⁴ Mr Brian Boyd, ANAO, *Senate Finance and Public Administration Legislation Committee Hansard*, 2 March 2020, p. 203.

¹⁵ Auditor-General's report, p. 73. This matter is explored further in Chapter 4.

Distribution bias

2.14 The Auditor-General told the committee that the basis for the minister's decisions was 'not clearly documented' and that there was 'evidence of distribution bias in the award of grant funding', with a focus on projects in seats considered by the minister's office to be 'marginal' or 'targeted'.¹⁶

2.15 According to the Auditor-General:

The award of funding reflected the approach, documented by the minister's office, of focusing on marginal electorates held by the coalition, as well as those electorates held by other parties or Independent members that were to be targeted by the coalition at the 2019 election.¹⁷

2.16 The committee heard that the assessment undertaken by the minister was essentially a 'parallel' process, based on 'unpublished criteria', which did not reflect the recommendations of Sport Australia.¹⁸

Decisions based on 'other factors'

2.17 Under the CSIG program guidelines, the minister could consider 'other factors' in order to address emerging issues and/or priorities that had not been met.¹⁹ These requirements were included during the drafting of the guidelines at the minister's request.²⁰

2.18 Senator McKenzie submitted that ministerial discretion had been built into the CSIG program from the start, and that her decisions were informed by Sport Australia's assessment.²¹

2.19 According to Sport Australia, 'the minister had wide discretion under the program guidelines' and that was public knowledge at the time the program guidelines were published.²²

2.20 Ms Kate Palmer, the former CEO of Sport Australia told the committee:

Considering that Minister McKenzie was the ultimate approver, under the structure of the program, we anticipated that she would be considering

¹⁶ Mr Grant Hehir, Auditor-General, *Committee Hansard*, 13 February 2020, p. 2.

¹⁷ Mr Grant Hehir, Auditor-General, *Committee Hansard*, 13 February 2020, p. 2. The question of whether political considerations were a primary consideration in the minister's decision making is explored further in Chapter 4.

¹⁸ Mr Grant Hehir, Auditor-General, *Committee Hansard*, 13 February 2020, p. 2. See also Auditor-General's report, p. 8.

¹⁹ ASC, *CSIG program guidelines*, p. 10.

²⁰ Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 29. See also Ms Caroline Edwards, Associate Secretary, Department of Health, *Committee Hansard*, 27 August 2020, p. 4.

²¹ Senator the Hon Bridget McKenzie, *Submission 9*, p. 9.

²² Mr John Wylie, Chair, ASC, *Committee Hansard*, 27 February 2020, p. 7. See also Ms Kate Palmer, Private capacity, *Committee Hansard*, 28 February 2020, p. 6.

undertaking a process. I would not call it a parallel process. It was expected that the minister would consider other factors, as were set out in the guidelines.²³

2.21 The Secretary of the Department of the Prime Minister and Cabinet, Mr Phillip Gaetjens, submitted that he 'found no constraints in the guidelines limiting the other factors that the Minister may consider, so a wide discretion was available'.²⁴

2.22 The committee heard, however, that the failure to record what other factors the minister took into account in the minister's decision-making process represented a significant weakness in the minister's decision to award grant funding.²⁵ The ANAO observed that:

If you actually go to the section around the merit criteria it says, 'Eligible applications will be assessed against three selection criteria: community participation, community need and project design and delivery.' It doesn't say 'and other criteria we have not yet told you about'.²⁶

Impact on local sporting communities

2.23 Revelations about the way in which the CSIG program was administered had a detrimental impact on local sporting clubs and councils that did not receive a grant, despite their applications scoring higher than many successful applications.

Reliance on volunteer labour

2.24 Local sporting clubs and councils told the committee that they had spent considerable time, labour and in some cases money on grant applications.²⁷ Those responsible for preparing applications were mostly volunteers juggling their voluntary labour with paid jobs and other responsibilities.²⁸

²³ Ms Kate Palmer, Private capacity, *Committee Hansard*, 28 February 2020, p. 6.

²⁴ Mr Phillip Gaetjens, Secretary of the Department of the Prime Minister and Cabinet (DPM&C), *Submission 1*, p. 2.

²⁵ Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 29.

²⁶ Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 29.

²⁷ See for example, Mr Andy Carr, President, Beechworth Lawn Tennis Club, *Committee Hansard*, 12 March 2020, p. 11; Mr Nigel Dillon, Life Member and former Vice President, Barmera Monash Football Club, *Committee Hansard*, 10 March 2020, p. 3; Mrs Sarah Black, General Manager, Olympia Football Club, *Committee Hansard*, 12 February 2021, p. 2; Mr Matt Smith, Coromandel Valley Ramblers Cricket Club, *Committee Hansard*, 10 March 2020, p. 4.

²⁸ See, for example, Mr Garry Wallace, Secretary/Treasurer, Beechworth Lawn Tennis Club, *Committee Hansard*, 12 March 2020, p. 12; Dr James Meyer, Goolwa District Pony Club, *Committee Hansard*, 10 March 2020, p. 4.

- 2.25 The committee heard that the deadline for applications was very tight, and that the task of preparing the grant application and consulting with other stakeholders was time consuming.²⁹
- 2.26 Mr Nigel Dillon, Life Member and former Vice President of the Barmera Monash Football Club in South Australia, estimated that he had put at least 100 hours of his time into preparing his club's application, in addition to time spent consulting stakeholders.³⁰
- 2.27 Ms Bodye Darvill, President of Gippsland Ranges Roller Derby said the application process for the CSIG program was rigorous in terms of the amount of evidence, information, planning documents and project outlines required. She told the committee:
- ... on this grant specifically, in the lead-up to submitting it I would have been spending three or four hours a night every night for a few weeks getting all the documentation together, writing it up, sending it through to the rest of the committee for their feedback and thoughts and just circulating it around. So it was a very intense application to put in.³¹
- 2.28 Local councils, with limited staff and resources were also impacted. Several witnesses described significant staff time required to pull together the application, which in some cases, equated to over 200 hours.³²

Planning and fundraising efforts

- 2.29 In some cases, preparing the grant application was part of a larger process of planning and fundraising.
- 2.30 For example, members of the Echunga Netball Club undertook significant fundraising efforts to support their grant application:
- For a small Club, membership between 80–100 over the past 6 years this is a massive effort of which we are rightly proud. Learning that assistance from these Grants should have been applied to our application, especially with such a large contribution ourselves, has been frustrating.³³
- 2.31 In another instance, Mr Andy Carr, President, Beechworth Lawn Tennis Club in Victoria, estimated that developing his club's case for funding took more

²⁹ See, for example, Mrs Estelle Bowman, Volunteer and Former President, Adelaide Hills Hawks Football Club, *Committee Hansard*, 10 March 2020, pp. 28–29; Mr Darren Lines, President, McLaren Football Club, *Committee Hansard*, 10 March 2020, p. 29; Kyneton District Soccer Club, *Submission 4*, [p. 1].

³⁰ Mr Nigel Dillon, Barmera Monash Football Club, *Committee Hansard*, 10 March 2020, p. 3.

³¹ Ms Bodye Darvill, President, Gippsland Ranges Roller Derby, *Committee Hansard*, 12 March 2020, p. 37.

³² Mr Jon Vines, Manager, Project Services, City of Bayswater, *Committee Hansard*, 3 August 2020, p. 2; Mr Andrew Campbell, CEO, Shire of Manjimup, *Committee Hansard*, 3 August 2020, p. 2.

³³ Echunga Netball Club, *Submission 22*, [p. 1].

than three years to get to a point where the project was 'eligible and worthy of consideration'.³⁴

- 2.32 Some clubs spent significant sums of money from their own funds in preparing their applications, employing builders or other professionals to draft plans as part of the application process, while others relied on goodwill from members, supporters, sponsors and others who provided free professional assistance.³⁵ The Olympia Football Club, for example, spent around \$20,000 in architects and related fees.³⁶

Impact for state and local grants

- 2.33 For some clubs, the failure to secure grant funding in the CSIG program has had a 'knock-on effect' in terms of their ability to secure funding from state or local grant programs.³⁷

- 2.34 The Gippsland Ranges Roller Derby's inability to secure a grant meant that it was unable to leverage state funds to complete the renovation of the club's old agricultural shed:

The flow on effect of this decision to award funds based on politics, rather than adherence to the assessment criteria and merit-based scoring, was that our club missed out on not just \$45,000 from Sports Australia, but on another \$50,000+ those funds would have allowed us to leverage from State Government funding.³⁸

- 2.35 The Kyneton District Soccer Club's failure to secure grant funding in the CSIG program had also jeopardised the club's ability to secure funding from state grant programs.³⁹

- 2.36 The Olympia Football Club told the committee that it is now in a state of limbo because of the missed opportunity of a grant through the CSIG program:

We have all our permits, we are DA approved, we have a builder ready to go and we have 50 per cent of the money. The builder has said that the

³⁴ Mr Andy Carr, Beechworth Lawn Tennis Club, *Committee Hansard*, 12 March 2020, p. 10.

³⁵ See, for example, Dr James Meyer President, Goolwa District Pony Club Inc, *Committee Hansard*, 10 March 2020, p. 4; Mr Matt Smith, Coromandel Valley Ramblers Cricket Club, *Committee Hansard*, 10 March 2020, p. 4; Mr Nick Cater, Past President, North Shore Country Club and Residents Association, *Committee Hansard*, 3 August 2020, p. 2; Mrs Sarah Black, General Manager, Olympia Football Club, *Committee Hansard*, 12 February 2021, p. 5.

³⁶ Mrs Sarah Black, General Manager, Olympia Football Club, *Committee Hansard*, 12 February 2021, p. 5.

³⁷ See, for example, Ms Bodye Darvill, Gippsland Ranges Roller Derby, *Committee Hansard*, 12 March 2020, p. 35; Mr Ronald Cole, President, Kyneton District Soccer Club Inc, *Committee Hansard*, 12 March 2020, p. 35.

³⁸ Gippsland Ranges Roller Derby, *Submission 7*, p. 3.

³⁹ Mr Ronald Cole, President, Kyneton District Soccer Club Inc, *Committee Hansard*, 12 March 2020, p. 35.

project will take 16 weeks, but we are only 50 per cent there with the money, so we're halfway, but we're stuck. We can't actually do anything else anymore. We've tried other avenues to get funding. The money that we missed out on in this grant would have been enough to finish the project. We've already spent over \$800,000 of the club's money in developing a pitch on the ground and we can't afford to put any more money into our facility.⁴⁰

Poor communication with unsuccessful applicants

- 2.37 The committee heard overwhelming evidence of poor communication with applicants involved in the CSIG program.⁴¹
- 2.38 Witnesses expressed concern that the assessment process for the CSIG program had been shrouded in secrecy and that they received no feedback apart from being told they were unsuccessful.⁴²
- 2.39 For example, Mr Neil Sharpe, Chief Executive Officer, South Adelaide Football Club, advised that he received no feedback on why the club was unsuccessful in the first round, and was not told about a second or third round.⁴³
- 2.40 Mr John Harry, Chief Executive Officer, City of Salisbury, told the committee it was important for applicants to be provided with reasons why their application was not successful, so that they could improve on future applications.⁴⁴
- 2.41 The Shire of Manning felt the process of notifying the unsuccessful application was 'unacceptable' as there was no ability to receive feedback:
- ... this was considered unusual by our organisation as the Federal Government had previously allowed for a feedback process for other grant programs which we often utilised to improve future grant applications.⁴⁵

⁴⁰ Mrs Sarah Black, General Manager, Olympia Football Club, *Committee Hansard*, 12 February 2021, p. 2.

⁴¹ See, for example Mr Nigel Dillon, Barmera Monash Football Club, *Committee Hansard*, 10 March 2020, p. 2; Dr James Meyer, Goolwa District Pony Club, *Committee Hansard*, 10 March 2020, p. 5; Mr Matt Smith, Coromandel Valley Ramblers Cricket Club, *Committee Hansard*, 10 March 2020, p. 9; Mr Michael Hayward, CEO, Woorabinda Aboriginal Shire Council, *Committee Hansard*, 2 November 2020, p. 10.

⁴² See, for example, Dr James Meyer, President, Goolwa District Pony Club Inc., *Committee Hansard*, 10 March 2020, p. 5; Mr Nigel Dillon, Barmera Monash Football Club, *Committee Hansard*, 10 March 2020, p. 5; Mr John Harry, Chief Executive Officer, City of Salisbury, *Committee Hansard*, 10 March 2020, p. 15; Mr Peter Tyler, Community Coach, Crystal Brook Golf Club, *Committee Hansard*, 10 March 2020, p. 15.

⁴³ Mr Neil Sharpe, Chief Executive Officer, South Adelaide Football Club, *Committee Hansard*, 10 March 2020, p. 35.

⁴⁴ Mr John Harry, City of Salisbury, *Committee Hansard*, 10 March 2020, p. 17.

⁴⁵ Shire of Manjimup, *Submission 3*, [p. 2].

2.42 Mr Nigel Dillon from the Barmera Monash Football Club also shared his experience:

We thought we had all the bases covered this time with regard to a wide range of sports across the community, from gender to the elderly to the youth to disadvantaged ... To find out that you're not successful and you don't get any feedback and then you see it reported in the media that basically you've met all the merit criteria and then you miss out, that's quite devastating really.⁴⁶

Failure to explain ministerial decisions

2.43 Witnesses commented on a lack of transparency surrounding the minister's decisions, including consideration of 'emerging issues' and unmet priorities that were not explained in the program guidelines, and a lack of explanation as to how they were addressed in successful applications.⁴⁷

2.44 Witnesses noted that the reasons for decisions to award grants to some applicants over others was not made clear to applicants. Mr Darren Lines, President, McLaren Football Club, observed that 'it was a very secretive process' and that clubs were awarded grants 'for unknown reasons'.⁴⁸

2.45 The committee heard that community sports organisations would expect the minister would have final sign-off on a government-funded program involving taxpayers' money, but that they expected the process to be administered by Sport Australia and undertaken fairly and transparently and in accordance with the published criteria.⁴⁹

2.46 A number of unsuccessful applicants voiced their concerns about the failure of the minister to reveal what other factors were taken into account in the decision-making process.⁵⁰

⁴⁶ Mr Nigel Dillon, Barmera Monash Football Club, *Committee Hansard*, 10 March 2020, p. 5.

⁴⁷ See, for example, Dr James Meyer, Goolwa District Pony Club Inc, *Committee Hansard*, 10 March 2020, p. 11; Mr Peter Cummiskey, Secretary and Director, Community Sport Australia, *Committee Hansard*, 12 March 2020, p. 3; Ms Rebecca McKenzie, Chief Executive Officer, Glen Eira City Council, *Committee Hansard*, 12 March 2020, p. 9.

⁴⁸ Mr Darren Lines, McLaren Football Club, *Committee Hansard*, 10 March 2020, p. 34.

⁴⁹ See, for example, Mr David Couzner, Football and League Director, Woodville-West Torrens Football Club, *Committee Hansard*, 2 November 2020, p. 11; Mr Michael Hayward, Chief Executive Officer, Woorabinda Aboriginal Shire Council, *Committee Hansard*, 2 November 2020, p. 12; Mr Paul Jane, President, Parks and Leisure Australia, *Committee Hansard*, 10 March 2020, p. 40; Mr Peter Cummiskey, Community Sport Australia, *Committee Hansard*, 12 March 2020, pp. 2-3; Mr Garry Wallace, Secretary/Treasurer, Beechworth Lawn Tennis Club, *Committee Hansard*, 12 March 2020, pp. 16-17.

⁵⁰ See, for example, Dr James Meyer, Goolwa District Pony Club, *Committee Hansard*, 10 March 2020, p. 8; Mr Nigel Dillon, Barmera Monash Football Club, *Committee Hansard*, 10 March 2020, p. 7; Mr Matt Smith, Coromandel Valley Ramblers Cricket Club, *Committee Hansard*, 10 March, p. 10; Mr Darren Lines, McLaren Football Club, *Committee Hansard*, 10 March 2020, p. 34; Mr Andy Carr,

2.47 Dr James Meyer, President of the Goolwa District Pony Club told the committee:

... Sports Australia administered a merit based, rigorous assessment protocol of these grants, and I think it would be fair if we could be made aware of these other factors that have come into play.⁵¹

2.48 The Gippsland Ranges Roller Derby submitted that the CSIG program guidelines did not indicate the level of discretionary intervention by the minister to the extent that it was exercised in the club's case:

There remains no explanation of why funds were awarded to applicants with considerably lower 'gradings' on applications, and for ten times the amount requested by our club. If the criteria and merit-based scoring are not relevant to the awarding of grants, it begs the question of why applicants need to perform against them.⁵²

2.49 The Woodville-West Torrens Football Club noted that many Australians had lost faith in the Australian political system. Mr David Couzner, the club's Football and League Director, told the committee that:

When you hear the Prime Minister and the sports minister at the time promoting that it's about engaging women in sports and creating an equal playing field for both genders, to then find out that money is not afforded to organisations that are trying to engage with their communities and create healthy environments is very disheartening from the football club's point of view.⁵³

2.50 Mr Nick Cater, past president of the North Shore Country Club and Residents Association said the club took the program guidelines on good faith and put their time and effort into following the process:

We believe we should be able to have a strong trust in a government process such as this – that they will do the right thing and have an open, transparent process. Again, we're disappointed.⁵⁴

2.51 Mrs Sarah Black, General Manager at the Olympia Football Club, also expressed concern about the politicisation of the decision making process:

Beechworth Lawn Tennis Club, *Committee Hansard*, 12 March 2020, p. 14; Ms Bodye Darvill, Gippsland Ranges Roller Derby, *Committee Hansard*, 12 March 2020, p. 41.

⁵¹ Dr James Meyer, Goolwa District Pony Club, *Committee Hansard*, 10 March 2020, p. 8.

⁵² Gippsland Ranges Roller Derby, *Submission 7*, p. 2.

⁵³ Mr David Couzner, Woodville-West Torrens Football Club, *Committee Hansard*, 2 November 2020, p. 10. See, also Miss Carolyn Downing, President, Echunga Netball Club Inc., *Committee Hansard*, 2 November 2020, p. 11; Mr Nick Cater, North Shore Country Club and Residents Association, *Committee Hansard*, 3 August 2020, p. 3; Ms Lisa Hasker, Director, Community Sport Australia Ltd, *Committee Hansard*, 12 March 2020, p. 3.

⁵⁴ Mr Nick Cater, North Shore Country Club and Residents Association, *Committee Hansard*, 3 August 2020, p. 3.

You would hope that when you put in an application it is based on the actual application, not on politics or seats or anything else that goes on, because otherwise you would say that's electorate funding, not a grant.⁵⁵

- 2.52 The former CEO of Sport Australia, Ms Kate Palmer, suggested that while Sport Australia respected the right of ministers to make their own decisions, unsuccessful applicants, whose projects were highly ranked by Sport Australia, were justified in feeling disappointed:

... that highlights the need for us to be much clearer in our communication around the guidelines and to be much more explicit about the process that is going to be followed so that they understand the risk of them not receiving a grant, whether their program has merit—and all of them had merit—or not.⁵⁶

- 2.53 In its report on the ANAO's performance audit into the CSIG program, the Joint Public Accounts and Audit Committee (JPAAC) noted:

The ANAO's identification of the inconsistent approach taken between rounds is concerning, particularly in relation to communication of decisions to grant applicants. This could potentially cause issues for grant applicants, such as being unable to begin work on projects until announcements were made. Administration of the CSIG would have also been further improved by more timely and consistent communication with grant applicants and MPs regarding the outcome of their applications.⁵⁷

Providing a safe and inclusive environment

- 2.54 The inquiry heard repeatedly that communities around Australia have a clear and ongoing need for funding to address inadequate and run-down facilities.⁵⁸
- 2.55 Community Sport Australia, which represents state sports federations, described the high demand for community grants to upgrade community sport facilities across Australia:

The response to the Community Sport Infrastructure grant program in itself is interesting, to say the least. An initial allocation of \$29 million became \$60 million and then \$100 million. Out of 45,000 to 50,000 clubs nationally, 2,000 clubs put pen to paper. The 2,000 asked for some four times the end allocation, so the demand case is obvious.⁵⁹

⁵⁵ Mrs Sarah Black, Olympia Football Club, *Committee Hansard*, 12 February 2021, p. 9.

⁵⁶ Ms Kate Palmer, Private capacity, *Committee Hansard*, 28 February 2020, p. 7.

⁵⁷ Joint Committee of Public Accounts and Audit, *Report 484 The Administration of Government Grants*, December 2020, p. 91.

⁵⁸ See, for example, Mr Greg Purser, President, Greensborough Hockey Club, *Committee Hansard*, 12 March 2020, p. 14; Mr David Couzner, Woodville-West Torrens Football Club, *Committee Hansard*, p. 10; Mr David Sanders, General Manager, Anglesea Golf Club, *Committee Hansard*, 12 March 2020, p. 39. See also City of Bayswater, *Submission 5*, p 2.

⁵⁹ Mr Peter Cummiskey, Community Sport Australia Ltd, *Committee Hansard*, 12 March 2020, p. 1.

- 2.56 Witnesses told the committee that the need for improved sporting facilities is a safety issue, particularly for women. The committee heard of a lack of change rooms, for example, the Woodville-West Torrens Football Club uses curtains hung across a room for girls to change behind its facility.⁶⁰ The Greensborough Hockey Club said ‘most of our kids get changed in the car’ and that its women’s masters’ teams ‘get changed behind the shelter sheds’.⁶¹
- 2.57 The Woorabinda Aboriginal Shire Council had applied for CSIG program funding for a community gymnasium as a way to encourage youth and women’s participation. The CEO, Mr Michael Hayward, outlined how the project would have supported broader social and health outcomes for women and children:
- In our communities, as you may be aware, we do have some issues, and a facility like this would have helped go a long way towards not resolving but at least supporting programs that would engage women, and engaging youth to get physically active and have something to do after school.⁶²
- 2.58 The committee also heard that inadequate facilities was proving a barrier to participation and impacting membership. The Anglesea Golf Club sought a grant to upgrade its locker rooms to attract more members, especially female members.⁶³ For the Kyneton District Soccer Club, poor playing surfaces have led to players having to travel to other sports grounds in winter months, and membership has declined significantly as a result.⁶⁴

The need for financial redress

- 2.59 Several unsuccessful applicants shared the view that the Australian Government should offer another round of grants, or fund all grant applications recommended by Sport Australia but denied funding for reasons other than merit.⁶⁵
- 2.60 The South Adelaide Football Club told the committee they would welcome another round of funding:

⁶⁰ Mr David Couzner, Woodville-West Torrens Football Club, *Committee Hansard*, p. 10.

⁶¹ Mr Greg Purser, Greensborough Hockey Club, *Committee Hansard*, 12 March 2020, p. 14.

⁶² Mr Michael Hayward, Woorabinda Aboriginal Shire Council, *Committee Hansard*, 2 November 2020, p. 10.

⁶³ Mr David Sanders, Anglesea Golf Club, *Committee Hansard*, 12 March 2020, p. 39. See also City of Bayswater, *Submission 5*, p 2.

⁶⁴ Mr Ronald Cole, Kyneton District Soccer Club Inc, *Committee Hansard*, 12 March 2020, p. 35.

⁶⁵ See, for example, Shire of Manjimup, *Submission 3*, [p. 3]; Mr Neil Sharpe, South Adelaide Football Club, *Committee Hansard*, 10 March 2020, p. 32; City of Glen Eira, *Submission 31*, p. 2; City of Casey, *Submission 25*, [p. 1].

One thing: footy teaches you to battle the highs and the lows of any sort of season, so this is another part of that, but we'd love the opportunity to get some feedback and present again I suppose. It's as simple as that.⁶⁶

- 2.61 The City of Glen Eira considered that the decision not to fund their application, given it scored 83 out of 100 in the assessment process, was inconsistent with the published criteria and was seeking advice on any legal redress that may be available to it.⁶⁷
- 2.62 Following the release of the Auditor-General's report, the Prime Minister foreshadowed that the Government would consider further funding for local sport infrastructure projects in the context of the 2020–21 Budget, telling the House of Representatives on 5 February 2020 that he would work with the Treasurer in preparing for this year's budget 'to see how we can provide further support for this important infrastructure that brings communities together'.⁶⁸ The 2020-21 Budget did not include sport infrastructure grant funding.

Committee view

- 2.63 The committee appreciates the importance of grant programs such as the CSIG program for sporting communities. It notes that volunteer members devote significant time and resources in preparing their applications in accordance with program guidelines, and acknowledges the frustration and anger felt by those whose projects were recommended for funding as part of the Sport Australia assessment process, only to be rejected by the minister in favour of lower-scoring applicants.

Failure in process

- 2.64 Sport Australia largely followed the published CSIG program guidelines in assessing grant applications, producing a list of applicants through a merit-based process to recommend to the minister. The committee finds it unacceptable that ultimately those recommendations were ignored in favour of applicants selected by the minister's office.
- 2.65 However, there were clear failings in Sport Australia's internal administration of the program. Sport Australia failed to provide the minister with a list of

⁶⁶ Mr Neil Sharpe, South Adelaide Football Club, *Committee Hansard*, 10 March 2020, p. 32.

⁶⁷ City of Glen Eira, *Submission 31*, p. 2.

⁶⁸ The Hon Scott Morrison MP, Prime Minister of Australia, Community Sport Infrastructure Grant Program, Question without notice, *House Hansard*, 5 February 2020, p. 254, https://parlinfo.aph.gov.au/parlInfo/genpdf/chamber/hansardr/43b57ed0-16b8-4818-a5ea-01bcab23df0b/0142/hansard_frag.pdf;fileType=application%2Fpdf; see also David Speers interview with Treasurer Josh Frydenberg, *Insiders*, ABC, 2 February 2020, <https://www.abc.net.au/insiders/josh-frydenberg-joins-insiders/11921812> (all accessed 9 November 2020).

recommended applicants for Rounds 2 and 3. As a result, Sport Australia seemingly played no role in recommending grant applicants in those latter rounds, despite the merit-based assessment process outlined in the program guidelines because the Minister's office told Sport Australia which projects it would be awarding grants to.

- 2.66 In addition, Sport Australia's communication with unsuccessful applicants was inadequate. Applicants received little or no explanation for the decisions not to fund their projects. The committee notes however that it would have been difficult for Sport Australia to provide reasons for the lack of funding for highly ranked projects given the ministerial intervention in the decision making. As a result grant outcomes were not transparent or supported by valid reasons. Given the clear oversubscription of the program, Sport Australia's communication about the process, timing and outcomes was also clearly deficient.
- 2.67 The committee considers that the failures in the process highlight the need for significant improvements in communication with grant applicants and basic administrative decision-making by Sport Australia.

Recommendation 1

- 2.68 The committee recommends that Sport Australia significantly improve communication with applicants, both successful and unsuccessful, and ensure clear and timely reasons for decisions are provided.**

Impact on sporting communities

- 2.69 The committee notes that unsuccessful applicants have received no information from the government about whether they will have an opportunity to resubmit their application or be given an opportunity to have their application reconsidered.
- 2.70 Some unsuccessful applicants indicated that they were seeking advice on any legal redress that may be available to them in relation to this program, particularly given the level of resources many had committed to preparing their applications.
- 2.71 The committee notes that a legal firm has initiated proceedings in the Federal Court in a test case seeking to overturn the ASC's decision to reject its client's application for a community sports grant and determine if the ASC acted unlawfully.⁶⁹

⁶⁹ Maurice Blackburn Lawyers, 'Federal Court test case challenging sports rorts', *Media Release*, 23 July 2020, <https://www.mauriceblackburn.com.au/about/media-centre/media-statements/2020/federal-court-test-case-challenging-sports-rorts/> (accessed 17 June 2020).

The need for funding

- 2.72 The committee notes that, despite the promises made by the Prime Minister, the 2020–21 Budget did not contain provision for additional funding to meritorious clubs that had missed out on grants in the CSIG program, nor to any similar program.
- 2.73 In order to provide redress to the unsuccessful applicants, the committee supports the suggestion put forward by several witnesses during this inquiry, that the Australian Government fund in full all grant applications that were assessed as meritorious and recommended by Sport Australia.⁷⁰

Recommendation 2

- 2.74 The committee recommends the Australian Government immediately fund in full all projects that were assessed as meritorious and recommended by Sport Australia, but dismissed in the final ministerial funding decisions.**

⁷⁰ See, for example, Mrs Estelle Bowman, Volunteer and Former President, Adelaide Hills Hawks Football Club, *Committee Hansard*, 10 March 2020, p. 31; Mr Keith Martine, Treasurer, Albury Thunder Junior Rugby League Club Inc, *Committee Hansard*, 23 July 2020, p. 31; Newcastle Olympic Football Club, *Submission 2*, [p. 2]. Senator McKenzie also urged the Government to fund additional rounds of the program, given the 'clear need and interest'. See Senator McKenzie, *Submission 44*, p. 19.

Chapter 3

Governance failures

... the partisan motives of politicians need to be constrained by procedures designed to protect the public interest ... this is where the limits must be very firmly defended.¹

- 3.1 The sequence of events outlined in Chapter 2 point to significant governance failures in the administration of the CSIG program. This chapter examines the problems identified with the CSIG program's design, including its constitutional basis and interaction with sports funding at the state and territory levels.
- 3.2 It then explores whether the minister had the necessary legal authority to make grant decisions and whether it was appropriate for her to deviate from Sport Australia's merit-based assessment process. Finally, it examines the failures of the Australian Sports Commission (ASC) board (the board) and executive, and the Department of Health, to manage risks associated with the program's administration and the minister's involvement.

