

Senate Environment and Communications References Committee

Inquiry into Australian Antarctic Division funding

Department of Finance

Response to Question on Notice

Hearing of 19 March 2024

Question on Notice 1 (Proof Hansard page 2)

Senator DUNIAM: Was the stadium part of the business case that—

Mr McClintock: No, not to my knowledge. I don't recall that.

Senator DUNIAM: Even up to when you said this project concluded in early 2023, it was never contemplated?

Mr McClintock: I don't recall the stadium as part of that, and I did have some visibility of the development of the business case. I don't recall the stadium being part of that. I can take it on notice and confirm what I've got, but—

Senator DUNIAM: Please.

Mr McClintock: To the best of my understanding, I don't think the stadium was part of that consideration.

Response

The Antarctic and Science Precinct detailed business case on which Finance provided delivery model peer review in 2022-23 did not include the proposed stadium at Macquarie Point.

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Question on Notice 2 (Proof Hansard page 3)

Mr McClintock: All I can think of is that it was a point-in-time consideration from their perspective. As I say, our involvement was very early on, and it was in the early scoping of what that project was looking like. When it became very clear that we could not be directly involved in terms of any delivery aspect around that, our role very much stepped back and became, as I said, more of a business-as-usual type interaction.

Senator BILYK: When you say very early on, what was the time frame of the involvement?

Mr McClintock: Can I take that on notice, just to make sure I get that right?

Response

From late 2017 to mid 2021, Finance attended Macquarie Island Modernisation Project Steering Committee meetings, primarily as an observer. Finance also had limited involvement in Project Control Group meetings between late 2018 and late 2019. Finance involvement reduced over time until concluding in 2023.

In 2017, Finance also provided guidance and support for the procurement approach for the Macquarie Island Research Station Modernisation project prepared for the Australian Antarctic Division. One Finance staff member was seconded to the Australian Antarctic Division for six months from July 2017. Finance provides proponent agencies advice in relation to Budget policy and processes (including Two Stage Capital Works), Parliamentary Works Committee submissions and Gateway Review processes and coordination.

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Question on Notice 3 (Proof Hansard page 3)

Senator BILYK: Sure. When you say their involvement, what are we talking about? Are we talking about formal meetings or—

Mr McClintock: Early on we were part of the steering committee around that.

Senator BILYK: So there would be minutes.

Mr McClintock: I would presume so, but, again, I would have to take that on notice.

Senator BILYK: Could you take that on notice and, if so, provide us with the minutes?

Mr McClintock: Certainly. I will do my best.

Response

Please refer to response to Question on Notice 2. The request for governance records pertaining to the Macquarie Island Research Station Modernisation Project should be referred to the Department of Climate Change, Energy, the Environment, and Water as the proponent agency.

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Question on Notice 4 (Proof Hansard page 4)

Senator DUNIAM: Okay. That is fine. We will interrogate that a bit further, and any further information and the particulars of the involvement. Was there any measurable output, or were documents provided or prepared in relation to guidance for this? Macquarie Island is an Australian Antarctic Division property, so is there any documentation around guidance about what they should be doing prepared by this branch, and how they expend the funding?

Mr McClintock: Not that we have been able to source. We can go back and confirm that there was nothing around that. I think we have provided some advice in the context of Public Works Committee interactions. Generally, we provide that advice in writing, so that would certainly be the case. But, in terms of around the project proper, I would need to go back and confirm. I don't think we found anything in advance of this hearing, but we can go back and have another look.

Senator DUNIAM: If you could, that would be helpful. Was any guidance provided by the branch in relation to how funds should be expended on Macquarie Island—the funding that was allocated to the modernisation project?

Mr McClintock: No. Again, I will take it on notice and confirm, but I would be very surprised if that was the case, because I think our involvement was too early in the piece for that to actually be—

Senator DUNIAM: So perhaps before even the funding being allocated for the modernisation—

Mr McClintock: Again, can I confirm that on notice?

Response

Finance did not provide guidance on how funds should be expended on the Macquarie Island Modernisation Project, beyond normal Budget processes. The Public Governance, Performance and Accountability Act 2013 (PGPA Act) provides the basis for the commitment of relevant funds by Commonwealth entities. The Department of Climate Change, Energy, the Environment, and Water as the accountable authority is responsible for the appropriate expenditure and acquittal of appropriated funding for the Macquarie Island Modernisation Project.

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Response to Question on Notice

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Question on Notice 5 (Proof Hansard page 5)

Senator DUNIAM: Do you ever provide business cases? Does this branch ever prepare business cases for projects like this?

Mr McClintock: On behalf of other agencies?

Senator DUNIAM: Or in partnership with.

Mr McClintock: Not to my knowledge, but can I take that on notice in terms of whether we have done that in the past? I don't think so, but can I just confirm that?

Senator DUNIAM: I would appreciate that, because I have some recollection that there was talk about preparation of business cases back in March of last year in relation to the work that the branch does. So I would just be interested to know, and whatever broad detail you can provide around that, that would be helpful.

Mr McClintock: I think in that context it is probably similar to this situation, where we have actually provided a degree of peer review, or a separate lens over the business case to assist other entities in terms of their own engagement and understanding of that work.

Senator DUNIAM: So they are responsible for the preparation of the business case, but you will provide inputs in line with what you have outlined today?

Mr McClintock: Yes. That is pretty much right.

Response

The preparation of business cases for proposed projects subject to the Two Stage Capital Works Approval Process are predominantly the responsibility of the proponent Commonwealth entity. However, in two past examples, Finance undertook detailed business case development on behalf of entities:

- In 2008-09, Finance undertook development of the business case for the Villawood Immigration Detention Facility Redevelopment Project on behalf of the then Department of Immigration and Citizenship.
- In 2009-10, Finance undertook development of the business case for the Commonwealth Post Entry Quarantine facility on behalf of the Department of Agriculture, Fisheries and Forestry.