

**Joint Committee of Public Accounts and Audit**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Department Industry, Science, Energy and Resources  
Hearing into Administration of Government Grants

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

**TOPIC:** Applications identified as ineligible

**REFERENCE:** Question on Notice (Hansard, 28 February, Page number 7)

**QUESTION No.:** PAA - 6

Mr HILL: Can we go to the department's responses to questions from the earlier hearing. You stated that there were 12 applications identified as ineligible, including four that were ineligible due to their status as RTOs. How were the other eight ineligible?

Ms Kay: There were four that were ineligible because they were individuals and sole traders; two that were ineligible because their activities were ineligible; one because the applicant wasn't a trading entity; and one because it was a tertiary education facility.

Mr HILL: What was the nature of the activities that were ineligible?

Ms Kay: I would have to take that on notice.

**ANSWER**

One application was ineligible due to the project consisting of the purchase of land, an existing office building, conveyancing costs, and the refurbishment of the office. These activities are ineligible under Appendix C of the Regional Jobs and Investment Packages Guidelines.

The other ineligible application was to run a two day digital technology expo. This activity is not an eligible activity under Section 8.2.5 of the Business Innovation stream of the Regional Jobs and Investment Packages Guidelines.

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

**TOPIC:** Further ineligible application

**REFERENCE:** Question on Notice (Hansard, 28 February 2020, Page 3)

**QUESTION No.:** PAA - 7

Mr HILL: Does any of the officials at the table have a view that Nolan Meats were in fact eligible according to the criteria that you published?

Dr Bacon: I think the ANAO report states that one applicant, who we have confirmed was the Nolan Meats applicant, was an RTO and was merit assessed and approved for funding. That's set out in the ANAO report.

Mr HILL: But the applicant was ineligible according to the program guidelines.

Dr Bacon: That's what's stated in the ANAO report.

Mr HILL: The department then goes on to state that two ineligible applications, including Nolan Meats, took up the opportunity to provide additional information in response. Who was the other applicant?

Ms Kay: We'd have to take that on notice.

Mr HILL: Was it also a business?

Ms Kay: I don't have the details in front of me, unfortunately. I'll have to take that on notice.

Mr HILL: So we've come to a hearing again, after last time, without the information at hand.

Ms Kay: As Ms Bacon has stated before, the practice is usually not to speak about the details of individual applicants, so we'd need to consider that and provide a response at a later time.

**ANSWER**

The second applicant who provided an additional business case was a tertiary education institution.

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

**TOPIC:** Staff training

**REFERENCE:** Question on Notice (Hansard, 28 February 2020, Pages 4-5)

**QUESTION No.:** PAA - 8

Mr HILL: Thank you. The infrastructure department states that the industry grants hub reconsidered both ineligible applicants and did not change their assessments. Why not?

Ms Kay: I don't have the details of the second case, but in the case of Nolan Meats it was that the RTO status remained; the information in their submission didn't change the nature of the entity, so they remained what we considered to be an ineligible entity for the program.

Mr HILL: So that was because Nolan Meats offers 10 courses from certificate II to certificate IV level?

Ms Kay: We base the entity type off the ABN provided by the organisation, and if it is demonstrated to be an RTO then we make that assessment.

Mr HILL: They've been listed, I understand, as an RTO from 1998 and have received government subsidies for training for many years. I'm curious if Nolan Meats ever offered training to anyone other than their own staff. Given the argument put forward in previous discussions in the media seems to be—and as Dr Gillespie suggested—that the training is incidental to their operations, have they ever offered training to anyone but their own staff?

Dr Bacon: My understanding is that the purpose of the RTO registration for that particular company was for the purpose of training its own staff. I'm not aware of whether that company provided training to other staff, but we can double check that.

Mr HILL: Would the department of asked them about this, or should they have disclosed that if they do? Would that be a relevant consideration?

Ms Kay: I'd have to take that on notice.