Program design

Insufficient analysis

- 3.3 According to the ANAO and inquiry participants there was insufficient analysis of the need for national infrastructure funding and the likely high demand for grants when designing the CSIG program.²
- 3.4 The Auditor-General's report concluded that further analysis was needed to inform the design of the CSIG program in order to develop strategies to manage the high numbers of applications that Sport Australia received.³
- 3.5 At the close of the first round of the program, Sport Australia received 2046 individual applications totalling in excess of \$393 million, \$363 million *more* than the CSIG program's original budget of \$29.7 million.⁴

¹ Emeritus Professor Richard Mulgan, Private capacity, *Committee Hansard*, 23 July 2020, pp. 8 and 10.

² See, for example, Australian National Audit Office (ANAO), [Award of Funding under the Community Sport Infrastructure Program](#) (Auditor-General's report), Auditor-General Report No. 23, 2019–20, p. 20; Mr Mark Band, Chief Executive Officer, Parks and Leisure Australia, *Committee Hansard*, 10 March 2020, p. 38; Mr Andrew Smith, Chair, Parks and Leisure Australia Advisory, Parks and Leisure Australia, *Committee Hansard*, 10 March 2020, p. 39; Community Sport Australia, *Submission 2*, p. 2.

³ Auditor-General's report, p. 20.

- 3.6 The committee heard that oversubscription to the CSIG program was not unsurprising given the push for greater sport participation nationally, in particular for women's participation, and aging sporting facilities.⁵

Better use of data

- 3.7 Witnesses suggested the use of national sport and recreation facilities data, linked with sport participation data, to inform grant programs.⁶
- 3.8 Parks and Leisure Australia told the committee that objective facility and participation data should be the foundation of all decisions in relation to supporting community grants.⁷
- 3.9 Witnesses also suggested that sports infrastructure grant programs need to consider the circumstances of smaller sports clubs, and regional and remote communities in their design.⁸ The East Arnhem Regional Council proposed that a proportion of funding should be 'earmarked' for remote communities, particularly given the high numbers of young people and limited opportunities to raise funds by other means.⁹
- 3.10 Sport Australia told the committee that, in response to the recommendations in the Auditor-General's report, it will 'ensure alignment with similar State-based grant programs' and use analytics from the CSIG program to inform the design of future programs.¹⁰

Lack of consultation

- 3.11 The inquiry heard that there was insufficient consultation and coordination with states and territories in the design of the CSIG program. The ACT Government, while welcoming the investment in community sporting infrastructure, commented that:

The compressed timeline and process limited the opportunity for the Program guidelines and assessment practices to be shaped in consultation

⁴ Sport Australia, answers to questions on notice, 27 February 2020 (received 17 March 2020), pp. 36–37.

⁵ Community Sport Australia, *Submission 2*, p. 2.

⁶ See, for example, Mr Greg Blood, *Submission 34*, [p. 3]; Parks and Leisure Australia, *Submission 19*, [p. 3].

⁷ Parks and Leisure Australia, *Submission 19*, [p. 3].

⁸ See, for example, Mr Shane Marshall, Director of Technical and Infrastructure Services, East Arnhem Regional Council, *Committee Hansard*, 2 November 2020, p. 12; Miss Carolyn Downing, President, Echunga Netball Club Inc, *Committee Hansard*, 2 November 2020, p. 11.

⁹ Mr Shane Marshall, East Arnhem Regional Council, *Committee Hansard*, 2 November 2020, p. 12.

¹⁰ Sport Australia, *Submission 20*, [p. 1].

with local and state governments who had experience in sport infrastructure grant provision.¹¹

3.12 Several witnesses suggested that local councils better understand the sport and recreation needs of local communities, and therefore should be responsible for identifying priorities via the states and territories.¹²

3.13 However, the point was also made that a large number of local councils applied for a grant under the CSIG program, and that this represented a misuse of their limited administrative resources funded by ratepayers.¹³

Was the CSIG program unconstitutional?

3.14 Several witnesses with expertise in constitutional law and governance questioned whether the CSIG program was in fact constitutionally valid. They argued that there is no head of power in the Australian Constitution for the Commonwealth Parliament to make laws with respect to sport or local community facilities.¹⁴

3.15 Constitutional and legal expert Professor Anne Twomey said the making of grants to local sporting groups is a matter for the states and territories and local government.¹⁵ She told the committee:

... section 51 of the Constitution does not include a head of legislative power to make laws with respect to resurfacing sporting fields, building car parks or repairing surf clubs. Those were matters to be dealt with by the states and ideally, through the states, by local government. Today the principle is described as 'subsidiarity'—that the functions should be performed by the level of government closest to the people that can efficiently do so—and this is how federal systems are supposed to work.¹⁶

3.16 The committee was told that a more rational and constitutionally valid approach would be for the Commonwealth to provide funding for local community sport infrastructure projects to the states, in accordance with section 96 of the Constitution, to allocate the funds directly or indirectly through local government.¹⁷

¹¹ ACT Government, *Submission 43*, [p. 2].

¹² See, for example, Adjunct Professor Anthony Veal, Associate Professor Daryl Adair, Professor Bronwen Dalton and Professor Simon Darcy, Business School, University of Technology Sydney, *Submission 27*, p. 2; Ms Glenys Byrne, *Submission 9*, [p. 5].

¹³ Ms Glenys Byrne, *Submission 9*, [p. 5].

¹⁴ See, for example, Professor Anne Twomey, Private capacity, *Committee Hansard*, 12 March 2020, p. 19; Mr Scott Hamilton, Private capacity, *Committee Hansard*, 12 March 2020, p. 50.

¹⁵ Professor Anne Twomey, *Submission 14*, pp. 2–3.

¹⁶ Professor Anne Twomey, Private capacity, *Committee Hansard*, 12 March 2020, p. 19.

¹⁷ See, for example, Professor Cheryl Saunders, Member, Centre for Comparative Constitutional Studies, *Committee Hansard*, 12 March 2020, p. 29; Professor Anne Twomey, Private capacity, *Committee Hansard*, 12 March 2020, p. 23; Professor Graeme Orr, Private capacity, *Committee*

Minister's legal authority

3.17 The minister's claim to have legal authority to be the decision-maker for the CSIG program came under scrutiny during the inquiry, raising questions about the validity of her grant decisions, and the program guidelines more broadly.¹⁸

Purported sources of legal authority

3.18 Senator McKenzie submitted that exercising 'Ministerial discretion' was her prerogative and that, in the Westminster system, ministers were given the responsibility of making the final decisions in executing programs 'in their portfolios'.¹⁹

3.19 According to Sport Australia, the legal basis for Sport Australia's role in each program was Sport Australia's own powers under the *Australian Sports Commission Act 1989* (ASC Act) and that, in exercising its powers, it was 'open to Sport Australia to take account of the Minister's approval'.²⁰

3.20 However, several legal and public policy experts told the committee that, while the ASC Act provides for the entity to delegate any or all of its powers to specified individuals and committees, this list does not include the minister.²¹ The ASC Act also includes a process for recording that delegation, but no such record was made in relation to the minister assuming the power to make decisions.²²

3.21 The committee also heard that the minister has a specific and limited power under the section 11 of the ASC Act to provide directions to Sport Australia, however that power was not exercised.²³ The power is limited to providing

Hansard, 23 July 2020, p. 1; Mrs Glenys Byrne, Private capacity, *Committee Hansard*, 23 July 2020, pp. 20–23.

¹⁸ See, for example, Centre for Comparative Constitutional Studies, *Submission 16*, p. 1; Professor Anne Twomey, *Submission 14*, p. 1–2.

¹⁹ Senator the Hon Bridget McKenzie, *Submission 44*, p. 15.

²⁰ Sport Australia, answer to written questions on notice, (received 10 May 2020), [p. 8].

²¹ See, for example, Professor Anne Twomey, *Committee Hansard*, 12 March 2020, p. 22; Ms Fiona McLeod AO SC, Chair, Accountability Round Table, *Committee Hansard*, 12 March 2020, p. 56; Emeritus Professor in Law Geoffrey Lindell, Private capacity, *Committee Hansard*, 10 March 2020, p. 23; Mr Stephen Bartos, Private capacity, *Committee Hansard*, 23 July 2020, p. 19.

²² See, for example, Professor Anne Twomey, Private capacity, *Committee Hansard*, 12 March 2020, p. 22; Ms Fiona McLeod AO SC, Accountability Round Table, *Committee Hansard*, 12 March 2020, p. 56; Emeritus Professor in Law Geoffrey Lindell, Private capacity, *Committee Hansard*, 10 March 2020, p. 23; Mr Stephen Bartos, Private capacity, *Committee Hansard*, 23 July 2020, p. 19.

²³ See, for example, Emeritus Professor Geoffrey Lindell, Private capacity, *Committee Hansard*, 10 March 2020, p. 21; Professor Anne Twomey, Private capacity, *Committee Hansard*, 12 March 2020, p. 20.

directions on the policies and practices followed by the Australian Sports Commission. Section 11 also requires any direction to be published within 15 days of the minister making it.²⁴

3.22 Professor Anne Twomey noted that Sport Australia is not a government department created under s 64 of the Constitution, and that its functions and powers and relationship with the minister are determined by legislation.²⁵

3.23 In addition ministerial power under section 64 of the Constitution to administer government departments does not extend to corporate entities established by statute. Professor Twomey explained:

While a Minister may have a general power to direct public servants in his or her department (subject to any statutory obligations and the requirements of administrative law), a Minister does not have the same power with respect to corporate entities established by statute. Assertions that the Minister had ‘ministerial discretion’ to act as if the Australian Sports Commission were a department are not correct.²⁶

Program guidelines and the minister’s approval right

3.24 The program guidelines were frequently cited as the basis for the minister's right to approve grant funding for the CSIG program.²⁷

3.25 The Auditor-General’s report was critical of the CSIG program guidelines, in particular, that the guidelines provided for the minister to be the grant decision-maker when there was no evidence of the necessary legal basis.²⁸

3.26 The committee heard from one legal expert that, as there was no power in Sport Australia’s governing legislation to delegate decisions to the minister, her approval rights in the program guidelines were invalid:

There was no power on the part of Sport Australia to delegate its power to the minister. She could not be the program delegate as stated in the guidelines. There's no point in constantly saying that she was the person

²⁴ *Australian Sports Commission Act 1989*, s. 11. Section 11 of the ASC Act gives the Minister for Sport the power to provide written directions with respect to the policies and practices to be followed by the Australian Sports Commission in the performance of its functions and exercise of its powers. Section 11 also requires the Minister to inform the Australian Sports Commission in writing, and provide an opportunity for the Chair to discuss the need for the proposed direction. Also, the direction must be published in the Gazette and laid before each House of Parliament within 15 days of the direction. See, for example, discussion by Emeritus Professor Geoffrey Lindell, Private capacity, *Committee Hansard*, 10 March 2020, p. 21; Professor Anne Twomey, Private capacity, *Committee Hansard*, 12 March 2020, p. 20.

²⁵ Professor Anne Twomey, *Submission 14*, p. 6.

²⁶ Professor Anne Twomey, *Submission 14*, p. 6.

²⁷ See, for example, Mr John Wylie, Chair, ASC, *Committee Hansard*, 27 February 2020, p. 25; Sport Australia, answer to written questions on notice, (received 10 May 2020), [p. 8].

²⁸ Auditor-General’s report, p. 25.

appointed by the guidelines to approve the grants. This is because there was no power to make the guidelines in that form. They cannot be made in a way that is contrary to the act. The act prevails and the guidelines, to the extent of their inconsistency with the act, are invalid.²⁹

- 3.27 The evidence before the inquiry shows the Department of Health was heavily involved in the development of the program guidelines before they were approved.³⁰ At no point, however, was the minister's legal authority raised with the minister's office as an area for clarification.³¹
- 3.28 Senator McKenzie told the committee that concerns about her legal authority were not raised with her by Sport Australia or the Department of Health prior to the commencement of the CSIG program, nor during the 2018-19 Budget process when it was agreed that the CSIG program would be funded and administered through Sport Australia. She said:

I expect the Australian Public Service would resolve such legal issues, if they exist, prior to advising a Minister on how she should proceed with the expenditure of public monies'.³²

Legal advice regarding minister's approval role

- 3.29 The committee heard that the Department of Health and Sport Australia had identified that legal advice may be required on the use of section 11 of the ASC Act in order for the minister to undertake this role, but that this legal advice was not sought.³³
- 3.30 The Department of Health contended that, whilst it was involved in developing the program guidelines, it did not seek advice as to the legality of the processes as it was considered the responsibility of Sport Australia.³⁴
- 3.31 The committee viewed an internal departmental email where an officer within the Department of Health questioned the minister's authority to approve expenditure of less than \$500,000. The officer suggested that the ASC Act enabled the minister to give a written direction to Sport Australia to be the

²⁹ Professor Anne Twomey, Private capacity, *Committee Hansard*, 12 March 2020, pp. 19–20.

³⁰ ANAO, answers to written questions on notice, 2 September 2020 (received 25 September), p. 3.

³¹ Sport Australia, answers to written questions on notice (received 14 December 2020).

³² Senator the Hon Bridget McKenzie, *Submission 44*, p. 16.

³³ Auditor-General's report, p. 25; *Australian Sports Commission Act 1989* (ASC Act), s. 11. Section 11 of the ASC Act provides that the Minister may give written directions to the ASC on its policies and practices with respect to the performance of its functions and in the exercise of its powers, and the ASC shall comply with those directions. It also requires the Minister to provide written notice and an opportunity for the ASC to discuss the proposed direction, and then that any direction be published and tabled in Parliament within 15 sitting days.

³⁴ Ms Glenys Beauchamp, Secretary, Department of Health, *Committee Hansard*, 28 February 2020, p. 30. Also see Department of Health, *Submission 21*, [p. 2].

'expenditure delegate' for the program, but suggested that further legal advice should be sought if the minister intended to pursue that option.³⁵

3.32 Ms Caroline Edwards, Associate Secretary Department of Health, dismissed the email as a 'one-off' discussion between relatively junior officers about 'a general policy issue'.³⁶ Whilst the email sender and recipient were relatively junior officers, evidence before the committee shows that at least one senior officer was copied in.³⁷

3.33 Sport Australia told the committee that the manner in which the minister decided to exercise an approval right under the program guidelines was 'the minister's prerogative', and that it was not for Sport Australia to comment on the process that the minister went through when exercising her approval right.³⁸ The Chair of the board told the committee:

The nature of our position is that we have to respect the position of the minister. It's not our decision.³⁹

3.34 The Department of Finance explained that all involved in the administration of grant programs should be fully aware of their powers and obligations:

It is about ensuring that ministers are well informed, that they act within their powers and that agencies draw attention to their powers as well.⁴⁰

3.35 The Auditor-General told the committee that it was the responsibility of the Department of Health and Sport Australia to inform the minister if they had concerns, and to 'not put the minister in a situation where they may not have legal authority'.⁴¹

3.36 The committee was told that, after the release of the Auditor-General's report, Sport Australia sought legal advice regarding whether the entity had acted within its powers in carrying out its role in the CSIG program. The Chair of the board stated that the opinion confirmed the entity was acting within its powers and purposes under the ASC Act.⁴²

³⁵ See email dated 28 June 2018 in the Department of Health, answers to questions on notice, 27 August 2020 (received 16 September 2020), [p. 3].

³⁶ Ms Caroline Edwards, Associate Secretary, Department of Health, *Committee Hansard*, 27 August 2020, pp. 10–11.

³⁷ See email dated 28 June 2018 in the Department of Health, answers to questions on notice, 27 August 2020 (received 16 September 2020), [p. 3].

³⁸ Mr John Wylie, Chair, ASC, *Committee Hansard*, 27 August 2020, p. 25.

³⁹ Mr John Wylie, ASC, *Committee Hansard*, 27 August 2020, p. 20.

⁴⁰ Dr Stein Helgeby, Deputy Secretary, Governance and Resource Management, Department of Finance, *Committee Hansard*, 22 July 2020, p. 33 and pp. 36–37.

⁴¹ Mr Grant Hahir, Auditor-General, *Committee Hansard*, 13 February 2020, p. 12.

⁴² Mr John Wylie, ASC, *Committee Hansard*, 27 August 2020, p. 27. See, also, Sport Australia, answers to written questions on notice, 10 March 2020 (received 13 May 2020). The Chair of the board

- 3.37 The Prime Minister stated that, following the release of the Auditor-General's report, he also sought legal advice from the Attorney-General in relation to the minister's legal authority to award grant funding. After consulting the Australian Government Solicitor about the matter, the Attorney-General advised that the 'Auditor-General's assumption arising out of his apparent interpretation of section 11 of the ASC Act is not correct'.⁴³
- 3.38 The committee heard that the report prepared by Mr Gaetjens for the Prime Minister on whether the minister had breached Ministerial Standards did not explore the question of the minister's legal authority. However, Mr Gaetjens concluded that the minister had 'acted within the remit' of the CSIG guidelines.⁴⁴
- 3.39 When asked by the committee whether he had a view on the minister's legal authority, Mr Gaetjens said it was not in his 'purview or competence' to answer the question:
- I am not a lawyer, I do not have legal qualifications, I am not a practising lawyer, so, again, I don't think it is an answer I can provide. All I do know is that the Attorney-General has reached his own view and I think the government would probably act according to what the Attorney-General thought.⁴⁵
- 3.40 The Joint Public Accounts and Audit Committee, in its report on the Auditor-General's audit of the CSIG program, concluded that it is still not clear what was the legal basis for the minister's decisions under the CSIG program and recommended that Sport Australia seek legal advice and amend its guidelines to clarify the authority, duty and role of the Minister for Sport.⁴⁶

Parliamentary appropriations

- 3.41 The committee considered evidence regarding whether parliamentary appropriations provided the statutory source of executive power for the CSIG program, given that the money was appropriated to the Department of Health

offered, and the committee agreed, to accept a summary of the legal advice on a confidential basis. However a public interest immunity claim was subsequently made in relation to the information by the Minister for Sport and the legal advice was not provided to the committee. See Chapter 5 for further discussion.

⁴³ The Hon Scott Morrison MP, Prime Minister of Australia, [Press conference](#), 2 February 2020.

⁴⁴ Mr Philip Gaetjens, *Submission 1*, p. 2. The report was subject to a claim of public interest immunity on grounds that the report was the subject of Cabinet deliberations. See Chapter 5 for further discussion.

⁴⁵ Mr Philip Gaetjens, Secretary, Department of the Prime Minister and Cabinet, *Committee Hansard*, 22 July 2020, p. 17.

⁴⁶ Joint Committee of Public Accounts and Audit, *Report 484 The Administration of Government Grants*, December 2020, p. 82.

for payment to Sport Australia for the purpose of expenditure on grants by Sport Australia.⁴⁷

- 3.42 Several legal experts told the committee that, whilst parliamentary appropriations were once considered sufficient as a statutory source of power, the High Court has made it clear that the Commonwealth executive must be authorised to spend money, beyond the day-to-day running of the government, by legislation. That is, there must be appropriation of funds and specific legislative authorisation.⁴⁸

Problems with decision-making

Deviation from the merit-based assessment process

- 3.43 As discussed in Chapter 2, although Sport Australia had applied the merit-based assessment process outlined in the published program guidelines, the minister's office undertook its own 'parallel assessment' process drawing on considerations other than those identified in the program guidelines.⁴⁹
- 3.44 The Auditor-General told the committee Sport Australia's own Grant Administration Framework outlines that departing from the published assessment criteria, and applying unpublished criteria, would be 'detrimental to the conduct of a transparent and equitable program, and can also be detrimental to the achievement of the program objectives from which the selection criteria has been derived'.⁵⁰
- 3.45 Evidence before the committee shows that the CSIG program manager within Sport Australia had raised concerns directly with the minister's office regarding the minister's deviation from the published programs on several occasions.⁵¹ However ultimately, the board had concluded that 'whilst this is

⁴⁷ Appropriation Bill (No. 1) 2019-20; see also discussion by Senator the Hon Matt Canavan, *Committee Hansard*, 12 March 2020, p. 25.

⁴⁸ See for example, Professor Twomey, Private capacity, *Committee Hansard*, 12 March 2020, pp. 25–26; Mr Stephen Bartos, Private capacity, *Committee Hansard*, 23 July 2020, p. 19; Professor Lindell, Private capacity, *Committee Hansard*, 10 March 2020, pp. 21–22 and 26; Professor Michael Crommelin AO, Member, Centre for Comparative Constitutional Studies, *Committee Hansard*, 12 March 2020, p. 28; Professor Cheryl Saunders AO, Member, Centre for Comparative Constitutional Studies, *Committee Hansard*, 12 March 2020, p. 33. For an overview of the relevant High Court case, see Glenn Ryall, 'Williams v. Commonwealth—A Turning Point for Parliamentary Accountability and Federalism in Australia?', *Papers on Parliament*, no. 60, March 2014, p. 136; also see Department of Finance, [Commonwealth Grant Rules and Guidelines 2017](#) (accessed 6 May 2020).

⁴⁹ See paragraph 2.17–2.22. See also the Auditor-General's report, p. 32.

⁵⁰ ANAO, answer to questions on notice, 2 September 2020 (received 25 September 2020), p. 15.

⁵¹ Sport Australia, answers to questions on notice (received 17 March 2020), [pp. 1–8]; Auditor General's report, p. 50.

not the ideal outcome', the risks had been 'comprehensively articulated' to the minister.⁵²

3.46 The former CEO of Sport Australia, Ms Kate Palmer, told the committee that Sport Australia had undertaken its responsibility 'very professionally', and that the organisation respected the right of ministers to make their own decisions.⁵³

3.47 Professor Stuart Kells, Adjunct Professor at La Trobe University, explained to the committee that whilst it is not unusual for a minister to deviate from a recommended funding decision, any deviation must be incremental, merit-based, and justifiable in terms of the program's objectives. In the case of the CSIG program, he noted that these were 'ad hoc deviations' from the standard process that exposed all involved to a level of 'probity risk'.⁵⁴

3.48 The Joint Committee of Public Accounts and Audit, in its report on the audit of the CSIG program, concluded that grant funding should be assessed against the stated eligibility criteria of a particular program. The committee stated that:

Funding decisions should be merit-based and undertaken transparently and in accordance with the directions set out by the PGPA Act, its associated Rule and guidance issued by Finance.⁵⁵

'Emerging priorities'

3.49 During Round 3, and six months after applications for the CSIG program had closed, the minister's office identified nine grant applications 'as emerging priorities'.⁵⁶ This included five new applications and four amended applications.⁵⁷ Sport Australia told the committee that the minister's office requested Sport Australia include the nine grant applications in its list of recommendations for Round 3 funding.⁵⁸

3.50 In response to Sport Australia's concerns that it would be inappropriate to invite new applications or amend existing applications, the minister's office said that the applications were all constructed according to the guidelines and

⁵² Sport Australia, answers to questions on notice (received 17 March 2020), [p. 12].

⁵³ Ms Kate Palmer, Private capacity, *Committee Hansard*, 28 February 2020, p. 7.

⁵⁴ Professor Stuart Kells, Private capacity, *Committee Hansard*, 12 March 2020, p. 48.

⁵⁵ Joint Committee of Public Accounts and Audit, *Report 484 The Administration of Government Grants*, December 2020, p. 91.

⁵⁶ Auditor-General's report, pp. 29, 30 and 72.

⁵⁷ Auditor-General's report, pp. 29, 30 and 72.

⁵⁸ Sport Australia, answers to questions on notice, 27 February 2020 (received 17 March 2020), [p. 32–33].

were considered 'priorities that have not been met'.⁵⁹ The minister's office told Sport Australia that the minister had identified 'emerging issues since the completion of the assessment process'.⁶⁰

- 3.51 The Auditor-General's report notes that seven of the projects were located in a Coalition held-electorate and two in 'targeted' electorates, one held by Labor and the other by an independent member.⁶¹
- 3.52 According to the Auditor-General, the opportunities afforded to those applicants to amend existing applications or to submit new applications were not made available to other applicants.⁶²

Reasons for decisions and record-keeping

- 3.53 As discussed in Chapter 2, unsuccessful applicants told the committee that they had received no explanation of the reasons why their grant application was not approved.⁶³
- 3.54 Where applications assessed as less meritorious were awarded a grant, it was not clear or recorded why funding was not given to higher scoring applications – including those that had scored 90 or above.⁶⁴
- 3.55 The Auditor-General's report concluded that the reasons for funding decisions were not clearly documented and that as a result, when informing unsuccessful applicants that they had not been awarded a grant, Sport Australia was unable to communicate the 'full and actual reasons' for their application being unsuccessful.⁶⁵
- 3.56 The Auditor-General's report recommended that Sport Australia improve its record-keeping practices to ensure reasons are recorded for assessment scores that are awarded.⁶⁶

⁵⁹ See, for example, Auditor-General's report, p. 30; Sport Australia, answers to questions on notice, 27 February 2020 (received 17 March 2020), [pp. 8, 32–33].

⁶⁰ See, for example, Auditor-General's report, p. 30; Sport Australia, answers to questions on notice, 27 February 2020 (received 17 March 2020), [pp. 8, 32–33].

⁶¹ Auditor-General's report, p. 30.

⁶² Auditor-General's report, p. 29.

⁶³ See, for example, Cronulla Bowling and Recreation Club, *Submission 15*, [p. 1]; Cherry Gardens Ironbank Recreation Ground, *Submission 40*, [p. 1.]. See further discussion in Chapter 2 at paragraphs 2.43-2.53.

⁶⁴ Auditor-General's report, p. 51.

⁶⁵ Auditor-General's report, pp. 51–52.

⁶⁶ Auditor-General's Report, p. 11.

- 3.57 Sport Australia's status as a corporate Commonwealth entity meant that certain record-keeping and reporting requirements in the Commonwealth Grant Rules and Guidelines (CGRGs) did not apply.⁶⁷
- 3.58 The Auditor-General's report recommended that the Australian Government amend the CGRGs to require that the advising, decision-making and reporting requirements be extended to apply to corporate Commonwealth entities where the minister is the decision-maker.⁶⁸
- 3.59 In response to this recommendation, the Government amended the Public Governance, Performance and Accountability Rule 2014 to prescribe mandatory advising, decision-making and reporting requirements that apply when a minister is involved in the making of a corporate Commonwealth entity grant.⁶⁹
- 3.60 The Joint Public Accounts and Audit Committee, in its report on the audit of the CSIG program, concluded that more needs to be done to improve record-keeping practices:

Appropriately documenting administrative decisions is a key element of probity and transparency, which is particularly applicable in grants administration. Documentation also assists with transparency in any subsequent review of decisions. The Committee is of the view that stronger requirements in relation to documentation, particularly in relation to decision-making, is warranted to ensure Commonwealth entities maintain transparency and accountability.⁷⁰

Communicating risk to the minister

- 3.61 Evidence before the committee shows that the Sport Australia officer with responsibility for managing the CSIG program alerted the minister's office on several occasions to the risks associated with deviating from the CSIG program

⁶⁷ Auditor-General's report, pp. 44–45. According to advice from the Department of Finance, Sport Australia, as a corporate Commonwealth entity, was not subject to the CGRGs when administering the CSIG program. The CGRGs contain several requirements that apply to ministers, including that the requirement to record the basis for the approval of a grant, and the need to report each year when the minister rejects the recommendation to award a grant.

⁶⁸ Auditor-General's report, pp. 11–45.

⁶⁹ See Public Governance, Performance and Accountability Rule 2014, ss 25B–25G, which commenced on 1 December 2020.

⁷⁰ Joint Committee of Public Accounts and Audit, *Report 484 The Administration of Government Grants*, December 2020, p. 91–92.

guidelines.⁷¹ Media reports have also indicated that staff within the minister's office warned the minister of the risks related to her decision making.⁷²

3.62 For example, when a list of 'approved' Round 1 projects were provided to Sport Australia by the minister's office, the CSIG program manager replied that:

- Reasons should be recorded where a recommendation is rejected;
- there would be a reputational risk where funding decisions are perceived as favouring localised projects that did not meet the assessment criteria; and
- the minister may need to defend her decisions at Senate Estimates where those decisions did not follow the recommendations from the panel which followed a rigorous, transparent and defensible process.⁷³

3.63 However, when funding recommendations were ultimately made to the minister, Sport Australia complied with the directions issued by the minister's office.⁷⁴

3.64 When Sport Australia put forward its recommendations for Round 3 funding, it referred specifically to nine applications identified by the minister's office to be funded. Despite previously warning the minister that the nine applications were ineligible, Sport Australia's recommendations noted that 'the Minister can consider these projects if she chooses'.⁷⁵

3.65 The Chair of the board told the inquiry that Sport Australia had exercised 'proper stewardship and governance' through the assessment process by recording the process, and raising the risks with the minister's office with regard to her making decisions independently of the board-endorsed list.⁷⁶

⁷¹ See emails dated 5 December 2018, 9 December 2018, 5 March 2019 and 22 March 2019 in Sport Australia, answers to questions on notice, 27 February 2020 (received 17 March 2020).

⁷² Josh Hanrahan, 'REVEALED: Bridget McKenzie's staff warned her that the \$100m 'sports grants' scheme could 'lead to a scandal' more than a YEAR before it did', *Daily Mail*, 27 January 2020, <https://www.dailymail.co.uk/news/article-7932937/Bridget-McKenzies-staff-warned-sports-grants-cause-scandal.html> (accessed 11 March 2021); Andrew Clennell, 'EXCLUSIVE: Whistleblower in Bridget McKenzie's office reveals grant fears were silenced', *Sky News*, 27 January 2020, <https://www.skynews.com.au/details/6126725768001> (accessed 11 March 2021).

⁷³ Sport Australia, answers to questions on notice, 27 February 2020 (received 17 March 2020), p. 2.

⁷⁴ Auditor-General's report, Appendix 4, p. 72.

⁷⁵ Auditor-General's report, Appendix 4, p. 72.

