

Opening Statement to the Joint Committee of Public Accounts and Audit on the Administration of Government Grants: Inquiry into Auditor-General's Reports 5, 12 and 23 (2019-20)

Sport Australia

3 July 2020

Sport Australia is pleased to have the opportunity to appear before the Joint Committee of Public Accounts and Audit on the Administration of Government Grants to provide input into this Inquiry.

Sport Australia is the Australian Government Commonwealth Corporate Entity responsible for supporting and investing in sport at all levels. We play a central leadership role across the sector to increase participation levels in sport and physical activity, and through our high-performance arm, the Australian Institute of Sport, we build sustainable winning systems for Australian athletes. Our operations are extensive, and we have a long history of delivering good outcomes for Australia. Each year we administer over 25,000 grants supporting athletes, national sporting organisations and the community.

The Community Sport Infrastructure (CSI) program was announced by the Government in the 2018-19 Budget and Sport Australia was identified as the entity responsible for implementing the then \$29.7 million initiative.

The CSI program was originally designed to be delivered in one round of funding across a 12-month period. The program design and program guidelines were shaped with input from sport sector experts including State and Territory Agencies of Sport and Recreation and the Commonwealth Office for Sport. In January 2019, the Government announced an increase of \$30.3 million for the program and in March 2019 a further \$42.5 million was announced. The CSI program became a \$102.5 million program, designed, and delivered over three rounds of funding in a 12-month period.

In March 2019, Sport Australia was invited to provide representations to the Australian National Audit Office (ANAO) for the purpose of informing the performance audit into the award of funding under the CSI program. We worked cooperatively with the ANAO as it undertook this audit throughout 2019, and the ANAO team had full and free access to any information and documents required in preparing its report. Sport Australia accepted the Auditor-General's three recommendations relevant to Sport Australia and has acted on each of them as follows:

1. *When designing competitive, applications-based grant programs, Sport Australia identify strategies to manage the expected level of demand for the amount of funding that is being made available.*
 - Sport Australia will consider limiting applicants to one application and undertake additional research to better understand the experience of other national organisations running similar programs. Sport Australia will also ensure alignment with similar State-based grant programs and share the experience and analytics from the Community Sport Infrastructure grant program to shape future Sport Australia programs accordingly.
2. *Sport Australia require declarations be made as to whether or not employees involved in the design and oversight of funding programs have a conflict of interest.*
 - All employees involved in the design and oversight of funding programs, and assessment of funding applications are now required to make a Conflict of Interest declaration as to whether or not they have a conflict of interest. Our Conflict of Interest policy and processes, as well as our Grant Management Framework, have been revised and strengthened.

3. *Sport Australia strengthen its assessment records for grant programs by concisely recording the reasons for the assessment score that are awarded (in addition to the assessment score).*
 - Sport Australia has embedded a step in its grant management system where notes on reasons for assessment scores can be recorded.

We are committed to ensuring that any application-based grant program which we administer in the future will reflect the Auditor-General's recommendations. The organisation acknowledges the broader commentary by the ANAO in relation to aspects of our administration of this program, and that there are useful lessons for the organisation from this in the future. We have resolved to adopt additional measures over and above the ANAO recommendations to further strengthen our future internal processes.

Sport Australia is committed to be a best practice Commonwealth Corporate Entity and is always looking for continuous improvement. Our organisation is made up at all levels with hard working, competent and highly professional people who are deeply committed to advancing the cause of sport and physical activity across Australia.