

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

Answers to questions provide by Mr Julian Hill MPs Emailed Questions to the Department of
25 February 2020

Infrastructure, Transport, Regional Development and Communications

Question Number: 4

Date, form and to whom, the Department advised the Minister's Office that the ineligible applicant was an RTO and therefore ineligible. Copies of such correspondence.

(NOTE: you do not need to name non-SES officers – you could simply provide copies of correspondence, messages or file notes with non-SES names redacted.)

Response: [REDACTED] then General Manager, Regional Programs Branch, provided initial advice on Nolan Meats to Minister McVeigh's office in an email on 6 February 2018 and then details of the four applications that were considered ineligible due to their Registered Training Organisation (RTO) status in an email on 7 February 2018.

These emails were part of an exchange that informed preparation of a submission to Cabinet.

It is a longstanding practice not to disclose information about the operation and business of the Cabinet, as to do so could potentially reveal deliberations of the Cabinet which are confidential.

The Department is maintaining the convention of not naming officials below the level of Senior Executive Service in order to protect the privacy of junior officials. This convention also extends to advisers in ministers' offices below the equivalent level of the Senior Executive Service.

Question Number: 5

Date, form and to whom, the Minister's office communicated to the Department its preference to fund the ineligible applicant. Copies of such correspondence.

(NOTE: you do not need to name non-SES officers – you could simply provide copies of correspondence, messages or file notes with non-SES names redacted.)

Response: On 8 February 2018, the Minister's office provided [REDACTED] then General Manager, Regional Programs Branch, in an email the list of projects approved by the Ministerial Panel (that included Nolan Meats) for inclusion into a submission for consideration by Cabinet.

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Question Number: 7

Who in the Minister's office and who in the Department communicated about the ineligible applicant. Copy of such correspondence.

(NOTE: you do not need to name non-SES officers – you could simply provide copies of correspondence, messages or file notes with non-SES names redacted.)

Response: [REDACTED] then General Manager, Regional Programs Branch and an adviser in Minister McVeigh's office communicated about the Nolan Meats project on 6 and 7 February 2018.

These emails were part of an exchange that informed preparation of a submission to Cabinet.

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Question Number: 8

Did the Department query the Minister's intentions to fund an ineligible applicant? If so how and when?

Response: [REDACTED] then General Manager, Regional Programs Branch, provided initial advice on Nolan Meats to Minister McVeigh's office in an email on 6 February 2018 and then details of the four applications that were considered ineligible due to their Registered Training Organisation (RTO) status in an email on 7 February 2018.

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Question Number: 10

Did the Department agree with the Minister's office that the ineligible applicant's status as an RTO was incidental to the project?

Response: [REDACTED] then General Manager, Regional Programs Branch, provided initial advice on Nolan Meats to Minister McVeigh's office in an email on 6 February 2018 and then details of the four applications that were considered ineligible due to their Registered Training Organisation (RTO) status in an email on 7 February 2018.

These emails were part of an exchange that informed preparation of a submission to Cabinet.

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Question Number: 13

Did the Department caution the Minister and the Ministerial Panel against approving an ineligible project?

Response: [REDACTED] then General Manager, Regional Programs Branch, provided initial advice on Nolan Meats to Minister McVeigh's office in an email on 6 February 2018 and then details of the four applications that were considered ineligible due to their Registered Training Organisation (RTO) status in an email on 7 February 2018.

These emails were part of an exchange that informed preparation of a submission to Cabinet.

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Question Number: 15

Did the Ministerial Panels record all reasons why it disagreed with the Departmental recommendations?

Response: The Ministerial Panel documented its reasons in all cases where it decided to not agree with the Department's recommendations as noted on pages 45-47 of the ANAO's report. As noted in paragraph 3.20 of the ANAO report, the Minister complied with section 4.12 of the Commonwealth Grants Rules and Guidelines and wrote to the Minister for Finance about the decision to fund the Nolan Meats project and the reasons for the decision.

Question Number: 17

Paragraph 2.7 of the Audit Report notes that the Department advised the ANAO that the successful ineligible application went on to be merit assessed because “the Minister’s Office showed a strong preference to fund this project”. What does the Department mean when it says “showed a strong preference”?