⁷⁶ Mr John Wylie, ASC, *Committee Hansard*, 27 February 2020, p. 4. Also see Mr John Wylie, ASC, *Committee Hansard*, 27 August 2020, p. 20. The committee heard, for example, that the CSIG program manager sent multiple emails to the minister's office (five sent on 5 March 2018 and nine on 5 December 2018) outlining some of the risks associated with the approval process being employed in the CSIG program. See Correspondence clarifying evidence given at Canberra public hearing on 27 February 2020, received from Sport Australia, 13 March 2020; and minutes of Sport Australia's Finance Audit and Risk Committee in Sport Australia, answers to questions on notice, 27 February 2020 (received 17 March 2020).

3.66 The Chair of the board argued that Sport Australia had fulfilled its public responsibilities in providing independent, merit-based assessments to the minister, and that the board's Finance, Audit and Risk Committee had determined that the minister's decision making was 'consistent with the role that was afforded her as the program approver under the program guidelines'.⁷⁷

Role of the board

3.67 The committee heard conflicting evidence about the extent to which the board fulfilled its duties and responsibilities in the CSIG program. The Auditor-General stated that, apart from endorsing the list of 426 applications assessed as meritorious by the assessment panel, the board played no further role in the administration of the program.⁷⁸

3.68 The Chair of the board advised that the board did not approve the program guidelines, since the 'specifics of a set of program guidelines' is an administrative matter and does not come to the board for approval.⁷⁹ The Chair told the committee that it was 'ultimately the minister's prerogative to make decisions as the minister saw fit'.⁸⁰

3.69 The board was advised on several occasions that the minister was taking an active role in exercising her approval rights, and they took the view that the risks had been 'appropriately raised' with the minister's office.⁸¹

3.70 However, several witnesses with expertise in public policy and governance argued that the board had not fulfilled its responsibilities in relation to the CSIG program.⁸²

3.71 Professor Stuart Kells of La Trobe University Business School told the committee that, where there is a 'major integrity issue', it would be appropriate for the Chair of the board to raise it with the portfolio minister.⁸³ He added that, whilst it would be normal for a board to delegate the assessment process

⁷⁷ See, for example, Mr John Wylie, ASC, *Committee Hansard*, 27 August 2020, pp. 20–21; Mr Robert Dalton, Acting Chief Executive Officer, Sport Australia, *Committee Hansard*, 27 February, p. 4.

⁷⁸ Mr Grant Hehir, Auditor-General, *Committee Hansard*, 13 February 2020, p. 2.

⁷⁹ Mr John Wylie, ASC, *Committee Hansard*, 27 February 2020, p. 15. The former secretary of the Department of Health was an 'ex officio' member of the ASC board, as required by the ASC Act, and the secretary was required to deal with any conflict of interest that might arise in board meetings as a result of these dual roles. See evidence from Ms Caroline Edwards, Department of Health, *Committee Hansard*, 27 August 2020, p. 3.

⁸⁰ Mr John Wylie, ASC, *Committee Hansard*, 27 February 2020, p. 3.

⁸¹ Mr John Wylie, ASC, *Committee Hansard*, 27 August 2020, p. 20.

⁸² See, for example, Emeritus Professor Richard Mulgan, Private capacity, *Committee Hansard*, 23 July 2020, p. 9; Professor Stuart Kells, Private capacity, *Committee Hansard*, 12 March 2020, pp. 45–47.

⁸³ Professor Stuart Kells, Private capacity, *Committee Hansard*, 12 March 2020, pp. 45–47.

to an internal group, ultimately the board 'has responsibility for the integrity framework that's applied within the organisation'.⁸⁴

- 3.72 Emeritus Professor Richard Mulgan of the Crawford School of Economics and Government at the Australian National University commented that, given the extent of the minister's deviation from the board's recommendations, the board should have done more:

This was such a serious deviation and issue for the organisation that I would think it should have been something that was discussed in depth at the board level, and then the board level had an obligation to speak out about what was occurring.⁸⁵

- 3.73 Professor Mulgan described Sport Australia's behaviour as 'deeply worrying', noting that the entity failed to defend its rights and, in doing so, allowed the minister to 'override many of the necessary constraints'.⁸⁶
- 3.74 The Department of Finance noted that corporate Commonwealth entities like Sport Australia were created by Parliament to have a legal status in their own right and to operate at 'arm's length' of government.⁸⁷

Other governance issues

- 3.75 The Auditor-General's report also highlighted concerns with Sport Australia's management of conflicts of interest. The report recommended that Sport Australia clarify its conflict of interest policy to require employees involved in the design and administration of grants programs to declare any conflicts.⁸⁸
- 3.76 Sport Australia told the committee that the Auditor-General's recommendations have been accepted and actioned, and that 'additional measures over and above the ANAO recommendations' have been adopted to further strengthen future internal processes.⁸⁹

⁸⁴ Professor Stuart Kells, Private capacity, *Committee Hansard*, 12 March 2020, p. 46.

⁸⁵ Emeritus Professor Richard Mulgan, Private capacity, *Committee Hansard*, 23 July 2020, pp. 8–9.

⁸⁶ Emeritus Professor Richard Mulgan, Private capacity, *Committee Hansard*, 23 July 2020, p. 9.

⁸⁷ Dr Stein Helgeby, Deputy Secretary, Governance and Resource Management, Department of Finance, *Committee Hansard*, 22 July 2020, p. 34.

⁸⁸ Auditor-General's Report, pp. 11, 30–31. The report noted an undeclared and unmanaged conflict of interest involving a senior Sport Australia employee with responsibilities for the CSIG program and their relationship with an organisation linked to applicants of the CSIG program. The report noted that there is a risk that the sport linked to this organisation was provided with a competitive advantage compared to other sports and potential applicants.

⁸⁹ Mr John Wylie, ASC, *Committee Hansard*, 27 February 2020, p. 2.

Committee view

Fundamental problems with the program design

- 3.77 The committee considers that the foundations of the CSIG program design were deeply flawed, resulting in a series of governance failings by Sport Australia, the Department of Health, and the minister.
- 3.78 The role of Sport Australia in administering the CSIG program, as a statutory body intended to operate at arm's length from the minister, was fraught from the moment the minister insisted on being the program's decision maker. The minister applied unfettered discretion to award sports grants without clearly defined parameters in the program guidelines. Grants were awarded by the minister on grounds other than those set out in the merit-based assessment process designed by Sport Australia and outlined in the program guidelines.
- 3.79 It is clear from the evidence before the committee that the relationship between the minister, Sport Australia and the Department of Health operated in a zone of legal uncertainty not adequately addressed in the program design and published guidelines, whereby there was no one taking responsibility for the risks involved in the minister's decision-making.
- 3.80 As discussed further below, this included the risk that the minister did not have the requisite legal authority to make grant decisions. Evidence presented by legal and constitutional experts also poses concerning questions about whether the CSIG program was constitutionally valid. This points again to a failure in the design of the CSIG program.
- 3.81 The committee was concerned to hear from sports clubs and councils from around the country about the significant need for funding to address inadequate and run-down sporting facilities. The committee considers that the CSIG program was poorly targeted and funded to address the range and depth of community need. The committee notes that many worthy female facilities were not funded by the CSIG program, and then appear to have been overlooked again in the Female Facilities and Water Safety Stream Grants program.
- 3.82 The committee is of the view that grant funding could be better streamlined through a coordinated national approach to sports grants programs, drawing on data to help identify priorities for funding based on the needs of each community sport across jurisdictions. This would provide a rational basis for allocating government resources to community sporting facilities and give greater certainty to communities than the current ad hoc processes adopted by the various jurisdictions. The committee notes that this is already a key priority in the national sport plan, *Sport 2030: Strengthening Australia's Sport Industry*, and has clearly not been addressed by government.

Recommendation 3

3.83 The committee recommends the Australian Government develop and implement a coordinated national policy framework for community sport infrastructure, to facilitate:

- **greater collaboration between community sport agencies at Commonwealth, state and local levels for community sports infrastructure programs;**
- **a streamlined approach to administering community sports grants schemes, including a process for notifying all community sports clubs and organisations of opportunities to apply for grants and other support; and**
- **the sharing of information from state facility audits and other sources to underpin a coordinated, longer-term process based on an audit of needs rather than the current ad hoc approach by different jurisdictions.**

The minister's legal authority

3.84 The committee has heard compelling evidence from legal and constitutional experts that the power to allocate grants was conferred by statute to Sport Australia, not the minister, and that Sport Australia had no power to delegate its power to the minister.

3.85 Despite ongoing attempts by this committee, requests for information on the minister's legal authority have been denied by Sport Australia, the Minister for Sport and the Attorney-General. The question of whether the minister had legal authority to award grant funding under the CSIG program was left unanswered by the Secretary to the Department of the Prime Minister and Cabinet. Indeed, the Secretary failed to consider the lawfulness of the minister's actions in his review of whether the minister breached Ministerial Standards.

3.86 The minister's legal authority, or lack of, was clearly relevant to her actions in the context of the Ministerial Standards because the standards state that:

- Ministers must ensure that they act with integrity – that is, through the lawful and disinterested exercise of the statutory and other powers available to their office;⁹⁰ and
- Ministers must not encourage or induce other public officials, including public servants, by their decisions, directions or conduct in office to breach the law, or to fail to comply with the relevant code of ethical conduct applicable to them in their official capacity.⁹¹

⁹⁰ *Statement of Ministerial Standards*, August 2018, p. 4.

⁹¹ *Statement of Ministerial Standards*, August 2018, p. 9.

3.87 The committee considers that the question of the minister's legal authority to have made decisions on grants under the CSIG program remains under considerable doubt. The committee notes that the minister's actions have exposed the Commonwealth to legal challenges by unsuccessful applicants seeking a review of the funding decisions made under the CSIG program.

Recommendation 4

3.88 The committee recommends that the *Australian Sports Commission Act 1989* be reviewed to clarify the authority of the minister in relation to grant approvals. The committee also recommends the Australian Government consider a broader review of other relevant statutory bodies and agencies with the power to grant funds.

Poor governance within Sport Australia

3.89 The evidence received by the committee clearly demonstrates that Sport Australia and its board were effectively muted in the decision-making process. Recommendations made to the minister were ignored in favour of applicants that the minister selected.

3.90 Attempts by Sport Australia staff to raise concerns with the minister's office were disregarded and lists of approved projects identified by the minister's office were subsequently adopted in briefing and approval documentation. Responsibility for raising risks with the minister's office was seemingly left to program staff, and there was no attempt by the Sport Australia executives or the board to communicate issues directly with the minister.

3.91 The committee is concerned about the evidence showing Sport Australia's inability to withstand pressure from the minister's office, particularly on issues where program staff had identified clear risks with the minister's decision-making.

3.92 The committee considers that Sport Australia's failure to manage the grant process in accordance with its own published guidelines, and to effectively manage the risks involved in the program with the minister's office, indicates a broad lack of understanding of their own powers and responsibilities under legislation.

3.93 The committee is also concerned that Sport Australia failed to perform due diligence in relation to the design of the program and in particular whether the minister had the requisite legal authority to make grant decisions.

Recommendation 5

3.94 The committee recommends the Australian Sports Commission (ASC) make governance training mandatory for the ASC Board and all officers involved

in grant administration within Sport Australia to ensure they are cognisant of their powers, responsibilities and duties under law.

Role of the Department of Health

- 3.95 It is clear to the committee that the Department of Health failed in its role to support Sport Australia as one of its portfolio agencies.
- 3.96 The committee notes that the department was involved early in the design of the program guidelines and had an ongoing role providing policy advice and assistance in liaison with the minister's office.
- 3.97 The committee considers that the department was exposed to information about the risks of the minister's involvement in the CSIG program and despite their active involvement and resources, it provided limited practical assistance to Sport Australia to manage those risks. It also appeared that the department failed to adequately raise questions about the minister's legal authority with respect to the program.

Chapter 4

Political interference

- 4.1 The actions of the former Minister for Sport (the minister), the Hon Senator Bridget McKenzie, in determining the outcomes of the CSIG program lie at the heart of this inquiry. They raise important questions about the extent to which political objectives overrode the merit assessment process conducted by Sport Australia, and the role played by the Prime Minister and others in the context of the 2019 federal election.
- 4.2 This chapter examines these matters, including representations to the minister made by members of the Coalition in the lead up to the election; changes made to a decision brief by ministerial staff without the minister's knowledge; a documented approach of focusing on marginal and targeted electorates; the practice of pork-barrelling in Australia; and implications for Australia's integrity framework.

Were political objectives the primary driver of grant decisions?

Colour-coded spreadsheets

- 4.3 During the first round of the CSIG program, Sport Australia told the committee that the minister's office requested a list of all grant applications in a format which included electorate information.¹ Sport Australia provided the minister's office with a spreadsheet called 'Electoral Division of Applications'.²
- 4.4 Subsequently, multiple colour-coded versions of the spreadsheet were prepared within the minister's office over the course of the three rounds of the program, and informed discussions between that office and the Prime Minister's office in relation to funding decisions, including the proposal to increase funding for the CSIG program.³
- 4.5 According to the ANAO, the minister's office amended the spreadsheet to identify the total number and value of approved projects; the distribution of funding by state/territory; the distribution of funding by political party; the three electorates in which no applications had been received; and the

¹ Australian National Audit Office (ANAO), answers to question on notice, 2 September 2020 (received 25 September 2020), p. 4.

² Also referred to as the 'colour-coded spreadsheet'. See Mr Brian Boyd, Executive Director, Performance Audit Services Group, ANAO, *Committee Hansard*, 2 September 2020, pp. 4-5; ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020), p. 4.

³ Mr Brian Boyd, ANAO, *Committee Hansard*, 2 September 2020, pp. 4-5.

distribution of funding for each electorate in which one or more applications had been received.⁴

- 4.6 The committee heard that, during the three rounds of the CSIG program, the minister's office updated the spreadsheet as applications were added and removed from the approved list. Overall, the minister's office developed at least 28 versions of the colour-coded spreadsheet as the basis for the minister to decide which applications should be funded.⁵
- 4.7 The ANAO noted that whilst the spreadsheets reflected changing priorities within the minister's office, no records were made as to why certain applications were approved and others rejected.⁶
- 4.8 Mr Brian Boyd, Executive Director, Performance Audit Services Group, ANAO, explained to the committee that:

Essentially, a substantive change is between a version—sometimes the versions will be within hours on the same day—a project would go from being approved to not approved or not approved to approved without any record as to what has changed.⁷

Representations from Coalition members

- 4.9 According to the ANAO, decision-making for the CSIG program was an iterative process involving 'the minister's office and the minister in charge of that process receiving input from various sources, including the Prime Minister's Office'.⁸
- 4.10 Representations were made directly to the minister's office, and via the Prime Minister's office, from the Deputy Prime Minister, Coalition members and candidates for the 2019 federal election, and members of the state based Liberal National party.⁹
- 4.11 The ANAO also told the committee that the Queensland Liberal National Party also pulled together a list of projects:

⁴ ANAO, answers to questions taken on notice, 13 February 2020 (received 25 February 2020). See answer to questions 3 and 8.

⁵ Mr Grant Hehir, Auditor-General, ANAO, *Committee Hansard*, 2 September 2020, p. 1.

⁶ Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 3.

⁷ Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 8. For a detailed explanation of the different versions used to increase program funding and identify projects being approved in each of the three funding rounds, see answer to questions 3 and 8 in ANAO, answers to questions taken on notice, 13 February 2020 (received 25 February 2020).

⁸ Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 10.

⁹ ANAO, answer to question on notice no. 72, Senate Additional Estimates 2019–20 (received 7 May 2020), p. 2.

Well, they were pulling together a list of 'projects we'd like to support in this electorate' to provide into the minister's office as a process saying, 'Here are the ones we're looking for in this electorate. Which ones can be supported through this program?'¹⁰

4.12 The committee was told that, during the minister's 'parallel assessment process', the minister's office recorded that it had considered representations from several senators and members in addition to having 'spoken directly to other Members and Duty-Senators and some cross-bench on key priorities with a priority on marginal and targeted seats'.¹¹

4.13 The ANAO provided details of 18 instances where the minister received a representation from a Coalition member on behalf of a grant application. There were 11 grant applications on that list that were ultimately funded through the CSIG program.¹²

4.14 The ANAO told the committee that it could find no 'clear and direct relationship' between representations from a local member of parliament and the funding outcomes.¹³ Although the ANAO noted that it did not have access to all representations, and that there may have been others, including representations made directly to the Prime Minister's office.¹⁴

4.15 Senator McKenzie acknowledged that local representations were sought to address the 'varied capacity' between applicants:

In particular, it was recognised that volunteer-run clubs would have to compete against Local Governments, National Sporting Organisations and professional sporting bodies, which had professional grant writers.¹⁵

4.16 She added that her aim was to ensure 'a fair and broad distribution of grants given the overall objective of Sport 2030'.¹⁶

4.17 Later in the inquiry, when she gave oral evidence to the committee, Senator McKenzie further explained that inputs into her decision-making came from a range of sources:

Local MPs, local governments, sporting organisations, community members, the geographic spread and obviously other ministers' officers, including the Prime Minister's office.¹⁷

¹⁰ Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 16.

¹¹ Auditor-General's report, pp. 38–39. See also Mr Boyd, ANAO, *Committee Hansard*, 2 September 2020, pp. 11–12.

¹² ANAO, answer to question on notice no. 72, Senate Finance and Public Administration Legislation Committee Additional Estimates 2019–20, (received 7 May 2020), p. 2.

¹³ Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 10.

¹⁴ Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 10.

¹⁵ Senator the Hon Bridget McKenzie, *Submission 44*, p. 6.

¹⁶ Senator the Hon Bridget McKenzie, *Submission 44*, p. 9.

4.18 The ANAO's report, however, suggests that some of the minister's decisions resulted in fewer projects being funded than recommended by Sport Australia. For example, it notes that 245 applications were recommended for funding by Sport Australia in Round 3. Subsequently, Sport Australia's recommendations were replaced by a list of 184 approved applications from the minister, and only 61 of those applications were recommended by Sport Australia.¹⁸

Involvement of the Prime Minister's office

4.19 The ANAO provided details of a series of 136 email exchanges between the Prime Minister's Office and minister's office between 17 October 2018 and 11 April 2019. These exchanges included 15 instances where colour-coded spreadsheets of potential recipients were provided.¹⁹

4.20 Once applications closed for Round 1, the minister started to advocate the Prime Minister for an increase in the program's funding.²⁰ During this time, the minister formally wrote to the Prime Minister, and her staff provided the Prime Minister's office with information about the electorates that projects were located in.²¹ The first time that electorate information went from the minister's office to the Prime Minister's office, it was as an attachment to a formal letter from the minister to the Prime Minister, prior to their subsequent meeting in relation to expanding funding.²²

4.21 The minister met with the Prime Minister on 28 November 2018 in relation to the proposal to increase funding for the CSIG program.²³ The ANAO told the committee that, in preparation for the meeting, after a meeting between the minister, her Chief of Staff and her senior advisor, the minister's staff prepared talking points outlining what could be achieved by increasing the size of the program from \$30 million to \$100 million, and compared the number of

¹⁷ Senator the Hon Bridget McKenzie, Senator for Victoria, Commonwealth Parliament, *Committee Hansard*, 12 February 2021, p. 14.

¹⁸ Auditor-General's report, pp. 72–73.

¹⁹ ANAO, answers to questions taken on notice, 13 February 2020 (received 25 February 2020); ANAO, answer to question on notice no. 70, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020).

²⁰ Mr Brian Boyd, ANAO, *Committee Hansard*, 2 September 2020, p. 4.

²¹ Mr Brian Boyd, ANAO, *Committee Hansard*, 2 September 2020, p. 4; ANAO, answers to written questions on notice, 2 September 2020 (received 25 September 2020), p. 4; ANAO, answers to questions on notice, 2 March 2020, p. 3. On 17 October 2018, the minister formally wrote to the Prime Minister proposing that the CSIG program funding be increased. On 18 October 2018, the minister's office emailed the Prime Minister's office a copy of a spreadsheet labelled 'Copy of Electorate Divisions of Applications'.

²² ANAO, answers to written questions on notice, 11 September 2020 (received 25 September 2020), p. 4.

²³ Mr Brian Boyd, ANAO, *Committee Hansard*, 2 September 2020, p. 11.

applications in marginal and targeted seats that could be funded with those respective figures. Those figures matched the numbers in spreadsheets provided by the minister's office to the Prime Minister's office.²⁴ An increase in program funding was later confirmed.²⁵

- 4.22 Senator McKenzie told the committee that she has never seen the 'talking points' memo prepared by one of her staff members and that the memo was not used to advocate further funding with the Prime Minister at the meeting and concluded:

As for my discussion with the Prime Minister, the meeting was focused on obtaining as much increased funding for the program as I could, commensurate with the immense demand. [...] The Prime Minister agreed and determined to give the program more funding, which I thought was fantastic news.²⁶

- 4.23 In relation to Rounds 2 and 3, the minister's office again advised the Prime Minister's office of the list of approved projects.²⁷ In one email, the Prime Minister's office advised the minister's office that 'the Prime Minister had not had a chance to look at the list' for Round 2.²⁸ The list of Round 2 recipients was approved a short time later.²⁹
- 4.24 During Round 3, in the lead up to the election, the Prime Minister 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 to inform the Prime Minister of the 'roll out plan'.³⁰ The Prime Minister's office also requested that

²⁴ Mr Brian Boyd, ANAO, *Committee Hansard*, 2 September 2020, pp. 4–5.

²⁵ Mr Brian Boyd, ANAO, *Committee Hansard*, 2 September 2020, p. 11. On 17 December 2018, an additional \$30.3 million was announced to expand the CSIG program to a second round. On 30 March 2019, the Prime Minister and minister jointly announced an additional \$40 million for a third round of the CSIG program. See Commonwealth of Australia, *Mid-Year Economic and Fiscal Outlook 2018-19*, December 2018, p. 190; Commonwealth of Australia, *Budget Measures: Budget Paper No. 2 2019-20*, p. 93; The Hon Scott Morrison MP, Prime Minister of Australia and Senator the Hon Bridget McKenzie, Minister for Regional Services, Sport, Local Government and Decentralisation, 'Backing sporting communities and women in sport', *Media Release*, 30 March 2019.

²⁶ Senator the Hon Bridget McKenzie, Senator for Victoria, Commonwealth Parliament, *Committee Hansard*, 12 February 2021, p. 12.

²⁷ ANAO, answer to question on notice no. 70, Senate Additional Estimates 2018–19 (received 7 May 2020), p. 2; ANAO answer to question on notice no. 72, Senate Additional Estimates 2018–19 (received 7 May 2020), p. 2.

²⁸ ANAO answer to question on notice no. 70, Senate Additional Estimates 2019–20 (received 7 May 2020), p. 2.

²⁹ ANAO, answers to question on notice, 13 February 2020 (received 25 February 2020), p. 5.

³⁰ ANAO, answer to questions on notice no. 70, Senate Finance and Public Administration Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 3 and spreadsheet. According to the ANAO, on 26 March 2019, the Prime Minister's office advised the minister's

the roll out plan be 'coordinated in conjunction with CHQ' (campaign headquarters).³¹

- 4.25 The committee heard that, before arriving at the final list of approved Round 3 projects, the Prime Minister's office passed on to the minister's office a representation from another minister, and requested revisions to the list of approved projects due to certain projects being funded (or not) through other grant programs.³²
- 4.26 The ANAO told the inquiry that it had not previously seen this level of interaction between the Prime Minister's office and the relevant minister's office in relation to a grants program.³³
- 4.27 However, when asked about the volume of email exchanges between her office and the Prime Minister's office, Senator McKenzie expressed the view that it is 'not an unusual level of communication between a minister's office and a prime minister's office'.³⁴ The Senator also denied on several occasions during the hearing held on 12 February 2021 that the Prime Minister or his office had had any role in the selection of projects and decision making process.³⁵

Ministerial staff acting as agents for the minister

- 4.28 Evidence before the committee suggests that staff within the minister's office made changes to the list of approved projects for Round 3 after the date the minister indicated she had signed the decision brief.³⁶
- 4.29 The Auditor-General noted that the changes followed a series of exchanges between staff in the minister's office and the Prime Minister's office, in which

office that it would be expected that the minister write to the Prime Minister to seek 'authority' on approved projects and advise the 'roll out plan'. The ANAO claimed public interest immunity in relation to this correspondence. See, ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020).

³¹ ANAO, answer to questions on notice no. 70, Senate Finance and Public Administration Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p.4 and spreadsheet; Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 3.

³² ANAO, answer to question on notice no. 72, Senate Finance and Public Administration Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 3 On 25 March 2019, the Prime Minister's office advised the minister's office that 'Minister Payne will support this to be included in the next round' against a project in the electorate of Macquarie, which was ultimately funded. See also emails exchanged between the minister's office and the Prime Minister's office on 9, 10 and 11 April 2019, regarding project substitutions, set out in Appendix 1, p. 79.

³³ Mr Boyd and Mr Hehir, ANAO, *Committee Hansard*, 2 September 2020, p. 18.

³⁴ Senator the Hon Bridget McKenzie, Senator for Victoria, Commonwealth Parliament, *Committee Hansard*, 12 February 2021, p. 17.

³⁵ Senator the Hon Bridget McKenzie, Senator for Victoria, Commonwealth Parliament, *Committee Hansard*, 12 February 2021, pp. 14 and 17.

³⁶ Mr Grant Hehir, Auditor-General, ANAO, correspondence received 16 April 2019, p. 3.

staff were 'sorting out what the final list of approved projects would look like' for Round 3 funding.³⁷

4.30 According to the Auditor-General, a total of 11 changes were made to the list of approved projects after the minister had signed the decision brief, amounting to a net increase of \$2, 767, 071 in grant funding.³⁸

4.31 In response to the Auditor-General's evidence, Senator McKenzie issued a public statement on 5 March 2020, denying any knowledge of the changes made to her signed ministerial decision brief for Round 3 funding. She stated that:

I did not make any changes or annotations to this brief or its attachments after 4 April 2019. My expectation was that the brief would be processed in a timely and appropriate manner. Nevertheless, changes were made and administrative errors occurred in processing the brief. I have always taken responsibility for my actions and decisions as a minister, and this includes actions by my office. I was the Minister for Sport and therefore ultimately and entirely responsible for funding decisions that were signed off under my name, including and regrettably, any changes that were made unbeknown to me.³⁹

4.32 At a public hearing held on 12 February 2021, Senator McKenzie confirmed to the committee she was unaware of the changes made to her ministerial decision brief attachment until Senate Estimates held during the week of 2 March 2020. The Senator further explained that she does not know who made the changes as both the chief of staff and the senior adviser are no longer employed in her office and 'no longer work for government'.⁴⁰

³⁷ Mr Brian Boyd, ANAO, *Finance and Public Administration Legislation Committee Additional Estimates Hansard*, 2 March 2020, pp. 144 and 203–205; ANAO, answers to questions taken on notice, 13 February 2020 (received 25 February 2020). These email exchanges occurred on 10 and 11 April 2019, one week after the minister had signed the decision brief. The minister's office sent a final version of the spreadsheet to Sport Australia on 11 April 2019, identifying the projects approved for funding by the minister and noting that there were projects that had not been included that they wanted to have included.

³⁸ Mr Grant Hehir, Auditor-General, ANAO, correspondence received 16 April 2019, pp. 4–5. The Auditor-General provides a detailed breakdown of the changes in his correspondence. See also Mr Luke McCann, CEO, Sport Australia, *Community Affairs Legislation Committee Additional Estimates Hansard*, 4 March 2020, p. 29. Sport Australia noted that changes were also made in the spreadsheet listing approved applicants in Round 1, after the date that the minister had signed her decision brief.

³⁹ Senator the Hon Bridget McKenzie, 'Statement regarding Senate Estimates', *Media Release*, 5 March 2020.

⁴⁰ Senator the Hon Bridget McKenzie, Senator for Victoria, Commonwealth Parliament, *Committee Hansard*, 12 February 2021, pp. 13 and 18.

Timing of decisions and caretaker period

- 4.33 Witnesses were critical of the timing of the minister's grant decisions for Round 3 of the CSIG program and suggested it represented a contravention of caretaker conventions, a widely recognised and accepted practice in Australia, and a breach of the Prime Minister's own guidelines concerning caretaker conventions.⁴¹
- 4.34 According to the guidelines, major policy decisions should be avoided during a caretaker period that would be likely to commit an incoming government:
- Whether a particular policy decision qualifies as 'major' is a matter for judgment. Relevant considerations include not only the significance of the decision in terms of policy and resources, but also whether the decision is a matter of contention between the Government and Opposition in the election campaign.⁴²
- 4.35 The 2019 federal election was called on 11 April 2019 and Parliament was prorogued at 8:29am by the Governor-General.⁴³ As discussed above,⁴⁴ changes were made to the list of approved applications for Round 3 of the CSIG program after the minister signed the decision brief on 4 April 2019, including throughout the day of 11 April 2019.⁴⁵
- 4.36 Sport Australia told the committee that it sought advice from the Department of Health regarding the application of caretaker conventions.⁴⁶ The department recommended that advice be sought from the Executive level as to whether Sport Australia should go ahead and contact successful applicants.⁴⁷
- 4.37 The committee heard that successful applicants were subsequently contacted by Sport Australia on 23 April 2019 and that public announcements started

⁴¹ Department of the Prime Minister and Cabinet, *Guidance on Caretaker Conventions*, November 2018, <https://www.pmc.gov.au/resource-centre/government/guidance-caretaker-conventions> (accessed 11 August 2020). See also Ms Louise McLeod AO SC, Chair, Accountability Round Table, *Committee Hansard*, 12 March 2020, p. 54; Professor Graeme Orr, Private capacity, *Committee Hansard*, 23 July 2020, p. 3.