**ANSWER**

Nolan Meats self-identified in their application that the organisation's Registered Training Organisation status was for the purpose of providing training to their own staff. On 20 October 2017, as part of Nolan Meats' additional business case, the organisation reaffirmed 'The Registered Training Organisation arm of the company is for the sole purpose of providing industry leading and nationally accredited meat processing training to employees'.

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

**TOPIC:** Waiving of the eligibility criteria

**REFERENCE:** Question on Notice (Hansard, 28 February 2020, Page 5)

**QUESTION No.:** PAA - 9

Dr Bacon: The information that I have is that on 5 October our department asked our colleagues at the industry department to inform cohort 1 applications about their eligibility status and offer that they could submit a business case to support why they should not be considered ineligible.

Mr HILL: On notice, could we get a copy of that notice from Industry? Did it note in that that the RJIP guidelines clearly state we cannot waive the eligibility criteria under any circumstances?

Ms Kay: We'll take that on notice.

**ANSWER**

Applicants received tailored correspondence depending on the section of the Guidelines that was not met. Correspondence did not include the wording that eligibility criteria could not be waived under any circumstances.

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

**TOPIC:** Reaffirm decision on Nolan Meats

**REFERENCE:** Question on Notice (Hansard, 28 February 2020, Pages 5-6)

**QUESTION No.:** PAA - 10

Mr HILL: When did the industry grants hub reaffirm its original assessment that Nolan Meats was not eligible? What date did that happen?

Ms Kay: I'll have to take that on notice.

Mr HILL: Sometime after the 20th. When did the industry grants hub advise Nolan Meats that it retained its original assessment that they were ineligible?

Ms Kay: We'll take that on notice.

**ANSWER**

The Department of Industry, Science, Energy and Resources wrote to Nolan Meats via email on 17 October 2017 to inform them their application was ineligible as the business was listed as a Registered Training Organisation. Nolan Meats were invited to provide an additional business case by 20 October 2017.

Nolan Meats provided the additional business case on 20 October 2017 and stated that the organisation's Registered Training Organisation status was for the training of employees only.

There was no further correspondence with Nolan Meats regarding eligibility following receipt of their additional business case.

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

**TOPIC:** Nolan Meats conflicts of interest

**REFERENCE:** Question on Notice (Hansard, 28 February 2020, Page 17)

**QUESTION No.:** PAA - 11

Mr HILL: Did Nolan Meats declare any conflicts of interest?

Ms Forsyth: No

Ms Wieland: One of the issues—

Mr HILL: Someone said no.

Ms Forsyth: Sorry, not to my knowledge. We'd have to take that on notice to check.

**ANSWER**

Applicants were not asked to disclose conflicts of interest on their application form. Nolan Meats did not include information about any conflict of interest elsewhere in their application.

All application forms for programs administered by the Business Grants Hub now request applicants to disclose conflicts of interest.

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

**TOPIC:** Five organisations that received funding

**REFERENCE:** Question on Notice (Hansard, 28 February 2020, Page 26)

**QUESTION No.:** PAA - 12

Mr HILL: Alright. I'll put a few more on notice in this theme. What are the names of the five organisations that received \$3.6 million of funding despite submitting late applications against the guidelines?

Ms Kay: I don't have those details with me. We can take that on notice.

CHAIR: If you could take it on notice and also provide, if they were late, the reasons for the lateness, given the Auditor-General's report I think refers to some of the reasons for that.

**ANSWER**

Given the need to protect the commercial-in-confidence information and privacy we do not reveal the names of individual applicants.

The department has a process for late applications where applicants have had problems submitting largely due to technical issues. In that case, minutes are written to the delegate and the delegate determines that they can be accepted. Once they're accepted as late they are assessed as part of the normal assessment processes.

In the cases of these five, all experienced technical issues submitting their applications and the department was advised of these issues prior to closing. This required follow up manual entry in to the system, resulting in them being mistakenly recorded as late in the grants management system.