⁴² Department of the Prime Minister and Cabinet, *Guidance on Caretaker Conventions*, November 2018, <https://www.pmc.gov.au/resource-centre/government/guidance-caretaker-conventions> (accessed 11 August 2020), p. 2.

⁴³ Sir Peter Cosgrove, Governor-General, *Proclamation*, 11 April 2019.

⁴⁴ See discussion at paragraphs 4.28–4.32.

⁴⁵ See emails exchanged between the minister's office, the Prime Minister's office and Sport Australia on 11 April 2019, in Appendix 1.

⁴⁶ Sport Australia, answers to question on notice no. 6, Senate Additional Estimates 2019-20, 4 March 2020 (received 11 May 2020).

⁴⁷ Sport Australia, answers to question on notice no. 6, Senate Additional Estimates 2019-20, 4 March 2020 (received 11 May 2020).

from 26 April 2019.⁴⁸ The Auditor-General's report notes that it is unclear when non-government sitting members were advised of the outcomes, if at all.⁴⁹ On 18 May 2019, voters went to the polls, and the result of the election was a return of the Coalition to Government.

A focus on marginal and 'targeted' electorates

4.38 The ANAO told the committee that it reached the conclusion that the minister's decisions to award grants reflected an approach, adopted within the minister's office, of focusing on 'marginal' and 'target' electorates in the context of the 2019 federal election.⁵⁰

4.39 The ANAO found that the minister's decision-making showed a shift away from applications located in 'safe' and 'fairly safe' coalition electorates to applications located in marginal coalition electorates and targeted electorates held by ALP and Independent members.⁵¹

4.40 As a result, nine of the ten electorates that received the most funding were 'marginal' or 'target' seats while seats held by minor parties and Independents and not classified as 'marginal' or 'targeted' received about half of the funding than if the grants had been awarded on merit.⁵²

4.41 In the absence of any recorded reasons for the minister's decisions, the ANAO told the committee that:

The only thing that we could see was that there was a documented approach saying that there was going to be priority given to projects located in a marginal and targeted electorate.⁵³

4.42 In her written submission to the committee, Senator McKenzie rejected the suggestion that the decision-making process, for which she was responsible, was 'negatively politicised'. She stated that 'no rules were broken' and that her aim was to ensure 'a fair and broad distribution of grants'.⁵⁴

⁴⁸ Auditor-General's report, p. 60. On 1 May 2019, the Prime Minister announced funding for a new football center in Western Australia. See The Hon Scott Morrison MP, Prime Minister, 'New home for football in West Australia', *Media Release*, 1 May 2019.

⁴⁹ Auditor-General's report, p. 61.

⁵⁰ Mr Grant Hehir, Auditor-General, ANAO, *Committee Hansard*, 13 February 2020, p. 2.

⁵¹ Mr Brian Boyd, ANAO, *Committee Hansard*, 2 September 2020, p. 3.

⁵² Mr Brian Boyd, ANAO, *Committee Hansard*, 2 September 2020, p. 3; Auditor-General's report, pp. 53–54. Projects in ALP-held electorates received between 33 and 35 per cent of total funding awarded in each round. Electorates held by minor parties or Independents were most successful in the second round, with six per cent of projects and six per cent of funding being awarded to projects in those electorates.

⁵³ Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 7; see also Auditor-General's report, pp. 8 and 11.

⁵⁴ Senator the Hon Bridget McKenzie, *Submission 44*, pp. 9 and 19.

4.43 Senator McKenzie reaffirmed her views when she gave oral evidence to the committee:

I completely reject that the exercise of my ministerial discretion resulted in the negative politicisation of the program. Indeed, the facts refute it. [...] My responsibility when exercising my ministerial authority was to see more communities benefit across a wide range of sports and local clubs to ensure that funding resulted in a fairer overall outcome, with more clubs funded across more regions than otherwise would have been the case.⁵⁵

4.44 According to Senator McKenzie, the lack of geographical distribution of projects in Sport Australia's recommendations for the initial round of the CSIG program demonstrated 'why ministerial discretion is so fundamentally important'.⁵⁶

4.45 In her written submission, she concluded that her decisions had resulted in a fairer geographical distribution of grants than that recommended by Sport Australia, whilst acknowledging that unsuccessful applicants would have benefited from greater transparency about those decisions.⁵⁷

4.46 Secretary of the Department of the Prime Minister and Cabinet, Mr Philip Gaetjens, told the committee that the evidence he reviewed in considering whether Senator McKenzie breached Ministerial Standards did not 'support the suggestion that political considerations were the primary determining factor in the Minister's decisions'.⁵⁸

4.47 The committee heard that Mr Gaetjens had only considered the number of grants awarded, and not their dollar value. The ANAO explained that the dollar value was a key consideration in analysing the distribution of grants in the Auditor-General's report:

... one of the things being tracked by the minister's office was the dollars going into each individual electorate, the dollars by state and territory, and the dollars by political party. So you can actually see that the decision-making process wasn't focused solely on application numbers; it also had very direct regard to the dollars and where they were going.⁵⁹

4.48 The committee also heard that Mr Gaetjens was aware of the 'talking points' memo prepared in the minister's office, which outlined the number of applications in marginal and targeted seats that could be funded, however did

⁵⁵ Senator the Hon Bridget McKenzie, Senator for Victoria, Commonwealth Parliament, *Committee Hansard*, 12 February 2021, p. 10.

⁵⁶ Senator the Hon Bridget McKenzie, *Submission 44*, pp. 17–19.

⁵⁷ Senator the Hon Bridget McKenzie, *Submission 44*, pp. 17–19.

⁵⁸ Mr Philip Gaetjens, Secretary, Department of the Prime Minister and Cabinet (DPM&C), *Submission 1*, p. 6.

⁵⁹ Mr Brian Boyd, ANAO, *Committee Hansard*, 2 September 2020, p. 3.

not raise this issue during his meeting with the Prime Minister the day before submitting his final report.⁶⁰

An exercise in pork-barrelling?

4.49 Some submitters and witnesses described the award of grant funding under the CSIG program as 'pork-barrelling', a term used to describe governments using discretionary grant programs as a means of promoting their prospects for re-election in Australia's 'relatively short federal election cycle'.⁶¹

4.50 The committee heard evidence about how it has become common practice in Australian elections for political parties to analyse voting data and fund election commitments in order to optimise their electoral chances.⁶²

4.51 Professor Graeme Orr and Ms Susanna Connolly of the University of Queensland submitted that, whilst pork barrelling is 'considered an ordinary aspect of electioneering in Australia', it can be difficult to distinguish from 'the improper use of public funds for partisan purposes which deserve sanction'.⁶³

4.52 They told the committee that the boundary between what is an acceptable exercise of ministerial discretion and improper and unacceptable pork-barrelling will depend on a range of relevant factors. Accordingly:

Although there is no set criteria for when this occurs, relevant factors tend to include unjustified inconsistency with merit-based advice, excessiveness, brazenness, timing and appearances.

4.53 Professor Orr and Ms Connolly added that there is a 'clear limit' to the type of conduct that would be considered acceptable:

... a judgement of impropriety may be more likely when a minister disregards department advice on the merits of applications and unjustifiably favours applicants in marginal or targeted electorates, particularly when the distortion is excessive and a federal election is proximate. Such a judgement is made easier by the presence of an apparent smoking gun, such as an erased whiteboard or a colour-coded spreadsheet.⁶⁴

⁶⁰ Mr Philip Gaetjens, Secretary, DPM&C, *Committee Hansard*, 22 July 2020, p. 17. See discussion about the talking points above, at paragraph 4.21.

⁶¹ Dr Marie dela Rama, Scott Hamilton and Professor Stuart Kells, *Submission 8*, p. 11. Also, see, Mr Peter Cummiskey, Secretary and Director, Community Sport Australia, *Committee Hansard*, 12 March 2020, p. 5; Mr Benjamin Cronshaw, *Submission 6*, p. 4; Adjunct Professor Anthony Veal, Associate Professor Daryl Adair, Professor Bronwen Dalton and Professor Simon Darcy, Business School, University of Technology Sydney, *Submission 27*, p. 1; Mr Greg Blood, *Submission 34*, [p. 3].

⁶² Ms Susanna Connolly and Professor Graeme Orr, *Submission 51*, p. 4.

⁶³ Ms Susanna Connolly and Professor Graeme Orr, *Submission 51*, pp. 1 and 5.

⁶⁴ Ms Susanna Connolly and Professor Graeme Orr, *Submission 51*, p. 6.

Risks to other discretionary grant programs

- 4.54 The committee heard that grant programs, like the CSIG program, are particularly vulnerable to pork-barrelling because they tend to be regionally based, discretionary and involve billions of dollars of public funds.⁶⁵
- 4.55 Several witnesses noted that the selection of successful applicants for funding in discretionary grant programs is notoriously vulnerable to 'maladministration or improper practice', yet it remains the least protected area of grants administration.⁶⁶
- 4.56 The committee heard evidence about other Commonwealth ad hoc grants funded under the Community Development Grants Program (CDGP). Of particular relevance to this inquiry was the community sport infrastructure grant program known as the Female Facilities and Water Safety Stream (FFWSS), for which the Australian Government committed \$150 million over four years in the 2019–20 federal Budget.⁶⁷
- 4.57 The committee heard that the funding for the FFWSS was transferred from the Department of Infrastructure to the Department of Health via a letter from the Prime Minister to the Department of Health on 21 August 2019.⁶⁸ FFWSS projects were transferred as 'fully selected and were treated as ad hoc grants'. There were no guidelines in place and no public calls for applications.⁶⁹
- 4.58 The Department of Health, told the committee that the CDGP is regularly used as a vehicle for funding 'infrastructure election commitments' across a range of portfolios. The committee heard concerns that the FFWSS program 'funded the building of swimming pools, rather than female facilities', and represented another example of a grant program where funding was allocated to marginal electorates for political advantage.⁷⁰

⁶⁵ Ms Susanna Connolly and Professor Graeme Orr, *Submission 51*, p. 4.

⁶⁶ Integrity Partners Australia Pty Ltd, Answers to questions on notice, 23 July 2020, p. 2 (received 7 August 2020); see also Mrs Glenys Byrne, Private capacity, *Committee Hansard*, 23 July 2020, p. 20.

⁶⁷ See Department of Infrastructure, Regional Development and Cities, *Budget Statements 2019–2020*, Table 2.3.2: Program components for Outcome 3, 2 April 2019, https://www.infrastructure.gov.au/department/statements/2020_2021/index.aspx; The Hon Scott Morrison MP, Prime Minister of Australia, 'Backing sporting communities and women in sport', *Media release*, 30 March 2019, <https://www.pm.gov.au/media/backing-sporting-communities-and-women-sport> (all accessed 28 September 2020).

⁶⁸ Mr Charles Wann, Acting CEO, Department of Health, *Committee Hansard*, 27 August 2020, pp. 5–6.

⁶⁹ Ms Caroline Edwards, Associate Secretary, Department of Health, *Committee Hansard*, 27 August 2020, pp. 7–8 and 13.

⁷⁰ See for example, Professor Anne Twomey, *Submission 14*, p. 6; Mr Greg Blood, *Submission 34*, [p. 4]. Senator McKenzie stated in her submission that she was not responsible for the FFWSS program,

Implications for Australia's integrity framework

Office of the Auditor-General for Australia

- 4.59 Witnesses and submitters were overwhelmingly supportive of the work of the Auditor-General.⁷¹
- 4.60 However, the committee heard that the position had been undermined by the Prime Minister when he commissioned his own review of the minister's actions.⁷²
- 4.61 The committee heard a proposal from one witness that, given the critical role of the Auditor-General in reporting to Parliament on expenditure of money appropriated by it, the appointment of the Auditor-General should 'be subject to a bi-partisan process'.⁷³

Role of the public service

- 4.62 The former NSW Auditor-General, Mr Tony Harris, expressed concern about the reluctance of the public service to advise ministers about the limits of their powers, saying that 'our standards seem to have slipped over time, so that any behaviour by a minister at any time is legitimate'.⁷⁴
- 4.63 Emeritus Professor Richard Mulgan of the Crawford School of Economics and Government at the Australian National University argued that the Australian Government should 'recommit to upholding' the Commonwealth Grant Rules and Guidelines 2017 (CGRGs), and stressed the need for the Australian Public Service to actively defend the integrity of the CGRGs and to not allow ministers and their advisers to 'override' procedural constraints on their powers, as occurred in the CSIG program.⁷⁵
- 4.64 Professor Mulgan proposed that the role of the Australian Public Service Commissioner be enhanced in order to uphold procedural and administrative integrity and address the prevailing 'culture of oversubmissiveness and deference within the bureaucracy' towards ministers.⁷⁶

'nor decisions to award funding to professional sport organisations announced throughout the 2019 election campaign'. See Senator the Hon Bridget McKenzie, *Submission 44*, p. 3.

⁷¹ See, for example, Ms Madeleine Kingston, *Submission 35*, [p. 1]; Mr Tony Harris, Private capacity, *Committee Hansard*, 2 November 2020, p. 1.

⁷² Accountability Round Table, *Submission 32*, p. 3.

⁷³ Accountability Round Table, *Submission 32*, p. 9.

⁷⁴ Mr Tony Harris, Private capacity, *Committee Hansard*, 2 November 2020, pp. 1 and 6.

⁷⁵ Emeritus Professor Richard Mulgan, Private capacity, *Committee Hansard*, 23 July 2020, pp. 8–10.

⁷⁶ Emeritus Professor Richard Mulgan, Private capacity, *Committee Hansard*, 23 July 2020, pp. 8–10.

Ministerial Standards

4.65 With respect to Ministerial Standards, the committee heard criticism of the review of the minister's conduct by Mr Gaetjens.⁷⁷ One witness commented that the failure to publish the report and its full terms of reference has made it 'impossible to assess'.⁷⁸

4.66 Several witnesses noted that the report did not address other standards that may have been breached, including:

- Clause 1.3 (lawful and disinterested exercise of powers);
- Clause 2.8 (providing advice or assistance to any enterprise in a disinterested manner);
- Clause 3.2 (ministerial decisions unaffected by bias or irrelevant considerations); and
- Clause 5.2 (must not encourage or induce other public officials to breach the law).⁷⁹

4.67 Former NSW Auditor-General Mr Tony Harris argued that the review omitted to look at a fundamental potential breach:

I think the worst part of the summary document was the fact that Mr Gaetjens, having been asked by the Prime Minister to look at the ministerial standards of conduct, didn't look at the very first one, which asks whether ministers have the power to do what they purported to do.⁸⁰

4.68 Accountability Round Table noted that relying on the Prime Minister to enforce the Ministerial standards is fraught. It told the committee that:

We are faced with yet another example of the difficulties that prime ministers have in upholding and enforcing their own ministerial standards. Such failures repeatedly undermine the reputation of prime ministers and their governments. The standards that should be subject to investigation and enforcement independently of the prime minister and his/her public servants.⁸¹

Ministerial staff

4.69 Witnesses felt that ministerial staff had overreached their authority and that there was insufficient accountability for their actions.⁸²

⁷⁷ Ms Madeleine Kingston, *Submission 35*, [p. 1]; Accountability Round Table, *Submission 32*, p. 3.

⁷⁸ Accountability Round Table, *Submission 32*, p. 3.

⁷⁹ Professor Anne Twomey, *Submission 14*, p. 14. See also Mr Tony Harris, Private Capacity, *Committee Hansard*, 2 November 2020, p. 5.

⁸⁰ Mr Tony Harris, Private capacity, *Committee Hansard*, 2 November 2020, p. 4.

⁸¹ Accountability Round Table, *Submission 32*, p. 5.

⁸² Professor Anne Twomey, Private capacity, *Committee Hansard*, 12 March 2020, p. 20; Ms Fiona McLeod AO SC, Accountability Round Table, *Committee Hansard*, 12 March 2020, pp. 54, 56 and 58.

4.70 One legal expert told the committee that, while there may be circumstances where ministerial staff do undertake matters on a minister's behalf, it is clear in this instance that they had no legal powers to act in that particular way:

... it appears to be the case that [the minister] did not know that staff were changing decisions about the expenditure of public money without her knowledge. I think any minister would want to make sure that they were aware of such things and sign the final document which allocated those kinds of grants.⁸³

4.71 The former Auditor-General of NSW, Mr Tony Harris, told the committee that ministers, including the Prime Minister, were accountable for their staff, 'because those staff are not accountable in any other way under the Commonwealth's practices'.⁸⁴

National integrity commission

4.72 Legal experts noted that the lack of enforcement mechanisms limits the effectiveness of the current integrity framework, and suggested that reforms must prioritise the establishment of a national integrity commission.⁸⁵

4.73 The committee heard significant support for an integrity commission at the federal level,⁸⁶ with one witness commenting that the Commonwealth is currently the 'odd jurisdiction out' in Australia because it does not have a standing integrity commission.⁸⁷

4.74 The committee heard concerns that the current model proposed by the government would be ineffective in addressing matters being examined in this inquiry.⁸⁸

4.75 One witness outlined elements of the proposed federal model that would work to undermine its effectiveness:

As I understand it, from what the Attorney-General has said, it was only able to look at criminal matters, unlike integrity commissions elsewhere. It was not able to go back into history and look at matters because he didn't

⁸³ Professor Anne Twomey, Private capacity, *Committee Hansard*, 12 March 2020, pp. 20–21.

⁸⁴ Mr Tony Harris, Private capacity, *Committee Hansard*, 2 November 2020, p. 2.

⁸⁵ Ms Susanna Connolly and Professor Graeme Orr, *Submission 51*, pp. 20 and 22.

⁸⁶ See, for example, Accountability Round Table, *Submission 32*, pp. 5–6; Professor Anne Twomey, Private capacity, *Committee Hansard*, 12 March 2020, p. 25; Professor Stuart Kells, Private capacity, *Committee Hansard*, 12 March 2020, p. 49; Mr Tony Harris, Private capacity, *Committee Hansard*, 2 November 2020, p. 5; Ms Susanna Connolly and Professor Graeme Orr, *Submission 51*, p. 21; Australian Democrats, *Submission 37*, [p. 2].

⁸⁷ Professor Stuart Kells and Mr Scott Hamilton, answer to question taken on notice, 12 March 2020 (received 12 April 2020).

⁸⁸ See, for example, Accountability Round Table, *Submission 32*, p. 6; Mr Stephen Charles, Board Member, Accountability Round Table, *Committee Hansard*, 12 March 2020, p. 60; Mr Tony Harris, Private capacity, *Committee Hansard*, 2 November 2020, p. 6.

want ministers to be found guilty of something they might not have been guilty of before, which I think is a bit spurious. It can't have its undertakings in public, and the lack of a public hearing gives you little faith in it. The government appoints the commissioner. The government determines the funding of the commission. There are several matters that, I think, would fundamentally undermine the effectiveness of the government's model.⁸⁹

4.76 Another witness commented that there could be a 'sensible middle ground' between the proposed model for an integrity commission and the model proposed in the National Integrity Commission Bill 2018 (No. 2) passed by the Senate.⁹⁰

Committee view

4.77 The evidence examined by the committee clearly shows that the minister deviated from the merit-based assessment process adopted by Sport Australia's program administrators and assessment panel. Given the minister has not been able to provide any credible or documented rationale for her decision making the committee can only conclude that she applied considerations that were politically motivated and inconsistent with the published guidelines.

4.78 Whilst the committee has been denied access to the unredacted versions of the colour-coded spreadsheets prepared by the minister's office, enough evidence is available to assert that the colour-coded spreadsheets were developed using vastly different assessment criteria than those published in the guidelines. The committee is of the view that the parallel assessment undertaken by the minister's office drew upon considerations of electorate status, and whether a project was in a marginal or targeted seat for the Liberal and National party election campaigns. In other words, the CSIG program was turned into a \$100 million pre-election slush fund.

4.79 In the course of this inquiry there has been broad recognition by the Senate that grant decisions were made for political purposes. The Senate agreed that evidence shows the Prime Minister and his office were intimately involved in and aware of decision making.⁹¹ The Senate also agreed that 'many deserving clubs, including in regional Australia, missed out on new community sport facilities, because they were not in marginal or targeted electorates'.⁹²

4.80 The evidence available to the committee indicates clearly that the Prime Minister's office, and likely the Prime Minister, were aware of the use of

⁸⁹ Mr Tony Harris, Private capacity, *Committee Hansard*, 2 November 2020, p. 6.

⁹⁰ Professor Stuart Kells and Mr Scott Hamilton, answer to question taken on notice, 12 March 2020 (received 12 April 2020).

⁹¹ *Journals of the Senate*, No. 82, 2 February 2021, pp. 2912–2913.

⁹² *Journals of the Senate*, No. 82, 2 February 2021, pp. 2912–2913.

electorate information to identify projects in marginal and targeted electorates well before the first grant recipient was announced.

Who was involved beyond the Minister for Sport

- 4.81 Following revelations in the media and the publication of the ANAO report, Senator McKenzie took the fall. Whilst the Prime Minister has insisted that the minister was the decision-maker all along, it has been established that there was a plethora of emails between the minister's office and the Prime Minister's Office (PMO) from October 2018 to April 2019 in relation to the CSIG program. This points to the direct involvement of the PMO in the selection process. The interactions were so significant that the ANAO told the committee that they had never before seen that level of communication between a minister's office and the PMO in relation to a grants program. The refusal to provide information about the emails to the committee speaks volumes.
- 4.82 It appears that other MPs and the broader Liberal party also made requests and suggestions for funding. For example, the committee heard that the Deputy Prime Minister's office made representations in support of funding for projects in the electorate of Indi. The significant ongoing interest and involvement in the CSIG program by the PMO is clear from the evidence available to the committee, including the large number of emails exchanged between the offices, and the requests for information and lists of grant applications. However the full extent of the PMO's involvement and the potential involvement of other senior ministers remains unknown. The sheer fact that they interfered is deeply troubling and raises serious questions about the lack of mechanisms to hold ministers to account.

Recommendation 6

- 4.83 The committee recommends that the Prime Minister provide a full explanation to the Parliament of the role he, his office, and if applicable, Liberal and/or National Campaign Headquarters played in the allocation of grants under the CSIG program.**

Government accountability and integrity

- 4.84 The committee is of the view that the mechanisms for ministerial accountability were insufficient to deter or penalise the minister (or ministers) from acting out of political interest. The committee considers that the process by which the minister's conduct under the Ministerial Standards was examined and dealt with fell short. Whilst the Gaetjens report has not been made public on the grounds of cabinet confidentiality, the report seems to have conveniently not addressed the key issues at stake. The committee is of the view that the Gaetjens report did not fully address breaches of the Ministerial Standards by Senator McKenzie, and did not address any potential breaches of the Ministerial Standards by the Prime Minister. The committee

considers that the Gaetjens report relies upon limited evidence, and has drawn conclusions based on inadequate analysis, for example, by only considering the number of grants and not their dollar value. This highlights the importance and the need for independent integrity bodies such as the ANAO. The committee is concerned about the ongoing budgetary cuts to the ANAO and the impact on its work program.

Recommendation 7

4.85 The committee recommends that the Australian Government ensure the ANAO has the requisite level of resourcing it needs to properly scrutinise government expenditure and activities.

4.86 Ultimately the committee considers that there remains a significant and unacceptable integrity risk with respect to Commonwealth-funded local grants programs such as the CSIG program. Grants programs should be fair, ethical and transparent, and managed according to clear guidelines. Effective mechanisms should be in place to investigate any allegations of misuse or mismanagement of these funds by the executive power. As the CSIG program has demonstrated, there is an urgent and clear need for a federal integrity commission with the power to investigate the issues before this inquiry.

Recommendation 8

4.87 The committee recommends that the Australian Government establish a national integrity commission with the standing powers of a Royal Commission as a matter of urgency.

Ministerial staff

4.88 The committee is concerned with the level of involvement of ministerial staff in the last-minute changes to the list of approved projects for Round 3 after the minister had signed the decision brief. It is unknown who made the changes in the minister's office and who directed the changes. The role of the Prime Minister and the former minister in directing these actions may never be known, but the committee considers that this highlights the importance of ministerial responsibility for the failings of staff within their offices.

4.89 The New South Wales model sets out clear guidelines on the roles and responsibilities of ministerial staff and clarify the circumstances in which a staff member can legally act as an agent for a minister.⁹³ Responsibility for enforcing such a code of conduct, as with the Department of the Prime

⁹³ See NSW Department of Premier and Cabinet *Ministers' Office Handbook*, 2020, <https://publications.dpc.nsw.gov.au/ministers-office-handbook/attachments/attachment-b/> (accessed 1 March 2021).

Minister and Cabinet's Statement of Ministerial Standards, would ultimately rest with the executive.

Chapter 5

Conclusion

In order for governments to keep trust, it's really essential that they are seen to administer government programs fairly and impartially, without use of political favouritism.¹

Obstruction of evidence

- 5.1 The committee has faced significant obstruction in its attempts to gather evidence that would explain who was involved and responsible for grant decisions (including the extent of involvement of the Prime Minister and others), what were the reasons for decisions, and whether those decisions were made in accordance with the law.
- 5.2 Documents that go to these questions were sought on multiple occasions by the committee, and individual senators, through all available mechanisms within the Senate. This included via requests for information through committee hearings, Senate Estimates, Senate Orders for the Production of Documents, and questions on notice taken at hearings and also through direct written requests. Appendix 2 provides a summary of the key information requested and refused by government ministers and public officials, and the reasons provided, during the course of this inquiry.
- 5.3 Despite the numerous requests, including Orders for the Production of Documents agreed to by the Senate, the following key documents have been withheld:
 - a summary of the legal advice given to the board of Sport Australia relating to funding decisions under the CSIG program;
 - a copy of the full unredacted list of grant applicants as they relate to Sport Australia's assessment scores and comments;
 - a copy of the terms of reference and full report (the 'Gaetjens report') of the Secretary of the Department of the Prime Minister and Cabinet (DPM&C), Mr Phillip Gaetjens, relating to the application of the Statement of Ministerial Standards to the former Minister for Sport (minister); and
 - a copy of the talking points memo prepared in the minister's office for her meeting with the Prime Minister which discuss the number of targeted and marginal seats that could be funded through an expansion of the CSIG program budget.²

¹ Mr Stephen Bartos, Private capacity, *Committee Hansard*, 23 July 2020, p. 21.

² See further Appendix 2, which sets out in more detail how this information was requested and the reasons that were provided in refusing to make the information available.

Public interest immunity claims

- 5.4 Attempts to gain access to information were met with considerable ministerial intervention, with a series of public interest immunity claims made by the Minister for Sport and Youth and the Attorney-General.
- 5.5 Where the committee asked for documents detailing grant applications, including the colour-coded spreadsheets, it received public interest immunity claims citing privacy concerns. The Minister for Youth and Sport, in relation to two Orders for the Production of Documents, argued that disclosure would identify individuals and organisations (including the identity of grant applicants). This claim was also relied upon by Sport Australia in relation to subsequent requests for information about grant applicants.³
- 5.6 Where the committee had requested copies of correspondence between the Prime Minister's office, DPM&C, the minister's office and Sport Australia, and when it specifically asked for the Gaetjens report and related advice, Cabinet confidentiality was cited as the basis for withholding the information. Senator the Hon Mathias Cormann, Minister for Finance and Leader of the Government in the Senate, and later DPM&C in its response to questions on notice, argued that disclosure would reveal information that was the subject of, or used to inform, Cabinet deliberations.⁴
- 5.7 Finally, in relation to requests for information relating to the legal basis of the minister to have made decisions under the CSIG program (including legal advice obtained by Sport Australia), public interest immunity claims were made on several occasions on the basis of prejudice to legal proceedings and legal professional privilege. The reasons provided was that the disclosure would reveal the fact or content of legal advice or could prejudice pending

³ Senator the Hon Richard Colbeck, Minister for Youth and Sport, Letter to the President of the Senate regarding Order for the Production of Documents No. 387, tabled 13 February 2020; Senator the Hon Richard Colbeck, Minister for Youth and Sport, Letter to the President of the Senate regarding Order for the Production of Documents No. 389, tabled 13 February 2020. See also, for example, Sport Australia, answer to question on notice, 27 February 2020 (received 17 July 2020), [pp. 10, 376 and 419]; Sport Australia, answer to written questions on notice – SQ20-000560, Budget Estimates 2020-21, 27 October 2020 (received 16 December 2020); Sport Australia, answers to written questions on notice, 11 September 2020 (received 19 January 2021), p. 1.

⁴ Senator the Hon Mathias Cormann, Minister for Finance and Leader of the Government in the Senate, Letter to the President of the Senate regarding Order for the Production of Documents No. 379, tabled 13 February 2020; Senator the Hon Mathias Cormann, Minister for Finance and Leader of the Government in the Senate, Letter to the President of the Senate regarding Order for the Production of Documents No. 385, tabled 6 February 2020; Senator the Hon Mathias Cormann, Minister for Finance and Leader of the Government in the Senate, Letter to the President of the Senate regarding Order for the Production of Documents No. 478, tabled 25 February 2020; DPM&C, answers to questions on notice, 22 July 2020 (received 26 August 2020), [p. 2].

legal proceedings.⁵ Even where the committee offered to receive evidence confidentially, it was not provided.⁶

- 5.8 The committee has rejected all of the public interest immunity claims that were made to it on the basis that the claims did not sufficiently justify withholding the information requested.
- 5.9 In relation to legal advice obtained by Sport Australia, the committee took the further step of tabling an interim report on 1 December 2020. In relation to that report, the Senate agreed to require that the Chair of the ASC table its advice.⁷ Subsequently the Chair of the ASC wrote to the President of the Senate claiming public interest immunity on the basis of legal professional privilege.⁸

Lack of documented records

- 5.10 The committee also encountered an apparent lack of other records that would have greatly assisted it with its inquiries. There were no documented records of the reasons for the minister's decisions to award grant funding to projects not recommended by the ASC board. There was also no documented evidence to explain the criteria or factors applied by the minister in her decision-making.
- 5.11 The committee was also unable to view documented records of a teleconference arranged by the Secretary, Department of Health, with the Chair of the ASC board and CEO of Sport Australia, on the evening of 5 April 2019, to discuss a colour-coded spreadsheet sighted for the first time just prior to giving evidence at a Senate Estimates hearing.⁹ The committee heard that the Secretary of the Department of Health had also destroyed notebooks that she had used to take notes of her meetings.¹⁰

⁵ The Hon Christian Porter MP, Attorney-General, Letter to the President of the Senate regarding Order for the Production of Documents No. 388, tabled 11 February 2020; Senator the Hon Mathias Cormann, Minister for Finance and Leader of the Government in the Senate, Letter to the President of the Senate regarding Order for the Production of Documents No. 379, tabled 13 February 2020; Senator the Hon Richard Colbeck, Minister for Youth and Sport, correspondence received 17 July 2020; The Hon Christian Porter MP, Attorney-General, correspondence received 17 September 2020; Mr Steve Moneghetti AM, Acting Chair, ASC, Letter to the President of the Senate, received 3 December 2020.

⁶ Senate Committee on Administration of Sports Grants, *Interim report*, December 2020, p. 1.

⁷ Senate Committee on Administration of Sports Grants, *Interim report*, December 2020, pp. 4–5.

⁸ Mr Steve Moneghetti AM, Acting Chair, ASC, Letter to the President of the Senate, received 3 December 2020.

⁹ Ms Glenys Beauchamp, Private capacity, *Committee Hansard*, 28 February 2020, p. 24.

¹⁰ Ms Glenys Beauchamp, Private capacity, *Committee Hansard*, 28 February 2020, p. 24.

Heavily redacted documents

- 5.12 The committee received several heavily redacted documents which rendered the information in those documents of little value to the inquiry.
- 5.13 For example, the Minister for Sport and Youth provided the committee with a heavily redacted version of a colour-coded spreadsheet to the committee, however the extent of the redactions prevented the committee from scrutinising the rationale for the minister's funding decisions.¹¹
- 5.14 The committee was also unable to fully scrutinise redacted correspondence between the minister's office and the Prime Minister's office. Copies of emails between the minister's office and other ministerial offices were provided, however, due to the extent of the redactions it is not always clear which ministerial office sent or received the emails.¹²
- 5.15 The committee was unable to determine whether the redactions went beyond what would be reasonable to protect an individual's right to privacy balanced against the public interest in publishing the names of community organisation. It is not apparent that any CSIG applicants had requested that the identity of their organisations be kept private.¹³

Evidence from the former minister

- 5.16 The committee notes that Senator the Hon Bridget McKenzie appeared at a public hearing on 12 February 2021, by order of the Senate.¹⁴ At the hearing Senator McKenzie told the committee that she was solely responsible for the decisions made under the CSIG program, not the Prime Minister or his office.¹⁵
- 5.17 However, Senator McKenzie was unable to fully explain evidence showing significant interactions between her office and the Prime Minister's office during the program. The reason for emails showing the Prime Minister was 'yet to consider' a list of proposed grant applicants and why the Prime

¹¹ Senator the Hon Richard Colbeck, Minister for Youth and Sport, Letter to the President of the Senate regarding Order for the Production of Documents No. 387, tabled 13 February 2020; Sport Australia, response to question on notice, 27 February 2020 (received 17 July 2020), [pp. 10, 376 and 419].

¹² Senator the Hon Richard Colbeck, Minister for Youth and Sport, Letter to the President of the Senate regarding Order for the Production of Documents No. 389, tabled 13 February 2020.

¹³ See Sport Australia, answers to written questions on notice – SQ20-000562, *Budget Estimates 2020-21* (received 23 February 2021). See also, for example, Mr Nigel Dillon, Life Member and former Vice President, Barmera Monash Football Club, *Committee Hansard*, 10 March 2020, p. 10; Mr Matt Smith, President, Coromandel Valley Ramblers Cricket Club, *Committee Hansard*, 10 March 2020, p. 10. Both clubs told the committee that they did not have any problem with their club's name being released.

¹⁴ See *Journals of the Senate*, No. 80, 9 December 2020, pp. 2836–2837.

¹⁵ Senator the Hon Bridget McKenzie, Senator for Victoria, Commonwealth Parliament, *Committee Hansard*, 12 February 2021, pp. 14 and 17.

Minister's office had requested the Prime Minister 'approve' grants were not fully explained.

- 5.18 In addition, the role of the minister's staff and staff in the Prime Minister's office in changing the list of approved grants after the minister had signed off on the decision brief, remains unanswered. Senator McKenzie conceded that she did not know who had made changes to her decision brief but assumed it was someone within her office.¹⁶

Information held by the Australian National Audit Office

- 5.19 The committee notes that it was unable to access several documents obtained for the purposes of the Australian National Audit Office (ANAO) audit of the CSIG program. This included emails and/or messages forming both direct and indirect representations from the Prime Minister's office to Sport Australia.
- 5.20 The ANAO made a public interest immunity claim in relation to evidence that it had collected, on the grounds that disclosure would pose risks to the ANAO's operations and result in the disclosure of information collected during its audits and subject to confidentiality provisions in its governing legislation.¹⁷
- 5.21 The committee acknowledges the ANAO's efforts to assist the committee with its inquiry within the boundaries of its independent audit role and legislative requirements. Despite its constraints dealing with evidence collected during an audit, the ANAO provided extensive and detailed descriptions of the information that it had relied upon for its audit conclusions, all of which have been invaluable to this inquiry.

A lack of accountability and transparency

- 5.22 The Parliament and community should be deeply concerned about the practice of obstructing evidence to a parliamentary committee. The committee was repeatedly frustrated in its attempt to bring clarity to the matters under investigation. Information considered crucial to the inquiry was subject to public interest immunity claims, obscured in heavily redacted documents, contested by witnesses, or simply not available to be presented as evidence.
- 5.23 At times, these constraints created the impression of an orchestrated effort to obstruct the inquiry's investigations and prevent close scrutiny of the minister's, and the Prime Minister's, involvement in determining the outcomes of the CSIG program. This committee considers the obstruction of evidence to be a serious transgression of parliamentary process. It actively undermines

¹⁶ Senator the Hon Bridget McKenzie, Senator for Victoria, Commonwealth Parliament, *Committee Hansard*, 12 February 2021, pp. 15 and 18.

¹⁷ Mr Grant Hehir, Auditor-General, correspondence received 25 February 2020.

public scrutiny of government actions and policymaking, and bypasses long-established principles of good governance.

- 5.24 The committee is of the view that public interest immunity claims were used during the course of the inquiry to withhold more information than was necessary, obstructing the committee in its work. The committee considers that in the interests of transparency and accountability, ministers must act cooperatively with Senate committees, and wherever possible, provide information in alternative formats such as de-identified summaries or on a confidential basis.
- 5.25 The committee notes that the ASC board was initially willing to provide to the committee a confidential summary of legal advice that it had received regarding funding decisions under the CSIG program.¹⁸ Despite the committee's efforts to facilitate a confidential viewing, the summary of the legal advice was never provided to this inquiry. A subsequent public interest immunity claim made by the Minister for Sport and Youth in relation to Sport Australia's legal advice had the effect of muting any further discussion with the committee.¹⁹ This example is telling of the obstructive approach taken by the government throughout this inquiry.
- 5.26 In the committee's view, more could have been done by the board to explain the reasons why the board believed that Sport Australia had acted within its legal authority. Their inability to do so represents a broader failure by Sport Australia to fulfil its responsibility, as a corporate Commonwealth entity, to provide maximum transparency of the governance of public programs to the Senate and its committees, and to be accountable to the people of Australia through the Parliament and its committee system.

Concluding remarks

- 5.27 The Australian sporting community has a straightforward expectation of government in regards to the distribution of taxpayer-funded sports grants. That the rules for playing are fair and transparent, and that those who make decisions will play by the rules. The CSIG program was presented as a competitive, merit-based program with community interests at heart, however in reality, it was used by government as a way to fund campaign announcements.
- 5.28 This inquiry has exposed an overt and organised practice by the government of inappropriately using Commonwealth grants for partisan political

¹⁸ Sport Australia, answers to written questions on notice, 10 March 2020 (received 13 May 2020), [pp. 8–9].

¹⁹ Senator the Hon Richard Colbeck, Minister for Youth and Sport, correspondence received 17 July 2020; Senate Committee on Administration of Sports Grants, *Interim report*, December 2020, p. 5.

purposes, and a failure to act transparently and accountably in relation to the expenditure of public monies.

An exercise in pork barrelling

- 5.29 Overwhelming evidence shows that Senator McKenzie, and her office, in consultation with the Prime Minister's office, used the CSIG program as a vehicle for gaining political advantage for Coalition candidates in the 2019 federal election by favouring applicants located in marginal and 'targeted' electorates. The evidence available to the committee indicates clearly that the Prime Minister's office, and likely the Prime Minister, were aware of the use of electorate information to identify projects in marginal and targeted electorates well before the first grant recipient was announced.
- 5.30 The minister's office made substantive changes to the list of approved projects during the course of the CSIG program, resulting in a shift from projects located in safe electorates to those located in Coalition-held electorates considered marginal or 'target' electorates held by the Australian Labor Party or Independent candidates. Nine of the ten electorates that received the most funding were identified as marginal or targeted.
- 5.31 The merit-based assessment process outlined in the published CSIG program guidelines was overridden by a separate 'parallel' process, undertaken within the minister's office, with input from the Prime Minister's office. The grants selected by the minister were wholesale replacements of Sport Australia's list of merit-based recommendations. For example, during Round 1, the majority (69 per cent) of the recommended applications were not approved by the minister.²⁰ In addition, the minister's departure from Sport Australia's recommendations resulted in lower scoring applications receiving grants. In Round 3, for example, the ANAO noted that there had been significantly less meritorious grants awarded, with scores ranging from 39 to 95, as opposed to Sport Australia's recommendations, which ranged from 68 to 98.²¹
- 5.32 The process deviated from the merit-based assessment process by replacing Sport Australia's list of recommended projects with a significantly different alternative list based on unpublished criteria that did not reflect Sport Australia's recommendations. Some applicants received preferential treatment by being invited to amend or put in a late application to the program, while other applicants were not afforded the same opportunity. Additionally, no records were made to explain changes made to the approved list of projects.
- 5.33 It appears that the minister's staff, in consultation with the Prime Minister's office, made significant changes to a list of approved projects after the list had

²⁰ Australian National Audit Office (ANAO), *Award of Funding under the Community Sport Infrastructure Program* (Auditor-General's report), Auditor-General Report No. 23, 2019–20, p. 70.

²¹ See Auditor-General's report, p. 73.

been approved by the minister, resulting in a net increase of nearly \$3 million in grant funding. The changes constitute a serious overreach of the authority of ministerial staff and reflect the inadequacy of current measures to hold ministers and their staff to account.

- 5.34 Finally, Sport Australia, an independent statutory agency meant to be operating at arm's length from the minister, failed to uphold the procedural integrity of the program. Program staff repeatedly raised risks with the minister's office regarding the minister's involvement in the approval process and attempted to push back, but concerns were ultimately dismissed by the Minister's office, while the board and executive of Sport Australia were seemingly missing in action.

Secrecy and obstruction

- 5.35 The inquiry was significantly obstructed by the reluctance of relevant ministers and public officials to disclose relevant information.
- 5.36 Fundamental questions about the minister's legal authority to make grant decisions under the CSIG program remain unanswered. This casts doubt over the legality of \$100 million in grants made under the CSIG program. Evidence before the committee confirms that, at a minimum, the minister acted without appropriate advice about her legal authority which has exposed the government to legal action.
- 5.37 In addition, it is apparent that the Prime Minister's office played an active role in determining the outcomes of the CSIG program, including the expectation that the minister would seek the Prime Minister's authority on approved projects. However, the extent of the involvement of his office in decision making remains unclear due to the government's failure to produce all relevant records from that time.

Continuing decline in trust

- 5.38 At the heart of this inquiry lies the public expectation that our governments administer public funds in a fair, transparent and accountable manner.
- 5.39 The CSIG program represents the kind of behaviour that fails to meet public expectations of how public money should be spent, and deepens public cynicism about the integrity of government decision making and expenditure.
- 5.40 Sporting clubs and councils that spent considerable time and resources to apply for a grant under the CSIG program and who unfairly missed out as a result of the minister's interventions are now in a precarious position. Some clubs have been unable to complete important community projects that promote inclusiveness and community participation. It remains to be seen whether the current legal challenge in relation to the CSIG program offers an opportunity for redress to those applicants who were treated unfairly.

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- 5.41 The committee recognises the importance of federal grant programs in achieving government policy objectives, and the significant benefits they provide to Australians as a result of governments working across jurisdictions and in partnership with organisations and individuals to deliver projects that will benefit whole regions and communities.
- 5.42 Government must provide financial redress to those clubs and councils who unfairly missed out on a sports grant, and take steps to rebuild public trust in its decision-making, ensuring that all future grant programs are administered fairly and transparently.

The need to strengthen Australia's integrity framework

- 5.43 Evidence heard during this inquiry sheds light on flaws in the current system designed to constrain political influences on the expenditure of public funds for community grant programs.
- 5.44 The administrative and governance failures evident in the CSIG program demonstrate how easily regulatory frameworks, guidelines and standards are able to be bypassed by executive government and public officials, with no consequences for any regulatory breaches that do occur.
- 5.45 However the controversy of the CSIG program is not an isolated case in the federal sphere. There is an increasing tendency for ministers to prioritise political considerations in the expenditure of public funds, and a tolerance amongst Commonwealth entities of practices that undermine the principles of transparency and accountability.
- 5.46 These practices reflect significant vulnerabilities in Australia's integrity framework, particularly in relation to community grant programs administered by Commonwealth corporate entities.
- 5.47 The failure to hold decision-makers to account gives rise to community anger and resentment about how governments conduct themselves in Australia. It also highlights the glaring disparity between how those in positions of authority are perceived to flout laws or rules with impunity, while ordinary citizens are required to strictly adhere to laws and rules or face severe penalties. This significantly undermines public trust in government and the political system.
- 5.48 There is an urgent need for an effective national integrity framework, starting with a national integrity commission that has the necessary powers to protect Australia's democratic institutions and values from illegal, unethical or corrupt practices.
- 5.49 The committee urges the government to implement a national integrity commission with powers to investigate and sanction the improper use of Commonwealth grant programs.

5.50 The Auditor-General's fundamental role in Australia's integrity landscape must also be safeguarded, and the necessary funding to undertake audits of public expenditure must be provided.

Order for the production of documents

5.51 There remain significant unanswered questions at the end of this inquiry due to the obstruction and lack of transparency by the government.

5.52 The Australian community deserves to know the full extent of what went wrong with the CSIG program and how it was able to be used for industrial-scale pork barrelling in the context of a federal election.

5.53 It is also fundamental to the operation of community grant programs that questions around the legality of the CSIG program and the role of the minister in its administration, are fully understood and subject to public scrutiny, so that where appropriate, redress and reforms can take place.

5.54 The committee considers that the requests for information made throughout this inquiry must be answered transparently and with respect for the processes of the Senate and its committee system.

Recommendation 9

5.55 The committee recommends the Senate adopt a resolution requiring the production of the following documents:

That the Senate orders that there be laid on the table by the Minister for Sport no later than 10.00am on 12 May 2021, the following documents:

- **the legal advice given to the board of Sport Australia relating to funding decisions under the CSIG program;**
- **the full unredacted list of grant applicants as they relate to Sport Australia's assessment scores and comments;**
- **the full list of applications recommended for funding by Sport Australia, regardless of whether that recommendation was later changed;**
- **the talking points memo prepared by staff within Senator McKenzie's office for her meeting with the Prime Minister on 28 November 2018; and**
- **any other relevant documents including attachments, spreadsheets and briefs.**

That the Senate orders that there be laid on the table by the Minister representing the Prime Minister no later than 10.00am on 12 May 2021 the Gaetjens report and any documents used to inform the report.

Senator Anthony Chisholm
Chair

Minority Report

Introduction

- 1.1 The Community Sport Infrastructure Grant Program administered by Senator the Hon Bridget McKenzie was an outstanding success.
- 1.2 Clubs and organisations were able, with the assistance of taxpayer funds from the federal Liberal National Party government, to upgrade sporting facilities, thereby encouraging greater community involvement in sport helping to create a more active, healthy and inclusive society.
- 1.3 The Community Sport Infrastructure Grant (CSIG) program was designed to provide important upgrades to sporting infrastructure for community sport organisations. As the guidelines to the program stated:

The objective of these grants is to support local communities to participate, recreate, learn and develop together. The grant has two guiding themes: Community Sporting Hubs and Inclusion. Both are focussed on encouraging greater levels of participation in community sport and physical activity.¹
- 1.4 Sport is enormously important to many Australian communities. Beyond the physical benefits it also provides for useful social interaction and the broader involvement of even non-sporting Australians through coaching, administration and fundraising efforts that bring people together. The Australian Government's CSIG program was an innovative way of funding a clear need for better sports infrastructure at a community level. A program of this design had not been delivered by the Commonwealth before.
- 1.5 The clear need for this infrastructure was highlighted by the level of the demand for the funding. The initial round of funding provided \$29.7 million in grants but Sport Australia received 2056 applications amounting to \$397 million. In effect, the first round was oversubscribed by more than a factor of ten.
- 1.6 Not a single one of the projects funded was criticised by the government's political opponents. The Member for Grayndler welcomed the federal contribution under the CSIG program to saving the historic Dawn Fraser Baths in a press release on 27 February 2019 which read in part:

It is critical that we save Dawn Fraser Baths, which is an institution and a heritage icon... Sport Australia is managed by the Minister for Sport,

¹ Australian Sports Commission (ASC), *Community Sport Infrastructure Grant Program: Program Guidelines* (CSIG program guidelines), August 2018, https://www.sportaus.gov.au/grants_and_funding/community_sport_infrastructure_grant_program/resources2/CSI_Grant_Program_guidelines.pdf (accessed 18 March 2021), p. 1.

Bridget McKenzie, whom I thank for campaigning for further investment in this precious asset.²

- 1.7 In an exercise best described as lacking coherence, the committee has sought to champion those organisations that of necessity (because of limited funds) missed out on funding but were unable to advise one project from which they would have withheld funding. Indeed the ALP celebrated announcement after announcement acknowledging the funding was secure irrespective of which party was to win the next election. Yet the government inexplicably stands accused of ‘pork barrelling’.
- 1.8 The Secretary of the Department of Prime Minister and Cabinet (DPM&C) in his submission to the committee noted that:
- ... in exercising her discretion as decision maker for the Program, Senator McKenzie acted within the remit of the Guidelines. Further, the evidence I have reviewed does not support the suggestion that political considerations were the primary determining factor in the Minister’s decision to approve the grants ... I concluded Senator McKenzie did not act in breach of the Standards with respect to fairness.³
- 1.9 The Secretary further found ‘no constraints in the Guidelines limiting the other factors that the Minister may consider, so a wide discretion was available’.⁴
- 1.10 In fact, after exercising her discretion, compared to Sport Australia’s suggestions, grants approved in Labor electorates increase from 26 per cent to 35 per cent while they fell from 66 per cent to 60 per cent in Coalition electorates.
- 1.11 The sheer pent up demand which was triggered by the grants on offer clearly surprised and overwhelmed the bureaucracy which sought to administer the CSIG program to the best of its limited resources. Other sub optimal outcomes have been explored and highlighted by the Australian National Audit Office (ANAO). The four ANAO recommendations have been accepted by the Government.

Conduct of Inquiry

- 1.12 The committee has, from its establishment, been run by its non-Government majority as a highly politicised and weaponised exercise. This is most evident with language used by non-Government members well before the committee had been given the opportunity to conduct public hearings and review

² The Hon Anthony Albanese MP, ‘Half a million more to save Dawn Fraser Pool’, *Media Release*, 27 February 2019, <https://anthonyalbanese.com.au/media-release-half-a-million-more-to-save-dawn-fraser-pool-thursday-28-february-2019> (accessed 18 March 2021).

³ Mr Philip Gaetjens, Secretary, Department of the Prime Minister and Cabinet (DPM&C), *Submission 1*, p. 6.

⁴ Mr Philip Gaetjens, Secretary, DPM&C, *Submission 1*, p. 2.

submissions and prior to publishing its report. The Labor Chair referred to the CSIG program as 'corrupt' in the public realm well before the conclusion of the committee's investigations. Both the Chair and his Greens Deputy Chair have repeatedly referred to the program as 'sports rorts' prior to this report exposing a predetermined mindset from which predetermined conclusions would be drawn. Neither such terms were used by the ANAO.

- 1.13 The public commentary from both the Chair and Deputy Chair indicated a predetermined outcome without the need for review of submissions or evidence gathered through public hearings. The hearings were a charade. Furthermore, the Deputy Chair drove misconceptions peddling the myth that applicants who missed out on funding did so because they were not in marginal and targeted seats.
- 1.14 The conduct of the committee was highly politicised with the Chair determining that the allocation of time by way of a 2/3 and 1/3 split between Labor, Green and the Coalition was somehow equitable. It was not. Yet the Labor Green majority seeks to criticise the former minister for not fairly allocating funds under the CSIG program.
- 1.15 Nevertheless the majority seeks to lecture the government on due process.
- 1.16 The Committee even with the benefit of a number of extensions of time was unable to procure evidence to support the hyperbole and rhetoric employed to denigrate both the government and the CSIG program.
- 1.17 Indeed so devoid of factual material was the committee it took the unprecedented step of requiring a Senator to appear before it and sought to obtain confidential legal advice which as a matter of precedent has been rightly withheld by governments of all persuasions. Senator the Hon Bridget McKenzie's evidence was clear, confident and compelling.
- 1.18 It is noteworthy no successful applicants were called.

Disappointed Organisations

- 1.19 The Coalition accepts that there are many disappointed organisations having missed out on the grants scheme because it was so popular and therefore oversubscribed. Representatives of such organisations often appeared without a full understanding of the facts. The Belconnen Tennis Club was such an example where the fact they were in a Labor electorate was deemed the reason for them missing out, but being surprised when told others were funded and the ACT received a fair share.⁵
- 1.20 The fact that Labor's safe seats in the ACT were allocated 1.5 per cent of the funding whilst representing 1.6 per cent of the population highlights the

⁵ See evidence given by Mr Martin Klein, President, Belconnen Tennis Club, *Committee Hansard*, 12 February 2021, pp. 8–9.

equity in the minister's decision making which was regrettably not seen as relevant for the majority report because it debunked their unsustainable narrative.

- 1.21 Another club (the Olympia Football Club) was similarly critical but unaware of the organisations being funded in the same electorate, completely undercutting the assertion it was overlooked simply because it was in a Labor electorate.⁶
- 1.22 One cannot help feel organisations were misled by the spin and misrepresentations and were surprised when confronted with indisputable evidence. Some local councils aggrieved at missing out simply saw the program as a way for tapping into federal funds rather than their own resources.
- 1.23 Some local councils, which sought to be critical of the process with the minister being the decision maker, acknowledged their own councils often rejected or over-rode staff advice exposing an embarrassing paucity of argument. It seems what was good for some councils was not good for the federal government.
- 1.24 With 2056 applications seeking \$396.6 million but with only \$100 million available, only 684 projects were able to be funded, leaving the vast bulk of applicants understandably disappointed.
- 1.25 At all times the minister was clothed with the authority to determine the grants beneficiaries as outlined in the Community Sport Infrastructure Grant Program Guidelines.
- 1.26 Section 8.1 of the CSIG program guidelines made it exceptionally clear that:

The Minister for Sport will provide final approval. In addition to the application and supporting material other factors may be considered when deciding which projects to fund.⁷
- 1.27 As such, any party applying for a grant under the CSIG program was aware that the minister was the final decision maker and could call other matters into account, something the Secretary of the Department of Prime Minister and Cabinet has acknowledged.⁸
- 1.28 Serious applicants read this document in full. The minister's discretion ensured a more equitable distribution between states and territories, sports, and regional spread.
- 1.29 The disingenuous suggestion that final ministerial decision making and discretion specifically stated in Section 8.1 of the CSIG program guidelines

⁶ See evidence given by Mrs Sarah Black, General Manager, Olympia Football Club, *Committee Hansard*, 12 February 2021, pp. 6–9.

⁷ CSIG program guidelines, p. 10.

⁸ Mr Philip Gaetjens, Secretary, DPM&C, *Submission 1*, p. 2.

were ‘unpublished’ would be the same as stating this committee had unpublished Terms of Reference where in its own Terms of Reference it gave itself the power to inquire into ‘any other matters’.

The Mythical 74 Point Score

- 1.30 The ANAO’s over reliance on the point system and its flaws was exposed by the evidence of the highly subjective nature of the Sport Australia assessment which saw examiners varying the point allocation by 30 points on the same project. Different assessors awarded a point rating discrepancy of 30 per cent on the same project.⁹ Any fair analysis would not deem such a process as robust or final.
- 1.31 Further Sports Australia itself confirmed the simplistic point system adopted by the ANAO would not have been the sole basis of its recommendations if it had the final say.¹⁰ It is a mystery why the ANAO placed such reliance on the point system which was simply one metric.
- 1.32 The minister’s decision making ensured that 20 per cent of Australian people did not miss out on any grant funding which would have occurred if the simplistic point system had been adopted. Thirty electorates or 20 per cent of the Australian people would have been denied any funding under the CSIG program. Imagine the uproar if this would have been allowed to eventuate. Even more galling and inappropriate is the criticism of the minister’s decision making which saw more Labor seats being provided funding than if the simplistic point system would have been applied. Nearly two thirds of the funding would have gone to Coalition held seats. In the past the ANAO has been critical when allocations were not equitably spread over the electorates held by differing parties.
- 1.33 When the funding was more equitably provided to favour Labor held seats the goal posts for criticism needed to be shifted so the narrative became that this was cynically done in pursuit of winning marginal seats. No matter what the minister did she would have been condemned by the government’s opponents.
- 1.34 As Mr Gaetjens noted in his submission to the inquiry:

As the Prime Minister said on 2 February 2020 applications from ‘marginal’ or ‘targeted’ seats were approved by the Minister at a statistically similar ratio of 32 percent compared to the number of applications from other electorates at 36 percent.¹¹

⁹ Mr Brian Boyd, Executive Director, Performance Audit Services Group, ANAO, *Committee Hansard*, 13 February 2020, p. 14.

¹⁰ Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 14.

¹¹ Mr Philip Gaetjens, Secretary, DPM&C, *Submission 1*, p. 6.

- 1.35 As Mr Gaetjens further pointed out this conclusion holds when comparing the minister's decisions in marginal or targeted seats compared to projects recommended by Sport Australia:

In terms of the comparison between those applications recommended by Sport Australia over the three funding rounds and those approved by the Minister, 180 'marginal' and 'targeted' projects were recommended by Sport Australia, and 229 were ultimately approved by the Minister, representing a 27% increase. This is smaller than the percentage increase of projects recommended (325) to projects funded (451) in non-marginal or non-targeted seats which was 39 per cent.¹²

- 1.36 A serious limitation of the Majority Report is a lack of any attempt to discuss this clear statistical evidence. It is unclear how the majority can maintain a conclusion that the minister's decision making was influenced by the 'marginal' or 'targeted' nature of a seat, when those seats were not more successful in having grants awarded than other seats.
- 1.37 The Majority Report makes much of a so-called 'colour-coded' spreadsheet and its alleged influence on ministerial decisions. Yet, as Mr Gaetjens points out, 30 per cent of applications listed as 'successful' in the adviser's spreadsheet were not approved for funding in any of the grant rounds.¹³
- 1.38 There is no evidence that the minister's decisions were distorted in favour of Liberal-National electorates or that the marginal or targeted nature of an electorate influenced the minister's decisions. For this reason we confidently reject the majority's Recommendations 6 and 8 to require further explanation of decision making or to establish a Royal Commission type inquiry.
- 1.39 In our democratic system it is appropriate for the elected representatives to decide the final allocation and not an unelected bureaucracy.
- 1.40 The minister's decision is ultimately tested by the people.
- 1.41 Throughout the inquiry Labor and Green Senators have allowed a misperception to emerge that any project that was rated at a score about 74 by Sport Australia was one that was recommended for funding. For example, the majority report refers to evidence that a score of 74 was a 'threshold score'.¹⁴
- 1.42 It is important to clarify that this measure was one calculated by the ANAO for their report. A threshold score was never presented to the Minister by Sport Australia or anyone else. The score was calculated by the ANAO by simply allocating all of the available funding to projects with the highest score to the

¹² Mr Philip Gaetjens, Secretary, DPM&C, *Submission 1*, p. 5.

¹³ Mr Philip Gaetjens, Secretary, DPM&C, *Submission 1*, p. 3.

¹⁴ See Chapter 2, footnote 4.

lowest until all the funding ran out.¹⁵ There was sufficient funding to invest in all projects that achieved a score of 74 or more by Sport Australia.

- 1.43 In practice, this artificial measure would have led to an unfair allocation of funding.
- 1.44 Suggestions that all organisations scoring 74 points in the flawed Sports Australia examination should have received funding would have seen 50 per cent of the funds go to 30 Coalition seats, something which the ANAO has previously suggested needed to be avoided.¹⁶ Further Sports Australia itself told the committee it would not have only relied on that metric to make decisions if it had been the decision maker. The Minister's decisions saw a reduction for Coalition seats from two thirds of the funding to 60 per cent and saw a commensurate increase for Labor seats.¹⁷
- 1.45 The ANAO's reliance on this flawed mythical cut off of 74 points is difficult to understand.
- 1.46 On receipt of Sport Australia's recommendations for Round 1, the Minister relayed her concerns, highlighting the lack of geographical distribution of projects.¹⁸ Sport Australia's evidence to the Committee was that it did not see its role as ensuring there was a broad spread of grants geographically. As the Chair of Sport Australia stated:

We don't take a view in where things fall in particular electorates.¹⁹

- 1.47 According to analysis by the Secretary of Prime Minister and Cabinet, Sport Australia's recommendations would have had 30 electorates receiving zero grants.²⁰ Ministerial discretion reduced this to five electorates, of which three had no applications submitted. This demonstrates why ministerial discretion is so fundamentally important, because ministers are accountable to the people. Without ministerial decision making those 30 electorates which represent over three million Australians would have been disenfranchised from the program.
- 1.48 This would have been a clearly unfair outcome for a national program administered by the federal government. The CSIG program guidelines made clear that the minister would take into account 'other' considerations when making decisions. It is a reasonable expectation that a minister in a federal

¹⁵ Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 24.

¹⁶ Senator the Hon Bridget McKenzie, *Submission 44*, p. 14.

¹⁷ Senator the Hon Bridget McKenzie, *Submission 44*, p. 3.

¹⁸ Senator the Hon Bridget McKenzie, *Submission 44*, p. 16.

¹⁹ Mr John Wylie, Chair, Australian Sports Commission (ASC), *Committee Hansard*, 18 March 2021, p. 10.

²⁰ Mr Philip Gaetjens, Secretary, DPM&C, *Submission 1*, p. 4.

government would ensure that funding would be spread across the entire country.

- 1.49 In addition, there were a number of deficiencies in the Sport Australia scoring process that would have made it inappropriate to rely on this one score alone. For example, the ANAO report found that there were at times large divergences given by different Sport Australia assessors for the same project. As the ANAO explained:

In a way, as soon as you have a process which has more than one assessor, there is always that risk. That's why it is important that we see that that possibility be planned for and addressed in the assessment process because it's not a mathematical equation here. Judgement is being applied. So it was important for us to see how did you then go about addressing those differences. There are always likely to be differences when you're applying judgement to assessing applications against merit criteria.²¹

- 1.50 We make no criticism of these divergences in assessment. These deficiencies are inherent in all subjective scoring based assessments. That is why it is important that minister's retain responsibility for final decision making. As the ANAO confirmed there were no ineligible projects funded under this program:

Senator CANAVAN: Was there a project that received funding that was assessed as ineligible by Sport Australia?

Mr Boyd: No ...²²

Legal Authority

- 1.51 While the committee heard interesting legal hypotheses as to the constitutional or legal validity of the programme the minister was never made aware of any doubts entertained by officials. The minister indisputably acted in good faith regarding her legal authority.
- 1.52 If the majority seriously entertains doubts about the Commonwealth's authority to operate such a program it would not be recommending the unfunded projects be now funded. It begs the question how could the Commonwealth do so without an appropriate constitutional or legal authority. It appears the majority, in its haste to be both critical and popular, failed to reconcile this inherent contradiction.
- 1.53 The official government legal advice suggested there were no issues.

ANAO Recommendations

- 1.54 The ANAO recommendations have all been accepted without equivocation and obviates the tortured rationale advanced by the majority for a corruption agency.

²¹ Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 15.

²² Mr Brian Boyd, ANAO, *Committee Hansard*, 13 February 2020, p. 12.

The Spreadsheet

- 1.55 Much was made of a staff generated spreadsheet which was never seen by the minister.
- 1.56 Claimed to be political and cynically developed to promote the Coalition's election prospects the inconvenient truth is that its suggestions were not followed in 30 per cent of its suggestions thus deflating the conspiracy balloon. Furthermore all projects were locked in for funding irrespective of which party won government. Indeed the government's political opponents were all aware of the approved projects.
- 1.57 The majority report continues to seek documents from the government which previous governments (including Labor governments) would not have provided. The Government has cooperated with all aspects of this inquiry, including through the unprecedented questioning of a sitting Senator who is no longer a minister and would not normally be accountable to the committee process in this fashion.
- 1.58 However, there are legitimate reasons for governments not to provide some documents especially those relating to the legal advice given to a government, or documents that could prejudice a case before the courts. For example, former Attorney-General Senator Gareth Evans AC, QC in 1995 explained his Government's position on this practice:
- Nor is it the practice or has it been the practice over the years for any government to make available legal advice from its legal advisers made in the course of the normal decision making process of government, for good practical reasons associated with good government and also as a matter of fundamental principle.²³
- 1.59 The Government's position is aligned to this longstanding practice, which enables governments to receive privileged legal advice to inform its positions. This is critical to the development of Commonwealth policy and to robust lawmaking. This rule applies generally as a matter of precedent given the public release of legal advice on a single issue would then call into question whether future legal advice could be made public at some stage. If that became a concern it would materially change the form and content of legal advice to governments and that could substantially harm the ability of any Commonwealth governments' ability to govern.
- 1.60 In addition, in this particular case, a Government agency is facing legal action in relation to the CSIG program in the Federal Court. Given the ongoing nature of this court action, the Government is well within its rights to claim protection and this is an entirely appropriate position for any government subject to court proceedings.

²³ See Attorney-General Senator Gareth Evans AC, QC, *Senate Hansard*, 28 August 1995, p. 466.

- 1.61 The Employment, Workplace Relations and Education Legislation Committee distributed a paper during the May 2005 Senate Estimates hearings listing potentially acceptable grounds for claims to public interest immunity. The first of the grounds that had attracted some measure of acceptance in the Senate was 'prejudice to legal proceedings'.²⁴
- 1.62 For the reasons outlined above, Liberal National Senators do not agree with the committee's recommendation to move a motion in the Senate requiring the production of legal advice. The Government is relying on the accepted principle of not prejudicing legal proceedings as a grounds for public interest immunity.

Conclusion

- 1.63 The minority appreciates the support of the secretariat staff and witnesses, many of whom presented in their own time as volunteers.
- 1.64 The huge demand for upgraded sports facilities is a reminder, especially to local and state governments to concentrate on their local communities and provide the facilities for which they have responsibility, noting the majority believe the federal government's grants program was unconstitutional.

Senator the Hon Eric Abetz

Senator the Hon Matthew Canavan

²⁴ A paper entitled *Grounds for Public Interest Immunity Claims* was circulated to senators by the Clerk during the May 2005 estimates hearings, and was published by the Employment, Workplace Relations and Education Legislation Committee. See discussion in Harry Evans and Rosemary Laing, eds, *Odgers' Australian Senate Practice*, 14th edition, Department of the Senate, 2016, p. 663.

Appendix 1

Timeline of key events

Date	Event	Reference
8 May 2018	Round 1 funding announced.	Commonwealth of Australia, <i>Budget Measures: Budget Paper No. 2 2018–19</i> , p. 124.
11 May 2018	Department of Health provides template guidelines to Sport Australia to assist with drafting CSIG program guidelines.	Mr Brian Boyd, Executive Director Performance Audit Services Group, Australian National Audit Office (ANAO), <i>Committee Hansard</i> , 2 September 2020, p. 18; Sport Australia, answer to written question on notice, 11 September 2020 (received 5 February 2021).
	Sport Australia reports that program guidelines produced in May 2018 did not have the minister as the delegate.	Sport Australia, answers to written questions on notice, 10 March 2020 (received 13 May 2020), p. 11.
4 June 2018	Minister's authority to decide grants valued at up to \$500,000 discussed within Sport Australia.	Sport Australia, answers to written questions on notice, 10 March 2020 (received 13 May 2020), p. 7.
6 June 2018	Department of Health reaffirms advice provided during the 2018–19 budget process that the minister requested she be the decision maker in the CSIG program guidelines.	Department of Health, answers to questions on notice, 11 September 2020 (received 28 September 2020), p. 1.
7 June 2018	Department of Health reminds Sport Australia that the minister would like to approve CSIG program grants.	Sport Australia, answers to questions on notice, 10 March 2020 (received 13 May 2020), p. 4.
19 June 2018	Minister announces '[d]etails of the \$29.7 million community infrastructure grants program will be available shortly'.	Senator the Hon Bridget McKenzie, 'Focus on regions at local government assembly', <i>Media Release</i> , 19 June 2019.

Date	Event	Reference
28 June 2018	Department of Health internal email discusses legal considerations if the minister approves expenditure under the CSIG program.	Department of Health, answers to questions on notice, 27 August 2020 (received 16 September 2020), p. 3. See also Ms Edwards, Department of Health, <i>Committee Hansard</i> , 27 August 2020
31 July 2018	The last of six drafts of the CSIG program guidelines submitted to the minister's office.	ANAO, answers to written questions on notice, 2 September 2020 (received 25 September 2020), p. 2.
	Minister approves CSIG program guidelines.	ANAO, answers to written questions on notice, 2 September 2020 (received 25 September 2020), p. 3.
1 August 2018	Sport 2030 (the National Sports Plan) launched, CSIG program announced.	Senator the Hon Bridget McKenzie, 'Sport plan for a healthy, active and successful Australia', Media Release, 1 August 2018. Details of the program at Sport Australia, Community Sport Infrastructure Grant Program: Overview, https://webarchive.nla.gov.au/awa/20180813043600/https://www.sportaus.gov.au/grants_and_funding/community_sport_infrastructure_grant_program (accessed 10 December 2020).
Round 1		
2 August 2018	Round 1 commences.	Senator the Hon Bridget McKenzie, 'Investment in sport infrastructure to build stronger communities', Media Release, 2 August 2018.
	CSIG guidelines published.	Sport Australia, answers to written questions on notice, 10 March 2020 (received 13 May 2020), p. 3.

Date	Event	Reference
	Three hours before publication, CSIG guidelines sent to Tennis Australia.	Sport Australia, answers to written questions on notice, 10 March 2020 (received 13 May 2020), p. 3.
14 September 2018	Deadline for applications.	Sport Australia, Community Sport Infrastructure Grant Program: Overview, https://webarchive.nla.gov.au/awa/20180813043600/https://www.sportaus.gov.au/grants_and_funding/community_sport_infrastructure_grant_program (accessed 10 December 2020).
	Sport Australia advises the minister's office that 2046 individual applications have been received totalling in excess of \$393 million (\$365 million <i>more</i> than the program budget).	Sport Australia, answers to questions on notice, 27 February 2020 (received 17 July 2020), pp. 36–37.
	Sport Australia also advises the Prime Minister's office of the number and value of applications.	Senator the Hon Richard Colbeck, Minister for Youth and Sport, Letter to the President of the Senate responding to Order for the Production of Document No 378, received 13 February 2020, [p. 2].
19 September 2018	Minister's office requests list of applications in a format to include electorate information.	ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020), p. 4.
26 September 2018	Sport Australia provides the minister's office with the list of applications (does not include assessment scores or electorate data).	ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020), p. 4.
2 October 2018	Minister's office requests the list of applications updated with electorate data.	ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020), p. 4.

Date	Event	Reference
	Sport Australia provides a spreadsheet colour-coded to identify electorates by party.	ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020), p. 4.
3 October 2018	Minister's office asks Sport Australia to update spreadsheet with missing information on electorates before a meeting planned for the next day (4 October 2018).	ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020), p. 4.
4 October 2018	Meeting held between the minister's Chief of Staff, Adviser and Sport Australia's Executive Director of Sports Partnerships.	ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020), p. 4.
15 October 2018	Internal email within minister's office with CSIG documents including the colour-coded spreadsheet titled 'Electoral Division of Applications.xlsx' and a document titled 'Pendulum with electorates.pdf'. Handwritten on the pdf were the total number of projects against each 'marginal' and 'fairly safe' Coalition electorate; safe Nationals electorates; marginal Labor electorates and the electorate of Indi.	ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020), p. 4.
17 October 2018	Minister's office writes to the Prime Minister's office requesting an increase in funding for CSIG program.	Mr Boyd, Executive Director Performance Audit Services Group, ANAO, <i>Committee Hansard</i> , 2 September 2020, p. 4.
18 October 2018	Minister's office emails the Prime Minister's office a copy of the letter of 17 October 2018 and a spreadsheet labelled 'Copy of Electorate Divisions of Applications'.	ANAO, answers to written questions on notice, 2 September 2020 (received 25 September 2020), p. 4. See also ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020), p. 3.

Date	Event	Reference
8 November 2018	Meeting held between the minister's Chief of Staff, Senior Adviser and Sport Australia's Executive Director of Sports Partnerships.	ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020), p. 5.
	<p>Sport Australia provides the minister's office with a spreadsheet which contained funding recommendations, yet to be considered by the industry panel at a meeting planned for 9 November 2018. Sport Australia's spreadsheet was used by the minister's office to develop another version of the spreadsheet for the purpose of advocating for increased program funding. Compared to Sport Australia's spreadsheet, the Minister's office version:</p> <ul style="list-style-type: none"> • colour-coded the electorate for each application to identify which party currently held the seat; • inserted columns for electorate status (marginal, target or blank); and • analysed the distribution of funding by state/territory and political party. 	ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020), p. 5. See also ANAO, answers to questions on notice, 13 February 2020 (received 25 February 2020), p. 4.
9 November 2018	Assessment panel meets to make recommendations to the board. The panel agrees with 418 of the 422 applications by Sport Australia's assessment team.	Auditor-General's report, p. 29 and 36.
	Meeting arranged between the minister's office and the Prime Minister's office for 20 November 2018.	Mr Brian Boyd, ANAO, Committee Hansard, 2 September 2020, p. 4.

Date	Event	Reference
12 November 2018	Sport Australia Finance, Audit and Risk (FAR) committee discuss the minister taking 'an active role' in decision-making and conclude that the minister was acting within her approval right and that risks had been raised in an appropriate way with her office.	Mr John Wylie, Chair, Australian Sports Commission (ASC), <i>Committee Hansard</i> , 27 August 2020, p. 22.
13 November 2018	A list of 426 applications recommended by the assessment panel is presented to the board for endorsement.	Auditor-General's report, p. 36.
16 November 2018	Minister's office emails a spreadsheet to the Prime Minister's office to demonstrate what the CSIG program would look like if funding was increased to \$100 million. The colour-coded spreadsheet identifies 601 projects as being able to be funded, and identifies which applications are in marginal and targeted seats.	Mr Brian Boyd, ANAO, <i>Committee Hansard</i> , 2 September 2020, p. 4. See also ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020), p. 2; ANAO answers to questions on notice, 13 February 2020 (received 25 February 2020), p. 4.
17 November 2018	Minister formally writes to the Prime Minister proposing that the CSIG program be increased.	Mr Brian Boyd, ANAO, <i>Committee Hansard</i> , 2 September 2020, p. 4.
	All board members provide their endorsement to the recommendations put forward by the assessment panel.	Auditor-General's report, p. 36.

Date	Event	Reference
19 November 2018	Minister's office emails the Prime Minister's office a spreadsheet to show what the CSIG program would look like with a \$30 million budget. The colour-coded spreadsheet identifies 196 proposed successful projects and whether they are in marginal or targeted seats.	Mr Brian Boyd, ANAO, <i>Committee Hansard</i> , 2 September 2020, p. 4. See also ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020), p. 2; ANAO answers to questions on notice, 13 February 2020 (received 25 February 2020), p. 4.
	Minister meets with her Chief of Staff and Senior Advisor in preparation for a meeting with the Prime Minister planned for 20 November 2018, with respect to the request for an increase in funding. After the meeting, the Senior Advisor prepares four pages of talking points for the meeting with the Prime Minister setting out what could be achieved by increasing the size of the project from \$30 million to \$100 million. This included comparing the number of applications in marginal and targeted seats that that could be funded under those respective figures.	Mr Brian Boyd, ANAO, <i>Committee Hansard</i> , 2 September 2020, p. 4–5.
20 November 2018	Original date for the meeting between the minister and the Prime Minister. The meeting was moved to 28 November 2018.	Mr Brian Boyd, ANAO, <i>Committee Hansard</i> , 2 September 2020, p. 4.
	Minister's office tells Sport Australia the minister is seeking additional funding but that the amount would not be known until approximately 10 December 2018.	Auditor-General's report, p. 69.

Date	Event	Reference
	<p>The minister's office records:</p> <ul style="list-style-type: none"> • 705 projects in 'marginal' and 'targeted' seats • that it considered representations from several senators and members in addition to having 'spoken directly to other Members and Duty-Senators and some cross-bench on key priorities – with a priority on marginal and targeted seats'; and • developed a list of projects that could be funded under a \$29.7 million program, and another under a \$100 million program. 	<p>Auditor-General's report, pp. 38–39. See also Mr Brian Boyd, ANAO, <i>Committee Hansard</i>, 2 September 2020, pp. 11–12.</p>
<p>22 November 2018</p>	<p>Sport Australia decides to put the brief to the minister with its recommendations 'on hold' on advice from the minister's office that the amount of funding was likely to be increased.</p>	<p>Auditor-General's report, p. 36.</p>
<p>28 November 2018</p>	<p>Meeting between minister and Prime Minister about expanding the CSIG program. Subsequent correspondence confirms that the funding would increase from \$30 million to \$100 million.</p>	<p>Mr Brian Boyd, ANAO, <i>Committee Hansard</i>, 2 September 2020, p. 11.</p>

Date	Event	Reference
3 December 2018	Minister's office advises Sport Australia of an additional \$30.3 million in project funding for the CSIG program and that the first 202 projects to be funded had been selected by the minister. Sport Australia seeks clarification of the list of projects including whether the 'rating system provided by Sport Australia' was used.	Auditor-General's report, p. 69. Mr Brian Boyd, ANAO, <i>Committee Hansard</i> , 2 September 2020, p. 13. See also Auditor-General's report, p. 68.
	Representations made by Deputy Prime Minister's Office for two projects on a 'Wish List/Fighting For List' in the electorate of Indi. One of those projects was funded.	ANAO, answer to question on notice no. 72, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.
5 December 2018	Minister's office provides Sport Australia with a list of 236 'approved' projects. The board-endorsed list was never subsequently provided to the minister.	Auditor-General's report, p. 46 and 36.

Date	Event	Reference
	<p>CSIG program manager emails the minister's office concerning risks associated with the approval process. The email notes that:</p> <ul style="list-style-type: none"> • reasons should be recorded where a recommendation is rejected; • there would be a reputational risk where funding decisions are perceived as favouring localised projects that did not meet the assessment criteria; and • the minister may need to defend her decisions at Senate Estimates where those decisions did not follow the recommendations from the panel which followed a rigorous, transparent and defensible process. 	<p>Sport Australia, answers to questions on notice, 27 February 2020 (received 17 July 2020), p. 2.</p>
<p>7 December 2018</p>	<p>The minister's office requests Sport Australia amend the list of recommended projects as the Prime Minister's office advised that there were some projects on the list funded under another grants program. The affected electorates are Denison, Hinkler and Gippsland.</p>	<p>Sport Australia, answers to questions on notice, 27 February 2020 (received 17 July 2020).</p>

Date	Event	Reference
	<p>Sport Australia submits to the minister a list of 221 recommended projects. The list was not that endorsed by the board on 17 November 2018 but rather was informed by a list that had been provided to Sport Australia by the minister's office on 5 December 2018. There was a decrease in projects from 426 (valued at \$28.7 million) to 221 projects (valued at \$28.3 million).</p>	<p>Auditor-General's report, pp. 48 and 69.</p>
	<p>Minister's office sends the Prime Minister's office an updated spreadsheet identifying 236 approved applications.</p>	<p>ANAO, answer to question on notice no. 70, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.</p>
<p>9 December 2018</p>	<p>CSIG program manager emails the minister's office highlighting problems with the projects submitted for approval. The email notes that:</p> <ul style="list-style-type: none"> • 16 applications identified for funding by the minister's office were 'not recommended for funding'; • 130 projects of the 221 recommended projects did not match the original brief; • some projects were ineligible under the program guidelines; and • some projects received very low scores placing them in a high-risk category. 	<p>Sport Australia, answers to questions on notice, 27 February 2020 (received 17 July 2020), p. 4. See also Auditor-General's report, p. 70.</p>

Date	Event	Reference
10 December 2018	The minister's office notes Sport Australia's advice of 9 December 2018, and advises that the minister had chosen to continue to approve one of the 16 applications that Sport Australia had highlighted as not recommended for funding. The reason provided was that 'the other project in the same region is being funded through another source'. The minister's office added a further five projects to the list of approved applications and removed another five projects.	Auditor-General's report, p. 70.
	Minister's office provides Sport Australia with a list of 222 approved projects.	Auditor-General's report, p. 48. See also Sport Australia, answers to questions on notice, 27 February 2020 (17 July 2020), p. 418.
	Minister's office emails the Prime Minister's office a letter thanking the Prime Minister for meeting on 28 November 2018 and confirming that an additional \$30.3 million in program funding was to be provided to award further grants, with announcements to be made in late January/early February 2019.	ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020), p. 16.
11 December 2018	Sport Australia provides a list of 223 recommended projects to the minister's office for approval. The minister approves the list by signing the approval briefing. Subsequent to this decision, Sport Australia is advised by the minister's office of other changes on 13 and 20 December 2018.	Auditor-General's report, p. 40 and 48. See also Department of Health, answer to question on notice no. 12, Senate Additional Estimates 2019–20, 4 March 2020 (received 11 May 2020), p. 2.

Date	Event	Reference
	Sitting Coalition members and non-government sitting members advised of funding outcomes.	Auditor-General's report, p. 60 – 61.
13 December 2018	Minister's office advises Sport Australia to remove one project and add one project to the approved list.	Auditor-General's report, p. 49.
	Minister's office returns to Sport Australia a signed approval brief, dated 11 December 2018. There is no list of projects attached, and changes continue to be made on the list up until 20 December 2018.	ANAO, answers to questions on notice, 13 February 2020 (received 25 February 2020), [p. 5].
	The FAR committee within Sport Australia discuss and note the risks relating to minister's deviation from merits assessment process.	See 'Minutes of Meeting No. 107' in Sport Australia, answers to questions on notice, 27 February 2020 (received 17 July 2020), [p. 11].
14 December 2018	Representation made by Country Liberal Party candidate for Solomon for a project (which did not receive funding).	ANAO, answer to question on notice no. 72, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.
17 December 2018	Government announces additional \$30.3 million in 2018–19 to expand the CSIG program.	Commonwealth of Australia, <i>Mid-Year Economic and Fiscal Outlook 2018–19</i> , December 2018, p. 190.
18 December 2018	The Hon Christopher Pyne MP announces grant for Hectorville Sports and Community Club.	The Hon Christopher Pyne MP, Minister for Defence and Leader of the House, 'Hectorville to benefit from \$500,000 Community Sport Infrastructure Grant', <i>Media Release</i> , 18 December 2018.
20 December 2018	Minister's office advises Sport Australia to remove two projects and add one project to the approved list.	Auditor-General's report, p. 49.

Date	Event	Reference
	The finalised list of projects appears in the spreadsheet updated on 20 December 2018.	ANAO, answers to questions on notice, 13 February 2020 (received 25 February 2020), p. 5.
21 December 2018	Sport Australia sought and received final approval for 224 grants for Round 1 at a total value of \$28.7 million. Of the 224 approved projects: 91 (41 per cent) were not included in the 426 recommended for funding at the conclusion of Sport Australia's assessment process.	Auditor-General's report, p. 70.
	Successful Round 1 applicants advised in writing. Unsuccessful applicants advised they would be considered for funding in Round 2.	Auditor-General's report, p. 60–61.
Round 2		
4 January 2019	Representations by Liberal candidate for Mayo to the minister's office for three projects, two of which were awarded funding.	ANAO, answer to question on notice no. 72, Senate Additional Estimates 2019–20, 2 March (received 7 May 2020), p. 2.
9 January 2019	Seven versions of the spreadsheet with Round 2 projects circulated between 9 January and 4 February 2019. Most of the versions were circulated within the minister's office to Sport Australia. One version was provided to the Prime Minister's office in response to a request for details of the proposed grants for Round 2.	ANAO, answers to questions on notice, 13 February 2020 (received 25 February 2020), p. 5.
23 January 2019	Further representations by Liberal candidate for Mayo to the minister's office for the Yankalilla Bowling Club.	ANAO, answer to question on notice no. 72, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.

Date	Event	Reference
25 January 2019	Sport Australia initiates the lodgement of their list of 204 recommended projects to the minister through the Department of Health. Within 20 minutes, and before the list was received by the minister, Sport Australia requested the department withdraw the submission. This was because the minister's office had advised Sport Australia that 'there may be a late change to the submission'.	Auditor-General's report, p. 71.
	The minister visits the Wangaratta Clay Target Club.	Senator the Hon Bridget McKenzie, <i>Submission 44</i> , p. 18.
28 January 2019	Prime Minister's office requests details of the proposed grants for Round 2.	ANAO, answer to question on notice no. 72, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.
29 January 2019	Minister's office provides Sport Australia with a list of 236 projects identified for Round 2 funding.	Auditor-General's report, p. 71. ANAO, answers to questions on notice, 13 February 2020 (received 25 February 2020), p. 5.
	The minister becomes a member of the Australian Clay Target Association through its affiliate the Wangaratta Clay Target Club.	Senator the Hon Bridget McKenzie, <i>Submission 44</i> , p. 18.
30 January 2019	Representations from Nationals candidate to the minister's office for a project (which did not receive funding).	ANAO, answer to question on notice no. 70, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.
1 February 2019	Sport Australia receives an email from the minister's office including a table of projects in the body of the email.	Sport Australia, answers to questions on notice, 27 February 2020 (received 17 July), [p. 419].

Date	Event	Reference
	Sport Australia provides the minister's office with a revised list of recommended projects for Round 2.	Auditor-General's report, p. 71.
	Minister's office provides the Prime Minister's office with a spreadsheet with the successful projects for Round 2. The list includes 232 projects, the number approved for Round 2.	ANAO, answer to question on notice no. 70, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.
3 February 2019	Prime Minister's office advises the minister's office that the Prime Minister had not had a chance to look at the list of clubs provided on 1 February 2019.	ANAO, answer to question on notice no. 70, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.
4 February 2019	Minister approves and signs the brief agreeing to projects that will receive funding for Round 2.	Auditor-General's report, p. 50. See also ANAO, answers to questions on notice, 13 February 2020 (received 25 February 2020), p. 5.
	Round 2 grant decisions announced. Sitting Coalition members advised. Non-government sitting members received a letter dated 4 February 2019.	Auditor-General's report, p. 60.
	At the request of the Prime Minister's office, a spreadsheet is provided by the minister's office titled 'unfunded projects.xlsx' comprising unfunded projects with a score of 60 or higher.	ANAO, answer to question on notice no. 70, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.
	Representation from Liberal National Party of Queensland for a 'Wish List' project which was awarded funding. Representation from Nationals candidate for a project (which did not receive funding).	ANAO, answer to question on notice no. 72, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.

Date	Event	Reference
5 February 2019	Signed approval brief returned to Sport Australia with an attached spreadsheet identifying the applications that were approved for funding.	ANAO, answers to questions on notice, 13 February 2020 (received 25 February 2020), p. 5.
	Sport Australia receives an email from the minister's office that included a spreadsheet that was not colour-coded.	Sport Australia, answers to questions on notice, 27 February 2020 (received 17 July), [p. 419].
10 February 2019	Treasurer and minister release a joint media release about CSIG grant funding for the redevelopment of Ikon Park in Carlton valued at \$15 million.	The Hon Josh Frydenberg MP, Treasurer, Senator the Hon Bridget McKenzie and the Hon Kelly O'Dwyer MP Minister for Jobs, Industrial Relations & Women, 'Victoria's home of AFLW ready for redevelopment', <i>Media Release</i> , 10 February 2019.
13 February 2019	The Glen Eira Council's project receives funding, after a delay in announcement from December 2018 at the request of the minister's office.	See Auditor-General's report, p. 61. See also ANAO, answers to written questions on notice, 2 September 2020, (received 25 September 2020), p. 1.
22 February 2019	Representation from Liberal candidate for a project (which did not receive funding), sent to the minister's office and copying in the Prime Minister's office.	ANAO, answer to question on notice no. 72, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.
	Emails exchanged between Sport Australia and the Prime Minister's office regarding the Prime Minister's attendance at CSIG grant event in his electorate.	Senator the Hon Richard Colbeck, Minister for Youth and Sport, Letter to the President of the Senate responding to Order for the Production of Document No 378, 13 February 2020, p. 10–11.
23 February 2019	Ms Georgina Downer, Liberal candidate for the federal seat of Mayo, presents mock 'cheque' to Yankalilla Bowling Club.	See Shadow Attorney-General, Mark Dreyfus QC MP, Letter to the Auditor-General dated 24 February 2019, accessed 21 December 2020.

Date	Event	Reference
24 February 2019	Shadow Attorney-General requests that the Auditor-General investigated circumstances surrounding presentation of the mock 'cheque'.	See Shadow Attorney-General, Mark Dreyfus QC MP, Letter to the Auditor-General dated 24 February 2019, accessed 21 December 2020.
Round 3		
March 2019	Auditor-General commences an audit into CSIG program.	Mr Grant Hehir, Auditor-General, Committee Hansard, 13 February 2020, p. 1.
1 March 2019	Minister's office requests all applications that were unsuccessful in the first two rounds.	Auditor-General's report, p. 56.
3 March 2019	Prime Minister's office requests the minister's office provide a list of unfunded projects, including what another round valued at \$30 million would look like.	ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020), p. 7.
4 March 2019	Minister's office sends a copy of a spreadsheet listing unfunded projects to the Prime Minister's office. It includes projects with a cut-off score of 60.	ANAO, answer to question on notice no. 70, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2. See also Mr Brian Boyd, Executive Director Performance Audit Services Group, <i>Committee Hansard</i> , 2 September 2020, p. 17.
	Minister's office requests a copy of the CSIG application form from Sport Australia.	Auditor-General's report, p. 72.
	The first version of a spreadsheet for Round 3 projects is created in the minister's office.	ANAO, answers to questions on notice, 13 February 2020 (received 25 February 2020), p. 6.
	Departmental records for 4 March 2019 indicate that six potential 'extra' projects had already been identified for funding under the third round.	Auditor-General's report, p. 72.

Date	Event	Reference
5 March 2019	The CSIG program manager advises the minister's office by email that the program has closed and it would be inappropriate to invite applications on an ad hoc basis outside the program. The email also notes that the request for a copy of unsuccessful applications was inappropriate, and that both requests carry 'risk to the integrity of processes built into the existing program'.	Auditor-General's report, p. 72. See also Sport Australia, answers to questions on notice, 27 February 2020 (received 17 March 2020), [p. 6].
	The minister's office, in response, advises that the reason for the blank forms is for budget advocacy. The additional \$42.5 million for a third round of the CSIG program had already been sought and was approved in the 2019 Budget context that same day.	Auditor-General's report, p. 72.
6 March 2019	After seeking advice from the Department of Health, Sport Australia provides the minister's office with a copy of the application form.	Auditor-General's report, p. 72.
	Representations made by the Prime Minister's office for five projects on the 'Wish List/Fighting for List', all of which were funded.	ANAO, answer to question on notice no. 72, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.
7–13 March 2019	232 successful Round 2 grant recipients notified.	Auditor-General's report, p. 58.

Date	Event	Reference
8 March 2019	Minister's office provides the Member for Berowra a copy of the CSIG application form and advises that the process for submitting an application was for the completed form and supporting documentation to be provided to the minister's office. The opportunity to make a late application was not made public or provided to other recipients beyond those identified by the minister's office.	ANAO, answer to question on notice no. 73, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), [p. 1].
10 March 2019	<i>The Sydney Morning Herald</i> newspaper reports that the unelected Liberal candidate for Hindmarsh, Jake Hall-Evans, presented a 'letter of notification' to the Semaphore Bowling Club which informed the club that it had been awarded a \$65,000 grant.	Mr Eryk Bagshaw, 'Coalition accused of pork-barrelling grants in marginal seats', <i>The Sydney Morning Herald</i> , 10 March 2019 (accessed 21 December 2020).
14 March 2019	ANAO notifies Sport Australia that it is starting an audit of the CSIG program. A letter formally advising of the commencement of the audit was sent the following day.	ANAO, answers to written questions on notice, 11 September 2020 (received 25 September 2020), p. 1.
18 March 2019	Minister's office sends the Prime Minister's office a draft list of 225 successful projects for Round 3.	ANAO, answer to question on notice no. 70, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.
20 March 2019	Minister's office sends the Prime Minister's office an updated list of 219 successful projects. The updated list removes 14 applications and adds eight applications.	ANAO, answer to question on notice no. 70, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.

Date	Event	Reference
	Minister's office directs Sport Australia to undertake merit assessments of four resubmitted and five new CSIG applications. The minister's office advises that these projects have been 'identified as emerging priorities' in accordance with section 8.1 of the program guidelines. The opportunity to amend existing applications or submit new applications was not advertised or otherwise made available more broadly.	Auditor-General's report, pp. 29, 30 and 72.
	Minister's office receives a CSIG application form and supporting documentation from the Member for Berowra, and forwards it to Sport Australia.	ANAO, answer to question on notice no. 73, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), [p. 1].
21 March 2019	Minister's office provides Sport Australia with a list of Round 3 projects.	Auditor-General's report, p. 50.
	Prime Minister and Treasurer announce \$60 million in funding to date for the CSIG program.	The Hon Scott Morrison MP and the Hon Josh Frydenberg MP, 'Education hub to build culture and diversity at Punt Road', <i>Media Release</i> , 21 March 2019.
22 March 2019	CSIG program manager reiterates concerns of 5 March 2019 and advises the minister's office that the application process closed on 14 September 2018 and it would be inappropriate to invite new applications or amend existing applications.	Auditor-General's report, p. 30. See also Sport Australia, answers to questions on notice, 27 February 2020 (received 17 July 2020), [p. 8].

Date	Event	Reference
	Minister's office responds to Sport Australia that the new applications were all constructed according to the guidelines and were considered 'priorities that have not been met'. The minister's office requests that Sport Australia prepare a list of recommendations for Round 3 and provides the names of nine new and revised applications that the minister has identified as 'emerging issues since the completion of the assessment process'.	Sport Australia, answers to questions on notice, 27 February 2020 (received 17 July 2020), [p. 32–33].
25 March 2019	Prime Minister's office sends back to the minister's office the list of 225 successful projects received on 18 March 2019 and asks if 'one project that had been removed between the 18 March and 20 March versions was likely to be awarded CSIG funding noting that it was a priority for the local Coalition member'. That project was not subsequently funded.	ANAO, answer to question on notice no. 70, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.
	Sport Australia receives a follow-up request from minister's office to prepare funding recommendations for Round 3 including consideration of nine new or revised applications.	Sport Australia, answers to questions on notice, 27 February 2020 (received 17 July 2020), [p. 32].
	Prime Minister's office notes on a spreadsheet that 'Minister Payne will support for this to be included in the next round' against a project in the electorate of Macquarie, which was ultimately funded.	ANAO, answer to question on notice no. 72, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.

Date	Event	Reference
26 March 2019	Prime Minister's office advises minister's office that it is expected minister will write to Prime Minister to seek 'authority' on approved projects and advise 'roll out plan'.	ANAO, answer to question on notice no. 72, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.
29 March 2019	Minister's office, in response to a request from the Prime Minister's office 'to assist with media', sends a PDF titled 'Complete list rnd 1 and 2.pdf'. This was an extract of a spreadsheet including only the columns: 'Applicant' 'Project Title' 'Grant Amount' 'Electorate' 'Party' 'State' and 'Description'.	ANAO, answer to question on notice no. 72, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 2.
30 March 2019	Prime Minister and minister jointly announce an additional \$40 million for third round of the CSIG program.	The Hon Scott Morrison MP, Prime Minister of Australia and Senator the Hon Bridget McKenzie Minister for Regional Services, Sport, Local Government and Decentralisation, 'Backing sporting communities and women in sport', <i>Media Release</i> , 30 March 2019.
2 April 2019	Additional funding of \$42.5 million dollars for Round 3 of the CSIG program is confirmed in the budget.	Commonwealth of Australia, <i>Budget Measures: Budget Paper No. 2 2019–20</i> , p. 93. See also senator the Hon Bridget McKenzie, Minister for Regional Services, Sport, Local Government and Decentralisation, 'Budget 2019: Investing in our national sports plan', <i>Media Release</i> , 2 April 2019.

Date	Event	Reference
3 April 2019	<p>Sport Australia submits a brief to the minister's office with its recommendations for Round 3 via email to the Department of Health, copying in the minister's office.</p> <p>The brief includes two attachments: a list of 245 applications recommended for funding; and a list of remaining applications that were not recommended for funding.</p> <p>The brief advises the minister to record reasons for rejecting or changing recommended applications (per 6.1.1 of Grant Management Framework) noting the risks associated with approving these projects.</p>	<p>Auditor-General's report, p. 73. See also Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 2.</p>
	<p>The senior advisor in the minister's office emails a spreadsheet to a Departmental Liaison Officer, which was created on 29 March 2019 within the minister's office and which identifies 220 applications as being approved for funding. This email was sent an hour and eleven minutes after Sport Australia had submitted its brief.</p>	<p>Auditor-General's report, p. 73. See also Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 3.</p>
4 April 2019	<p>Minister signs decision brief for Round 3. The signed brief had a handwritten note changing Sport Australia's recommendation to 'Approve the attached list of round three Community Sport Infrastructure grants Approved by the Minister'.</p>	<p>Auditor-General's report, p. 73. See also Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 2.</p>

Date	Event	Reference
	Secretary of the Department of Health seeks advice from her department regarding the status of the minister's approval in caretaker period. Senior departmental officials recorded that the minister's office was made aware of the deadline and would ensure the brief was signed before the caretaker period commenced.	Auditor-General's report, p. 73. See also Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 2.
	Sport Australia emails the minister's office expressing concern regarding nine additional/new projects included in the list of projects recommended for funding.	Sport Australia, answer to question on notice no. 11, Senate Additional Estimates 2019–20, 4 March 2020 (received 11 May 2020), [p. 2.]
5 April 2019	Just before entering a Senate Estimates hearing, the CEO of Sport Australia is given a copy of a colour-coded spreadsheet for the first time. Later that evening, a teleconference is held between the CEO, the Chair of the board and the Secretary of the Department of Health discussing the colour-coded spreadsheets.	Ms Kate Palmer, CEO Sport Australia, <i>Committee Hansard</i> , 28 February 2020, p. 12–13.
	At a Senate Estimates hearing, Sport Australia stated that to its knowledge Round 3 grant decisions had not yet been made.	Ms Kate Palmer, former CEO Sport Australia, <i>Committee Hansard</i> , 5 April 2019, p. 60. See also Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 2.

Date	Event	Reference
8 April 2019	Joint announcement by the Prime Minister and minister of funding for a new national cricket campus in Brisbane.	The Hon Scott Morrison MP, Prime Minister, Senator the Hon Bridget McKenzie Minister for Regional Services, Sport, Local Government and Decentralisation, Trevor Evans MP Federal Member for Brisbane, 'Boost for national cricket campus', <i>Media Release</i> , 8 April 2019.
9 April 2019	Prime Minister's office advises the minister's office that one of the approved projects, a \$500,000 grant to the Grange Thistle Soccer Club, has been funded through a separate grants program (Community Development Grants).	Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 5.
10 April 2019	Minister writes to Prime Minister advising him of 220 projects she intends to approve for Round 3 funding, attaching colour-coded spreadsheet summarising approved projects showing distribution by state, political party and electorate. The letter notes the minister's intention is to make state-by-state announcements with MPs and candidates throughout the campaign.	ANAO, answer to question on notice no. 72, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 3. See also Mr Brian Boyd, ANAO, <i>Committee Hansard</i> , 2 September 2020, p. 24.

Date	Event	Reference
	At 12.45pm, the Prime Minister's office, in reply, requests that a revised list be provided removing one project and adding another in substitution. The Prime Minister's office also requested that the roll out 'gets co-ordinated in conjunction with CHQ' (campaign headquarters). The project was in the 'target' electorate of Kennedy with the substitute project for the Hawthorn-Malvern Hockey Centre located in the electorate of Kooyong.	ANAO, answer to question on notice no. 70, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 4; Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 3.
	In reply, 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 for the region' and 'the Minister is due to visit Kennedy with the LNP candidate' who has been 'pushing' for the project.	Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 3.
	At 11.46pm, the minister's office writes to the Prime Minister's office advising that '[t]he 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'.	Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 4.
	Appearing at Senate Estimates, Sport Australia informed the Community Affairs Legislation Committee that funding decisions had not yet been made.	Ms Kate Palmer, CEO Sport Australia, Committee Hansard, 10 April 2019, p. 104.
11 April 2019	2019 federal election announced and, at 8.29am, Parliament is prorogued.	Sir Peter Cosgrove, Governor-General, <i>Proclamation</i> , 11 April 2019.

Date	Event	Reference
	<p>At 12.51am, the Prime Minister's office emails the minister's office to advise that the application being removed (per the request on 10 April 2020) had been funded under another grant program. At 7.13am, the Minister's office responded advising that the requested substitution would be made an updated spreadsheet circulated.</p>	<p>ANAO, answer to question on notice no. 70, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 4; Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 4.</p>
	<p>At 8.27am, the signed brief, dated 4 April 2019, is scanned by an administrative staff member in the minister's office and sent to the minister's senior advisor. There was no list of approved projects attached to the scanned briefing.</p>	<p>Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 2; Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 4.</p>
	<p>At 8.46am, the minister's office emails Sport Australia with the signed brief and a spreadsheet attachment identifying which projects would be funded for Round 3.</p> <p>The spreadsheet replaced the list of projects recommended by Sport Australia. The minister's replacement list approved 228 grants, 73 per cent of which had not been recommended by Sport Australia. On the signed brief, the minister notes the risks identified, and writes '[e]xecuted as many agreements as possible by 30/6/19'.</p>	<p>Mr Luke McCann, CEO, Sport Australia, <i>Committee Hansard</i>, 4 March 2020, p. 32; Auditor-General's report, p. 50; Sport Australia, answers to questions on notice, 27 February 2020 (received 17 July 2020), [p. 1484].</p>

Date	Event	Reference
	At 8.47am, the minister's office emails the Prime Minister's office with a list of projects to be funded for Round 3 in a PDF format.	ANAO, answer to question on notice no. 70, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 4.
	At 8.54am, in response, the Prime Minister's office asks Minister's office for the list in spreadsheet format to 'cross check against our list and also be able to pull individual projects out to coordinate announcements and material CCHQ' (campaign headquarters). The minister's office agreed to do this but the next version provided at 11.48am was the same PDF, which led to a further request from the Prime Minister's office at 12.02pm.	ANAO, answer to question on notice no. 70, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 4; Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 4.
	At 12.04pm, the minister's office responded to the Prime Minister's office again agreeing to provide the spreadsheet and advising that 'there are a couple of mistakes which we are fixing – we were just missing a couple of additional projects'.	Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 4.
	At 12.35pm, the minister's office sends the Prime Ministers' office the list of approved projects in a spreadsheet format and noted that there had been errors in list provided earlier that morning. Compared to the earlier PDF version, the spreadsheet includes five new applications and three amended applications.	ANAO, answer to question on notice no. 70, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 4. Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 4.

Date	Event	Reference
	<p>At 12.43pm, the minister's office advises Sport Australia that the earlier ministerial brief and attachment, sent at 8.46am, contained errors. The minister's office provides Sport Australia with an updated spreadsheet of 223 projects to be funded in Round 3.</p> <p>Between the 8.46am and 12.43pm, a total of 11 changes were made to the list of approved projects. The total value of the changes was an increase of \$2,767,071.</p> <p>In a subsequent email to the Department of Health, Sport Australia identifies a number of issues with the updated spreadsheet, including, that it contains six applications about which Sport Australia has 'no knowledge and no application form'.</p>	<p>See also Auditor-General's report, p. 50; Mr Luke McCann, CEO, Sport Australia, <i>Committee Hansard</i>, 4 March 2020, p. 32. Auditor-General's report, p. 50; Sport Australia, answer to question no notice no. 17, Senate Additional Estimates 2019–20, 4 March 2020 (received 11 May 2020); Sport Australia, answers to question on notice no. 6, Senate Additional Estimates 2019–20, 4 March 2020 (received 11 May 2020).</p>
	<p>At 4.32pm Sport Australia sought advice from the Department of Health regarding the application of caretaker conventions. The response is received on 12 April 2019.</p>	<p>Sport Australia, answers to question on notice no. 6, Senate Additional Estimates 2019–20, 4 March 2020 (received 11 May 2020).</p>
	<p>At 9.10pm, the Prime Minister's office asked the minister's office to confirm that the Grange Thistle Soccer Club application for a \$500,000 grant was on the approved projects list, and it was re-included in the final version of the spreadsheet as being approved for funding.</p>	<p>Mr Grant Hehir, Auditor-General, correspondence received 16 April 2019, p. 5.</p>

Date	Event	Reference
	Minister's office notes support from a Nationals candidate for a project in the electorate of Kennedy, which was put forward for approval, but ultimately removed on advice from the Prime Minister's office that it had been funded under another program.	ANAO, answer to question on notice no. 72, Senate Additional Estimates 2019–20, 2 March 2020 (received 7 May 2020), p. 3.
12 April 2019	Sport Australia writes again to the Department of Health regarding the application of caretaker conventions and notes that the minister has started to make announcements. The department recommends that advice should be sought from the Executive level to determine whether Sport Australia goes ahead and contacts the successful applicants.	Sport Australia, answers to question on notice no. 6, Senate Additional Estimates 2019–20, 4 March 2020 (received 11 May 2020).
18 April 2019	Sport Australia seeks advice from the Department of Health on the wording of grant advice letters, noting that they are to be sent out on 23 April 2019.	Sport Australia, answers to written questions on notice, 11 September 2020 (received 14 December 2020), [p. 11].
23 April 2019	Successful Round 3 grant recipients notified.	Auditor-General's report, p. 60.
26 April 2019	Unsuccessful Round 3 grant recipients notified.	Auditor-General's report, p. 60.
1 May 2019	Prime Minister announces funding for a new football centre in Western Australia.	The Hon Scott Morrison MP, Prime Minister, 'New home for football in West Australia', <i>Media Release</i> , 1 May 2019.
5 May 2019	Email exchange with the Prime Minister's office regarding sporting announcements that can 'super charge the PM as a sporting hero'.	Senator the Hon Richard Colbeck, Minister for Youth and Sport, Letter to the President of the Senate responding to Order for the Production of Document No 378, 13 February 2020, [p. 17].

Date	Event	Reference
15 May 2019	Former CEO of Sport Australia, Ms Kate Palmer, corrects evidence given at Senate Estimates on 5 and 10 April 2019 to explain that some projects, approved by the minister, were not recommended by Sport Australia.	Ms Kate Palmer, CEO, Sport Australia, correspondence regarding evidence given on 5 April 2019, received 15 May 2019; Ms Kate Palmer, CEO, Sport Australia, correspondence regarding evidence given on 10 April 2019, received 15 May 2019.
17 May 2019	Minister announces over \$100 million spent on the three rounds of the CSIG program. The announcement lists the successful projects, the amount of the grant, and the electorate that they are located in.	Senator the Hon Bridget McKenzie, Minister for Sport, 'Investing in local community sporting facilities', <i>Media Release</i> , 17 May 2019.
18 May 2019	2019 federal election day. Coalition Government returned.	
29 May 2019	Senator Richard Colbeck replaces Senator McKenzie as Minister for Sport.	Australian Parliament House website, Biography for Senator the Hon Richard Colbeck, https://www.aph.gov.au/Senators_and_Members/Parliamentarian?MPID=00AOL (accessed 4 January 2021).
13–17 June 2019	Sport Australia advises nine applicants in Round 3 whose projects were deemed 'emerging priorities' that they are successful	Auditor-General's report, p. 50.
21 June 2019	Email exchange with the Prime Minister's office regarding the Prime Minister's attendance at an event relating to a successful grant project.	Senator the Hon Richard Colbeck, Minister for Youth and Sport, Letter to the President of the Senate responding to Order for the Production of Document No 378, received 13 February 2020, [p. 22].

Date	Event	Reference
4 July 2019	Prime Minister's office requests Sport Australia prepare a media release and talking points in relation to a grant for the Sans Souci Football Club.	Sport Australia, answer to questions on notice, 27 February 2020 (received 17 July 2020), p. 40.
8 July 2019	Sport Australia emails the Prime Minister's office about attending a launch event for a grant funded project.	Senator the Hon Richard Colbeck, Minister for Youth and Sport, Letter to the President of the Senate responding to Order for the Production of Document No 378, received 13 February 2020, [p. 27].
10 July 2019	Sport Australia receives confirmation that Prime Minister would visit the Sans Souci Football Club to announce a grant.	Sport Australia, answer to questions on notice, 27 February 2020 (received 17 July 2020), p. 41.
11 July 2019	Prime Minister attends Sans Souci Football Club to announce grant.	Sport Australia, answer to questions on notice, 27 February 2020 (received 17 July 2020), p.43.
21 August 2019	The Prime Minister, by letter, requests that community sport infrastructure female facilities and water safety stream, and sport infrastructure projects valued at \$2 million or less in the Community Development Grants program be transferred to the Department of Health. This followed a process whereby departments consulted with each other about what election commitments were made, and how to most efficiently and effectively deliver on those commitments.	Ms Marisa Purvis-Smith, First Assistant Secretary Regional Development, Local Government and COVID Regional Recover, Department of Infrastructure, Transport, Regional Development and Communications, <i>Committee Hansard</i> , 22 July 2020, p. 25.

Date	Event	Reference
28 October 2019	Sport Australia announces CEO Kate Palmer to step down when her contract ends on 31 January 2020.	Mr Nigel Benton, 'Kate Palmer departs Chief Executive role at Sport Australia', Australian Leisure Management (accessed 4 January 2021).
14 November 2019	ANAO provides its draft audit report to relevant parties for comment, including an advisor to the Prime Minister.	Mr Brian Boyd, ANAO, Committee Hansard, 13 February 2020, p. 4.
December 2019	Sport Australia seeks legal advice as to whether Sport Australia had acted within its powers in carrying out its role in the CSIG program. This advice was not provided to the minister or the minister's office, or anyone outside of Sport Australia's board, management and legal advisors.	Sport Australia, answer to written questions on notice, 10 March 2020 (received 13 May 2020), p. 9.
15 January 2020	Auditor-General finalises its audit report of the CSIG program. The report is tabled in the Senate on 4 February 2020.	Auditor-General, <i>Audit Report No. 23 of 2019–20 – Performance audit – Award of funding under the Community Sport Infrastructure Program – Australian Sports Commission</i> , 15 January 2020 (tabled 4 February 2020).
	Minister for Sport responds to the ANAO report.	Senator the Hon Richard Colbeck, Minister for Youth and Sport, 'ANAO report into the Community Sport Infrastructure program', Media Release, 15 January 2020.
17 January 2020	Prime Minister requests that Secretary of the Department of the Prime Minister and Cabinet (DPM&C) review whether minister breached Statement of Ministerial Standards.	Ms Stephanie Foster PSM, Deputy Secretary, Governance Group, DPM&C, <i>Finance and Public Administration Legislation Committee Estimates Hansard</i> , 2 March 2020, p. 49.

Date	Event	Reference
22 January 2020	Prime Minister and Minister for Health announce Secretary of the Department of Health decision to retire.	The Hon Scott Morrison MP Prime Minister, 'Secretary of the Department of Health', <i>Media Release</i> , 22 January 2020.
	Secretary of DPM&C writes to Senator McKenzie asking questions in relation to his review of Senator McKenzie's conduct under the Ministerial Standards.	Mr Phillip Gaetjens, DPM&C, <i>Committee Hansard</i> , 22 July 2020, p. 13.
	Australian Government Solicitor and Attorney-General's Department staff meet as a part of the Attorney-General's consultation on the question of the minister's legal authority.	Attorney-General's Department, answers to questions on notice, 2 September 2020 (received 17 September 2020), [p. 3].
28 January 2020	Secretary of DPM&C seeks information from the Auditor-General in relation to his review of Senator McKenzie's conduct under the Ministerial Standards. The Auditor-General advises that legislative requirements prevent the disclosure of information; however, the Secretary was referred to the Department of Health and the Department of Infrastructure.	Mr Grant Hehir, Auditor-General, <i>Committee Hansard</i> , 2 September 2020, p. 2.
	ABC publishes information raising concerns about minister's funding decisions.	Mr Andrew Probyn, 'Sport Australia Complained about political interference in the Government's sports grants program', <i>ABC</i> , 28 January 2020.

Date	Event	Reference
29 January 2020	In an interview at the National Press Club, the Prime Minister says '[a]ll we did was provide information based on the representations made to us as every prime minister has always done'.	The Hon Scott Morrison MP, Prime Minister, <i>Transcript of Q and A: National Press Club</i> , ACT, 29 January 2020.
	Secretary of DPM&C interviews Senator McKenzie in relation to his review of Ministerial Standards.	Mr Phillip Gaetjens, DPM&C, <i>Committee Hansard</i> , 22 July 2020, p. 13.
30 January 2020	Kate Palmer concludes her contract as CEO of Sport Australia.	Ms Kate Palmer, Private capacity, <i>Committee Hansard</i> , 28 February 2020, p. 1.
	DPM&C receives a copy of the 'talking points' memo prepared by the minister's office for a meeting with the Prime Minister, which took place on 28 November 2019.	Ms Stephanie Foster PSM, Deputy Secretary, Governance Group, DPM&C, <i>Finance and Public Administration Legislation Committee Estimates Hearing Hansard</i> , 20 October 2020, p. 75.
31 January 2020	Meeting between Secretary of DPM&C and Prime Minister to discuss his report on the review of Senator McKenzie's conduct under the Ministerial Standards.	Mr Phillip Gaetjens, Secretary, DPM&C, <i>Committee Hansard</i> , 22 July 2020, p. 17.
	Follow-up meeting between Australian Government Solicitor and Attorney-General's Department staff as a part of the Attorney-General's consultation on the question of the minister's legal authority.	Attorney-General's Department, answers to questions on notice, 2 September 2020 (received 17 September 2020), [p. 3].
1 February 2020	Secretary of DPM&C presents results of review to Prime Minister.	Ms Stephanie Foster, DPM&C, <i>Finance and Public Administration Legislation Committee Estimates Hansard</i> , 2 March 2020, p. 50.

Date	Event	Reference
2 February 2020	Prime Minister announces Senator McKenzie's resignation from ministry.	Mr Phillip Gaetjens, DPM&C, <i>Committee Hansard</i> , 22 July 2020, p. 13.
3 February 2020	Robert Dalton becomes the acting CEO of Sport Australia.	Sport Australia, 'Robert Dalton appointed Acting CEO of Sport Australia', <i>Media Release</i> , 4 February 2020.
5 February 2020	Senate establishes Select Committee on Administration of Sports Grants.	<i>Journals of the Senate</i> , No. 37, 5 February 2020, pp. 1208–1209.
27 February 2020	Chair of board agrees to provide committee with legal advice relating to the power to approve award of funding under grant program administered by Sport Australia.	Mr John Wylie, ASC, <i>Committee Hansard</i> , 27 February 2020, p. 15. See also Sport Australia, answer to written questions on notice, 10 March 2020 (received 13 May 2020), p. 9.
28 February 2020	Secretary of the Department of Health retires.	The Hon Scott Morrison MP Prime Minister, 'Secretary of the Department of Health', <i>Media Release</i> , 22 January 2020.
3 March 2020	Minister for Sport and Youth meets with Sport Australia CEO and Chair.	Senator the Hon Richard Colbeck, Minister for Sport and Youth, <i>Community Affairs Legislation Committee Estimates Hansard</i> , 4 March 2020, p. 36.
	Minister for Sport and Youth meets with staff within the Prime Minister's office.	Senator the Hon Richard Colbeck, Minister for Sport and Youth, <i>Community Affairs Legislation Committee Estimates Hansard</i> , 4 March 2020, p. 39.

Date	Event	Reference
	When asked about the correspondence between his office and the minister's office during the CSIG program administration, the Prime Minister tells journalists that his office 'passed on representations' about funding options for sporting infrastructure projects.	The Hon Scott Morrison MP, Prime Minister, <i>Transcript of interview with Ben Fordham</i> , 2GB, 3 March 2020; The Hon Scott Morrison MP, Prime Minister, <i>Transcript of interview with Leigh Sales</i> , 7:30, ABC, 3 March 2020.
4 March 2020	Minister for Sport and Youth appears at Senate Estimates.	Senator the Hon Richard Colbeck, Minister for Sport and Youth, <i>Community Affairs Legislation Committee Estimates Hansard</i> , 4 March 2020.
5 March 2020	Senator McKenzie issues a statement advising that she did not authorise changes to ministerial decision brief or attachments after 4 April 2019.	Senator the Hon Bridget McKenzie, 'Statement regarding Senate Estimates', 5 March 2020 (tabled 12 March 2020).

Appendix 2

Key information requested and refused

Summary of key information requested	Refusal and reasons provided	Reference
Legal authority of the former Minister for Sport (minister)		
<p>On 5 February 2020, the Senate agreed to Order for the Production of Documents No. 388 for advice provided to the Attorney-General regarding the legal authority of the minister to approve funding decisions under the Community Sport Infrastructure (CSIG) Program.</p>	<p>On 11 February 2020, a claim of public interest immunity was made by the Hon Christian Porter MP, Attorney-General, in relation to the advice. The reason provided was ‘it is not in the public interest to depart from the established position ... to not disclose the fact or content of legal advice’.</p>	<p><i>Journals of the Senate</i>, No. 37, 5 February 2020, p. 1218; The Hon Christian Porter MP, Attorney-General, Letter to the President of the Senate regarding Order for the Production of Documents No. 388, tabled 11 February 2020.</p>
<p>On 5 February 2020, the Senate also agreed to Order for the Production of Documents No. 379, which included any advice received from the Australian Government Solicitor in relation to the CSIG program.</p>	<p>On 13 February 2020, Senator the Hon Mathias Cormann, Minister for Finance and Leader of the Government in the Senate, claimed public interest immunity in relation to the report on the grounds that it informed, and was the subject of, Cabinet deliberations.</p>	<p><i>Journals of the Senate</i>, No. 37, 5 February 2020, p. 1216; Senator the Hon Mathias Cormann, Minister for Finance and Leader of the Government in the Senate, Letter to the President of the Senate regarding Order for the Production of Documents No. 379, tabled 13 February 2020.</p>

Summary of key information requested	Refusal and reasons provided	Reference
<p>On 27 February 2020, at a public hearing, Sport Australia was asked whether the provisions of the <i>Australian Sports Commission Act 1989</i> gave the minister the power to approve the award of funding under a grant program administered by Sport Australia. Sport Australia told the committee that it had sought legal advice on this issue for its 'board purposes' and would be 'happy to provide that opinion to this committee'.</p>	<p>On 16 July 2020, Senator the Hon Richard Colbeck, Minister for Youth and Sport, claimed public interest immunity in relation to legal advice obtained by Sport Australia. The reason provided was that the release of the advice could prejudice pending legal proceedings.</p>	<p>Mr John Wylie, Chair, Australian Sports Commission (ASC), <i>Committee Hansard</i>, 27 February 2020, p. 15; Senator the Hon Richard Colbeck, Minister for Youth and Sport, correspondence received 17 July 2020.</p>
<p>On 10 March 2020, the committee wrote to Sport Australia asking what was the legal basis for the Minister to provide approval to fund grants under the CSIG program. The committee also asked specific questions about when Sport Australia had sought legal advice, who was provided a copy of that advice, and what did the advice say.</p>	<p>On 13 May 2020, Sport Australia undertook to provide its legal advice on a confidential basis. Subsequently, on 16 July 2020, Senator the Hon Richard Colbeck, Minister for Youth and Sport, claimed public interest immunity in relation to the legal advice obtained by Sport Australia. The reason provided was that the release of the advice could prejudice pending legal proceedings.</p>	<p>Sport Australia, answers to written questions on notice, 10 March 2020 (received 13 May 2020), [pp. 8–9]; Senator the Hon Richard Colbeck, Minister for Youth and Sport, correspondence received 17 July 2020.</p>

Summary of key information requested	Refusal and reasons provided	Reference
<p>On 2 September 2020, the Attorney-General's Department was asked questions regarding the nature and content of its consultations with lawyers of the Australian Government Solicitor with respect to the minister's legal authority.</p>	<p>On 17 September 2020, the Hon Christian Porter MP, Attorney-General, claimed public interest immunity in relation to this information on the basis that privileged legal discussions between Ministers, their officers, and government lawyers 'remain confidential' and that disclosure would harm the administration of justice and interactions between lawyers and clients.</p>	<p>The Hon Christian Porter MP, Attorney-General, correspondence received 17 September 2020.</p>
<p>On 1 December 2020, the Senate agreed to the committee's interim report recommendation requiring the Chair of Sport Australia to produce the legal advice that it received on the issue of the legal authority of the minister and whether Sport Australia acted within its power under the CSIG program.</p>	<p>On 3 December 2020, the Acting Chair of Sport Australia, Mr Steve Moneghetti AM, wrote to the President of the Senate making a claim of public interest immunity in relation to the legal advice on the basis of legal professional privilege. Sport Australia advised that the Federal Court is considering an application from an unsuccessful grant applicant.</p>	<p>Senate Committee on Administration of Sports Grants, <i>Interim report</i>, December 2020, p. 5; <i>Journals of the Senate</i>, No. 75, 1 December 2020, pp. 2652–2653; Mr Steve Moneghetti AM, Acting Chair, ASC, Letter to the President of the Senate, received 3 December 2020.</p>

Information regarding grant applications (including colour-coded spreadsheets)		
<p>On 5 February 2020, the Senate agreed to Order for the Production of Documents No. 387 for spreadsheets colour-coding grant applications for the CSIG program.</p>	<p>On 13 February 2020, a heavily redacted copy of a colour-coded spreadsheet was provided by Senator the Hon Richard Colbeck, Minister for Youth and Sport. A claim of public interest immunity was made in relation to the redactions on the basis of privacy of the applicants in the spreadsheet.</p>	<p><i>Journals of the Senate</i>, No. 37, 5 February 2020, p. 1218; Senator the Hon Richard Colbeck, Minister for Youth and Sport, Letter to the President of the Senate regarding Order for the Production of Documents No. 387, tabled 13 February 2020.</p>
<p>On 5 February 2020, the Senate also agreed to Order for the Production of Documents No. 378 for a list of applications that were not funded, but which received a score of 74 or above.</p>	<p>On 13 February 2020, a heavily redacted spreadsheet was provided by Senator the Hon Richard Colbeck, Minister for Youth and Sport. A claim of public interest immunity was made in relation to the redactions on the basis of privacy of the applicants in the spreadsheet.</p>	<p><i>Journals of the Senate</i>, No. 37, 5 February 2020, pp. 1215-1216; Senator the Hon Richard Colbeck, Minister for Youth and Sport, Letter to the President of the Senate regarding Order for the Production of Documents No. 378, tabled 13 February 2020, [p. 37].</p>

<p>On 13 February 2020, at a public hearing, the Australian National Audit Office (ANAO) was asked to provide material obtained by the Auditor-General in the course of conducting the audit of the CSIG program, including a full list of applications received and a copy of a Round 3 grant decision spreadsheet. The request was made due to the government's refusal to provide the information directly.</p>	<p>Mr Grant Hehir, Auditor-General, wrote to the committee claiming public interest immunity on grounds that the release of the information could damage the operation of the Auditor-General's legislative framework for dealing with sensitive information and undermine trust in the ANAO as custodians of documents.</p>	<p>Mr Grant Hehir, Auditor-General, <i>Committee Hansard</i>, 13 February 2020, pp. 20 and 30; Mr Grant Hehir, Auditor-General, correspondence received 26 June 2020.</p>
<p>On 27 February 2020, at a public hearing, Sport Australia was asked to provide the list of 2056 applications made to the CSIG program, or a summary of all applicants, the project details, as well as the raw data of assessment scores provided to the minister's office.</p>	<p>On 17 July 2020, Sport Australia provided a list of applications. It showed the type of organisations that applied, their suburb/town/state/electorate and the amount applied for, but redacted the names of applicants. A redacted colour-coded spreadsheet was also provided, which showed the assessment scores and assessor comments, but redacted the names of applicants. Sport Australia claimed public interest immunity in relation to the redacted information on the grounds of privacy.</p>	<p>Sport Australia, answer to question on notice, 27 February 2020 (received 17 July 2020), [pp. 10, 376 and 419].</p>
<p>On 27 October 2020, in relation to Budget Estimates, Sport Australia was asked whether a particular club's application was recommended by Sport Australia for a grant.</p>	<p>On 16 December 2020, Sport Australia refused to provide the information citing an earlier public interest claim made on privacy grounds by Senator the Hon Richard Colbeck, Minister for Youth and Sport in relation to Order for Production of Documents No. 387.</p>	<p>Sport Australia, answer to written questions on notice – SQ20-000560, Budget Estimates 2020-21, 27 October 2020 (received 16 December 2020).</p>

Interactions between the minister's office, the Prime Minister's office and Sport Australia		
<p>On 5 February 2020, the Senate agreed to Order for the Production of Documents No. 389 for all communications between the current and former offices of the Minister for Sport and both the office of the Prime Minister and the office of the Deputy Prime Minister in relation to the three grant rounds under the CSIG program.</p>	<p>On 13 February 2020, Senator the Hon Richard Colbeck, Minister for Youth and Sport, tabled a series of heavily redacted emails, claiming public interest immunity in relation to the redactions due to privacy concerns of individuals listed within the documents.</p>	<p><i>Journals of the Senate</i>, No. 37, 5 February 2020, p. 1218; Senator the Hon Richard Colbeck, Minister for Youth and Sport, Letter to the President of the Senate regarding Order for the Production of Documents No. 389, tabled 13 February 2020.</p>
<p>On 5 February 2020, the Senate also agreed to Order for the Production of Documents No. 378 for all communications from Sport Australia to the former Minister for Sport or her office regarding the role of the Prime Minister's office in relation to the CSIG program.</p>	<p>On 13 February 2020, Senator the Hon Richard Colbeck, Minister for Youth and Sport wrote to the President of the Senate advising that 'we are not in possession of documents or they do not exist in relation to the matters raised'.</p>	<p><i>Journals of the Senate</i>, No. 37, 5 February 2020, pp. 1215-1216; Senator the Hon Richard Colbeck, Minister for Youth and Sport, Letter to the President of the Senate regarding Order for the Production of Documents No. 378, tabled 13 February 2020, [p. 1].</p>

<p>On 5 February 2020, the Senate further agreed to Order for the Production of Documents No. 379 for communications, advice or reports relating to the CSIG program between:</p> <ul style="list-style-type: none"> • the Prime Minister’s Office or the Department of the Prime Minister and Cabinet (DPM&C) and the office of the former Minister for Sport; and • the Prime Minister’s Office or DPM&C and Sport Australia. 	<p>On 13 February 2020, Senator the Hon Mathias Cormann, Minister for Finance and Leader of the Government in the Senate, claimed public interest immunity in relation to communications, advice or reports, on the grounds that it informed, and was the subject of, Cabinet deliberations. Some documents identified as being in the possession of the Prime Minister were provided. They comprised of redacted emails regarding CSIG program outcomes, media and events.</p>	<p><i>Journals of the Senate</i>, No. 37, 5 February 2020, p. 1216; Senator the Hon Mathias Cormann, Minister for Finance and Leader of the Government in the Senate, Letter to the President of the Senate regarding Order for the Production of Documents No. 379, tabled 13 February 2020.</p>
<p>On 2 September 2020, at a public hearing, the committee asked the ANAO for copies of emails between the minister’s office and the Prime Minister’s office. The request was made due to the government’s refusal to provide the information directly.</p>	<p>On 25 September 2020, the ANAO claimed public interest immunity on the grounds that ‘providing information subject to public interest immunity claims made by the Government is outweighed by the public interest harm to the operation of the ANAO’.</p>	<p>ANAO, answers to questions on notice, 2 September 2020 (received 25 September 2020), pp. 6–7.</p>
<p>On 11 September 2020, Sport Australia was asked to provide a full list of projects completed by the time funding agreements were signed.</p>	<p>On 19 January 2021, Sport Australia provided a heavily redacted document showing only a list of dates and claiming public interest immunity for the redactions on the basis of privacy.</p>	<p>Sport Australia, answers to written questions on notice, 11 September 2020 (received 19 January 2021), p. 1.</p>

Records relating to the Review of Ministerial Standards

<p>On 5 February 2020, the Senate agreed to Order for the Production of Documents No. 379 for the report or advice prepared for the Secretary of DPM&C, Mr Phillip Gaetjens, in relation to the former Minister for Sport's management of the CSIG program (the 'Gaetjens report').</p>	<p>On 13 February 2020, Senator the Hon Mathias Cormann, Minister for Finance and Leader of the Government in the Senate, claimed public interest immunity in relation to the report on the grounds that it informed, and was the subject of, Cabinet deliberations.</p>	<p><i>Journals of the Senate</i>, No. 37, 5 February 2020, p. 1216; Senator the Hon Mathias Cormann, Minister for Finance and Leader of the Government in the Senate, Letter to the President of the Senate regarding Order for the Production of Documents No. 379, tabled 13 February 2020.</p>
<p>On 5 February 2020, the Senate also agreed to Order for the Production of Documents No. 385 for the full Gaetjens report provided to the Prime Minister, in relation to the application of the Statement of Ministerial Standards to the minister in the award of funding under the CSIG program.</p>	<p>On 6 February 2020, Senator the Hon Mathias Cormann, Minister for Finance and Leader of the Government in the Senate, claimed public interest immunity in relation to the report on the grounds that it informed, and was the subject of, Cabinet deliberations.</p>	<p><i>Journals of the Senate</i>, No. 37, 5 February 2020, p. 1218; Senator the Hon Mathias Cormann, Minister for Finance and Leader of the Government in the Senate, Letter to the President of the Senate regarding Order for the Production of Documents No. 385, tabled 6 February 2020.</p>

<p>On 25 February 2020, the Senate agreed to Order for the Production of Documents No. 478 for the copy of the Gaetjens report provided to the Prime Minister in relation to the application of the Statement of Ministerial Standards to the minister in the award of funding under the CSIG program.</p>	<p>On 25 February 2020 Senator the Hon Mathias Cormann, Minister for Finance and Leader of the Government in the Senate, claimed public interest immunity in relation to the report on the grounds that it informed, and was the subject of, Cabinet deliberations.</p>	<p><i>Journals of the Senate</i>, No. 44, 25 February 2020, pp. 1453–1454; Senator the Hon Mathias Cormann, Minister for Finance and Leader of the Government in the Senate, Letter to the President of the Senate regarding Order for the Production of Documents No. 478, tabled 25 February 2020.</p>
<p>At a hearing on 22 July 2020, the committee asked the Secretary of DPM&C to provide copies of correspondence between the Prime Minister and the minister.</p>	<p>On 26 August 2020, DPM&C refused to provide the correspondence on the grounds that they informed, and were subject of, Cabinet deliberations.</p>	<p>DPM&C, answers to questions on notice, 22 July 2020 (received 26 August 2020), [p. 2].</p>

Note: This appendix contains a summary of key information requested by the committee and individual senators relating to the administration of the Community Sport Infrastructure Grants (CSIG) program, but refused to be provided by government ministers and public officials. The table does not contain the full list of information requested in the course of the inquiry.

Appendix 3

Submissions and additional information

Submissions

- 1 Secretary, Department of the Prime Minister and Cabinet
- 2 Newcastle Olympic FC
 - 2 Attachments
- 3 Shire of Manjimup
- 4 Kyneton District Soccer Club
- 5 City of Bayswater
 - Supplementary submission
- 6 Mr Benjamin Cronshaw
- 7 Gippsland Ranges Roller Derby
- 8 Dr Marie dela Rama, Mr Scott Hamilton and Professor Stuart Kells
- 9 Ms Glenys Byrne
- 10 Community Sport Australia
- 11 Ms Joy Mettam
- 12 Mr Frank Brody
 - Supplementary submission
- 13 Integrity Partners Australia P/L
- 14 Professor Anne Twomey
- 15 South Cronulla Bowling and Recreation Club
- 16 Centre for Comparative Constitutional Studies
- 17 Confederation of Australian Sport
- 18 Anglesea Golf Club
 - Attachment
- 19 Parks and Leisure Australia
- 20 Australian Sports Commission
- 21 Department of Health
 - Attachment
- 22 Echunga Netball Club
- 23 Albury Thunder Junior Rugby League Club Inc.
- 24 Outdoor Council of Australia
- 25 Casey City Council
- 26 City of Gosnells
- 27 Adjunct Professor Anthony Veal, Assoc. Professor Daryl Adair, Professor Bronwen Dalton and Professor Simon Darcy, Business School, University of Technology Sydney
- 28 North Shore Country Club and Residents Association
- 29 Mr Hamish Neal

- 30 Emeritus Professor Geoffrey Lindell AM
 - Supplementary submission
 - Attachment
- 31 Glen Eira City Council
- 32 Accountability Round Table
- 33 Applecross Concerned Residents Group
- 34 Mr Greg Blood
- 35 Madeleine Kingston
- 36 Australian Taxpayers Alliance
- 37 Australian Democrats
- 38 Professor S Stoneway
- 39 McLaren Football Club
- 40 Cherry Gardens Ironbank Recreation Ground
- 41 Ms Cathy Merchant
 - 2 Supplementary submissions
- 42 *Name Withheld*
- 43 ACT Government
- 44 Senator the Hon. Bridget McKenzie
- 45 Dr Gary Rumble
- 46 Greensborough Hockey Club
- 47 Wangaratta Croquet Club
- 48 Ms Rosie Williams
- 49 Pyrenees Shire Council
- 50 Australian National University Law Reform and Social Justice Research Hub
- 51 Ms Susanna Connolly and Professor Graeme Orr
- 52 Mr Vincent O'Grady
 - 5 Attachments
- 53 Belconnen Tennis Club

Additional Information

- 1 Letter from the Auditor-General for Australia, received 16 April 2020, responding to letter from the committee dated 13 March 2020
- 2 Public Interest Immunity Claim, received from Senator The Hon Richard Colbeck, Minister for Youth and Sport, 17 July 2020
- 3 Response to letter from Senator Rice, received from Department of Health, 27 August 2020
- 4 Public Interest Immunity Claim, received from The Hon Christian Porter MP, Attorney-General, 17 September 2020
- 5 Data, received from Mrs Glenys Byrne, 25 October 2020
- 6 Information correcting evidence given at Canberra public hearing on 2 November, received from Mr Tony Harris, 13 November 2020

Answer to Question on Notice

- 1 Answers to Questions taken on Notice during 13 February public hearing, received from Australian National Audit Office, 25 February 2020
- 2 Answers to Questions taken on Notice during 27 February public hearing, received from Sport Australia, 17 March 2020
- 3 Answers to Questions taken on Notice during 27 February public hearing, received from Sport Australia, 17 July 2020
- 4 Answers to Questions taken on Notice during 28 February public hearing, received from Department of Health, 6 March 2020
- 5 Answers to Questions taken on Notice during 12 March public hearing, received from Glen Eira City Council, 27 March 2020
- 6 Answers to Questions taken on Notice during 12 March public hearing, received from Mr Scott Hamilton and Professor Stuart Kells, 12 April 2020
- 7 Answers to written Questions on Notice, received from Sport Australia, 13 May 2020
- 8 Answers to Questions taken on Notice during 22 July public hearing, received from Department of Finance, 5 August 2020
- 9 Answers to Questions taken on Notice during 22 July public hearing, received from Department of the Prime Minister and Cabinet, 24 August 2020
- 10 Answers to Questions taken on Notice during 22 July public hearing, received from Department of the Prime Minister and Cabinet, 26 August 2020
- 11 Answers to Questions taken on Notice during 22 July public hearing, received from Department of the Prime Minister and Cabinet, 16 September 2020
- 12 Answers to Questions taken on Notice during 22 July public hearing, received from Department of Infrastructure, Transport, Regional Development and Communications, 20 October 2020
- 13 Answers to written Questions on Notice, received from Australian National Audit Office, 7 August 2020
- 14 Answers to Questions taken on Notice during 23 July public hearing, received from Integrity Partners Australia P/L, 7 August 2020
- 15 Answers to Questions taken on Notice during 27 August public hearing, received from Department of Health, 16 September 2020
- 16 Answers to Questions taken on Notice during 27 August public hearing, received from Department of Health, 24 September 2020
- 17 Answers to Questions taken on Notice during 27 August public hearing, received from Department of Health, 28 September 2020
- 18 Answers to Questions taken on Notice during 27 August public hearing, received from Department of Health, 23 October 2020
- 19 Answers to Questions taken on Notice during 27 August public hearing, received from Australian Sports Commission, 6 November 2020
- 20 Answers to Questions taken on Notice during 27 August public hearing, received from Department of Health, 10 November 2020

- 21 Answers to Questions taken on Notice during 27 August public hearing, received from Australian Sports Commission, 1 December 2020
- 22 Answers to Questions taken on Notice during 27 August public hearing, received from Australian Sports Commission, 14 December 2020
- 23 Answers to Questions taken on Notice during 27 August public hearing, received from Department of Health, 19 January 2021
- 24 Answers to Questions taken on Notice during 2 September public hearing, received from Attorney-General's Department, 17 September 2020
- 25 Answers to Questions taken on Notice during 2 September public hearing, received from Australian National Audit Office, 25 September 2020
- 26 Answers to written Questions on Notice, received from Department of Health, 24 September 2020
- 27 Answers to written Questions on Notice, received from Australian National Audit Office, 25 September 2020
- 28 Answers to written Questions on Notice, received from Department of Health, 28 September 2020
- 29 Answers to written Questions on Notice, received from Department of Infrastructure, Transport, Regional Development and Communications, 20 October 2020
- 30 Answers to written Questions on Notice, received from Sport Australia, 14 December 2020
- 31 Answers to written Questions on Notice, received from Sport Australia, 19 January 2021
- 32 Answers to written Questions on Notice, received from Sport Australia, 5 February 2021
- 33 Answers to written Questions on Notice, received from Sport Australia, 19 February 2021

Correspondence

- 1 Email from Committee Secretary to Senator the Hon Bridget McKenzie, sent 19 May 2020
- 2 Email from Senator the Hon Bridget McKenzie to Committee Secretary, received 3 June 2020
- 3 Letter from Committee Chair to Senator the Hon Bridget McKenzie, sent 5 June 2020
- 4 Letter from Committee Chair to Senator the Hon Bridget McKenzie, sent 12 June 2020
- 5 Letter from Senator the Hon Bridget McKenzie to Committee Chair, received 15 June 2020
- 6 Letter from Committee Chair to Senator the Hon Bridget McKenzie, sent 15 June 2020
- 7 Letter from Senator the Hon Bridget McKenzie to Committee Chair, received 16 June 2020

- 8 Letter from the Auditor-General for Australia, received from Australian National Audit Office, 26 June 2020
- 9 Letter from Committee Chair to Senator the Hon Bridget McKenzie, sent 16 November 2020
- 10 Letter from Senator the Hon Bridget McKenzie to Committee Chair, received 30 November 2020
- 11 Response to order for production of documents, received from Australian Sports Commission, 3 December 2020
- 12 Letter from Committee Chair to Senator the Hon Bridget McKenzie, sent 4 December 2020
- 13 Letter from Committee Chair to Senator the Hon Richard Colbeck, sent 7 December 2020
- 14 Letter from Senator the Hon Bridget McKenzie to Committee Chair, received 8 December 2020
- 15 Letter relating to an order regarding the attendance of a Senator before the Committee, received from Senate Table Office, 9 December 2020
- 16 Letter from Senator the Hon Richard Colbeck to Committee Chair, received 11 December 2020
- 17 Letter from Senator the Hon Bridget McKenzie to Committee Chair, received 15 January 2021
- 18 Letter from Committee Chair to Senator the Hon Bridget McKenzie, sent 21 January 2021
- 19 Letter from Senator the Hon Bridget McKenzie to Committee Chair, received 22 January 2021
- 20 Letter from Committee Chair to Senator the Hon Bridget McKenzie, sent 22 January 2021
- 21 Correspondence clarifying evidence given at Adelaide public hearing on 10 March 2020, received from Emeritus Professor Geoffrey Lindell, 18 March 2020
- 22 Correspondence clarifying evidence given at Canberra public hearing on 27 February 2020, received from Sport Australia, 6 March 2020
- 23 Correspondence clarifying evidence given at Canberra public hearing on 27 February 2020, received from Sport Australia, 13 March 2020
- 24 Correspondence clarifying evidence given at Canberra public hearing on 22 July 2020, received from Department of Finance, 10 August 2020
- 25 Correspondence clarifying evidence given at Canberra public hearing on 27 August 2020, received from Department of Health, 28 August 2020

Tabled Documents

- 1 Email: Sport Australia to South Adelaide Football Club dated 26 April 2019, tabled by South Adelaide Football Club, at Adelaide public hearing, 10 March 2020

- 2 Statement regarding Senate Estimates by Senator Bridget McKenzie, dated 5 March 2020, tabled by Senator Anthony Chisholm, Committee Chair, at Melbourne public hearing, 12 March 2020
- 3 Projects transferred from the Department of Infrastructure (DITRDC) to the Department of Health - 21 August 2019, tabled by Department of Infrastructure, Transport, Regional Development and Communications, at Canberra public hearing, 22 July 2020

Appendix 4

Public hearings

Thursday, 13 February 2020

Committee Room 2S3

Parliament House

Canberra

Australian National Audit Office

- Mr Grant Hehir, Auditor-General for Australia
- Ms Rona Mellor, Deputy Auditor-General
- Mr Brian Boyd, Executive Director, Performance Audit Services Group
- Ms Amy Willmott, Senior Director, Performance Audit Services Group

Thursday, 27 February 2020

Committee Room 2S1

Parliament House

Canberra

Australian Sports Commission

- Mr John Wylie, Chair
- Mr Robert Dalton, Acting Chief Executive Officer
- Mr Luke McCann, Chief Operating Officer

Friday, 28 February 2020

Committee Room 1S4

Parliament House

Canberra

Ms Kate Palmer, Private capacity

Department of Health

- Ms Glenys Beauchamp, Secretary
- Dr Lisa Studdert, Deputy Secretary
- Ms Sharon Appleyard, First Assistant Secretary
- Ms Lara Musgrave, Assistant Secretary

Tuesday, 10 March 2020

Glenroy Room

Mercure Grosvenor Hotel

Adelaide

Coromandel Valley Ramblers Cricket Club

- Mr Matt Smith, President

Goolwa District Pony Club Inc.

- Dr James Meyer, President

Barmera Monash Football Club

- Mr Nigel Dillon, Former Vice President / Life member

City of Salisbury

- Mr John Harry, Chief Executive Officer
- Mr Mick Petrovski, Manager, Governance

Crystal Brook Golf Club

- Mr Peter Tyler, Community Coach

Emeritus Professor Geoffrey Lindell, Private capacity

South Adelaide Football Club

- Mr Neill Sharpe, Chief Executive Officer

McLaren Football Club

- Mr Darren Lines, President

Adelaide Hills Hawks Football Club

- Mr Dan Butler, President
- Mrs Estelle Bowman, Volunteer

Parks and Leisure Australia

- Mr Paul Jane, President
- Mr Andrew Smith, Chair, Parks and Leisure Australia Advisory
- Mr Mark Band, Chief Executive Officer

Outdoor Council of Australia

- Mr Andrew Govan, Secretariat

Thursday, 12 March 2020

Flagstaff 1 and 2 Room

Radisson on Flagstaff Gardens Hotel

Melbourne

Community Sport Australia

- Mr Peter Cummiskey, Secretary/Director
- Ms Lisa Hasker, Director

Glen Eira City Council

- Ms Rebecca McKenzie, Chief Executive Officer
- Mrs Samantha Krull, Director Environment and Infrastructure
- Mr Andrew Barden, Manager Recreation and Open Space

Nillumbik Shire Council

- Mr Heath Gillett, Manager, Recreation and Leisure

Greensborough Hockey Club

- Mr Greg Purser, President

Beechworth Lawn Tennis Club

- Mr Andy Carr, President
- Mr Garry Wallace, Secretary/Treasurer

Professor Anne Twomey, Private capacity

Centre for Comparative Constitutional Studies

- Professor Cheryl Saunders, Member
- Professor Michael Crommelin

Gippsland Ranges Roller Derby

- Ms Bodye Darvill, President

Kyneton District Soccer Club Inc

- Mr Ron Cole, President

Anglesea Golf Club

- Mr David Sanders, General Manager

Mr Scott Hamilton, Private capacity

Professor Stuart Kells, Private capacity

Accountability Round Table

- Ms Fiona McLeod AO SC, Chair
- Mr Stephen Charles, Board Member

Wednesday, 22 July 2020

Main Committee Room
Parliament House
Canberra

Department of the Prime Minister and Cabinet

- Mr Phil Gaetjens, Secretary
- Ms Stephanie Foster, Deputy Secretary Governance Group
- Mr John Reid, First Assistant Secretary, Government Division

Department of Infrastructure, Transport, Regional Development and Communications

- Dr Rachel Bacon, Deputy Secretary, Regional and Territories
- Ms Marisa Purvis-Smith, First Assistant Secretary, Regional Development, Local Government and COVID Regional Recovery
- Ms Meghan Hibbert, Assistant Secretary, Regional Programs

Department of Finance

- Dr Stein Helgeby, Deputy Secretary, Governance and Resource Management
- Mr Rod Schreiber, Acting First Assistant Secretary, Productivity and Business Improvement Division, Governance and Resource Management
- Mr Scott Dilley, First Assistant Secretary, Governance Division, Governance and Resource Management
- Ms Radmila Ristic, Acting Assistant Secretary, Productivity Improvement Branch, Productivity and Business Improvement Division, Governance and Resource Management

Thursday, 23 July 2020

Committee Room 2S1
Parliament House
Canberra

Professor Graeme Orr, Private capacity

Emeritus Professor Richard Mulgan, Private capacity

Integrity Partners Australia P/L

- Mr Nick Sellars, Special Integrity Adviser
- Mr Andrew Marsden, Partner, O'Connor Marsden and Associates Pty Ltd

Mr Stephen Bartos, Private capacity

Mrs Glenys Byrne, Private capacity

Newcastle Olympic Football Club

- Mr Kosta Patsan, Director

Albury Thunder Junior Rugby League Club Inc.

- Mr Keith Martine, Treasurer

Monday, 3 August 2020

Main Committee Room

Parliament House

Canberra

North Shore Country Club and Residents Association

- Mr Nick Cater, Past President

Shire of Manjimup

- Mr Andrew Campbell, Chief Executive Officer

City of Gosnells

- Mr David Goode, Mayor
- Mr Ian Cowie, Chief Executive Officer

City of Bayswater

- Mr Jon Vines, Manager Project Services

Thursday, 27 August 2020

Committee Room 2S1

Parliament House

Canberra

Department of Health

- Ms Caroline Edwards, Associate Secretary
- Mr Andrew Godkin, First Assistant Secretary, Sport Division
- Ms Lara Musgrave, Assistant Secretary, Sport
- Mr Charles Wann, Acting Chief Executive Officer

Australian Sports Commission

- Mr John Wylie, Chair
- Mr Stephen Moneghetti, Deputy Chair
- Mr Robert Dalton, Acting Chief Executive Officer
- Mr Luke McCann, Chief Operating Officer

Wednesday, 2 September 2020

Committee Room 2S1

Parliament House

Canberra

Australian National Audit Office

- Mr Grant Hehir, Auditor-General for Australia
- Ms Rona Mellor, Deputy Auditor-General
- Mr Brian Boyd, Executive Director, Performance Audit Services Group
- Ms Amy Willmott, Senior Director, Performance Audit Services Group

Attorney-General's Department

- Mr Chris Moraitis, Secretary
- Mr Michael Kingston, Australian Government Solicitor

Monday, 2 November 2020

Committee Room 2S1

Parliament House

Canberra

Mr Tony Harris, Private capacity

East Arnhem Regional Council

- Mr Shane Marshall, Director of Technical and Infrastructure Services

Woodville-West Torrens Football Club

- Mrs Christine Williams, President
- Mr David Couzner, Football and League Director

Echunga Netball Club Inc

- Miss Carolyn Downing, President

Woorabinda Aboriginal Shire Council

- Mr Michael Hayward, Chief Executive Officer

Friday, 12 February 2021

Committee Room 2S1

Parliament House

Canberra

Olympia Football Club

- Mrs Sarah Black, General Manager

Belconnen Tennis Club

- Mr Martin Klein, President

Senator the Hon. Bridget McKenzie, Private capacity