Response: Minister Nash’s office first raised questions of the Registered Training Authority (RTO) status of an applicant in 2017, noting that the RTO element of the business was a small aspect of their business.

From discussions with Minister Nash’s Office, the Department formed the view that the Minister’s office showed a strong preference that the RTO status was incidental to the application.

The Department took the initiative to request the merit assessment from the AusIndustry Business Grants Hub to better understand the project in order to appropriately advise the Minister.

Minister McVeigh became the chair of the Ministerial Panel in December 2017, following his appointment as Minister for Regional Development, Territories and Local Government.

Minister McVeigh’s office advised that the Ministerial Panel had a strong preference to fund this project as the RTO element of Nolan Meats’ business was considered incidental to the project for which they were seeking funding under RJIP.

Ruth Wall, then General Manager, Regional Programs Branch, provided initial advice on Nolan Meats to Minister McVeigh’s office in an email on 6 February 2018 and then details of the four applications that were considered ineligible due to their Registered Training Organisation (RTO) status on in an email on 7 February 2018.

On 8 February 2018, the Minister’s office provided the Department with the list of projects approved by the Ministerial Panel (that included Nolan Meats) for inclusion into a submission for consideration by Cabinet.

These emails were part of an exchange that informed preparation of a submission to Cabinet.

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Question Number: 18

Paragraph 2.7 of the Audit Report goes on to state that the Minister's Office deemed the RTO element of the business to be "incidental" to the project seeking funding under RJIP. How did the Minister's office come to this view?

- a. Who in the Minister's office gave the Department this advice?
 - i. On what date(s) did the Minister's office provide this advice?
 - ii. Who in the Department received this information?
 - iii. In what form? Can you table a copy?
(NOTE: you do not need to name non-SES officers – you could simply provide copies of correspondence, messages or file notes with non-SES names redacted.)

Response: The Department does not have any records of how the Minister's office came to this view.

As noted at paragraph 3.14 of the ANAO report, the Ministerial Panel recorded its funding decisions on 19 April 2018. The Ministerial Panel provided the records of and reasons for the funding decisions to Donna Wieland, General Manager, Regional Programs Branch.

The Ministerial Panel's records of and reasons for decision would reveal the deliberations of Cabinet.

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b. Did the Department agree with the Minister's and their office that the RTO element of the business is incidental to the grant?

- i. How did the Department come to this view?
- ii. Did the Department provide any advice on this matter to the Minister?

Response: [REDACTED] then General Manager, Regional Programs Branch, provided initial advice on Nolan Meats to Minister McVeigh's office in an email on 6 February 2018 and then details of the four applications that were considered ineligible due to their Registered Training Organisation (RTO) status in an email on 7 February 2018.

These emails were part of an exchange that informed preparation of a submission to Cabinet.

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Question Number: 19

Paragraph 2.7 of the Audit Report concludes that the Department requested a merit assessment "to better understand the project in order to appropriately advise the Minister".

a. Who completed the merit assessment? Were they advised that the applicant was not eligible?

Response: Please refer to QoN PAA-2 provided by the Department of Industry, Science, Energy and Resources (DISER).

b. How was it possible for an ineligible application to be included for merit assessment?

Response: The Department requested the merit assessment from the AusIndustry Business Grants Hub to better understand the project in order to appropriately advise the Minister.

c. What expertise did the individual completing the merit assessment have to complete such a complex task?

Response: Please refer to QoN PAA-3 provided by DISER.

d. What did the merit assessment analyse?

Response: Please refer to QoN PAA-4 provided by (DISER).

e. What were the conclusions of the merit assessment?

Response: Please refer to QoN PAA-4 provided by DISER.

f. Why would the Department request a merit assessment of an ineligible project?

Response: The Department requested the merit assessment from the AusIndustry Business Grants Hub to better understand the project in order to appropriately advise the Minister.

Question Number: 20

Did the Department caution the Minister and the Ministerial Panel against approving the ineligible project?

- a. If yes, when? In what form? Can you table a copy?
- b. If not, why not?

Response: [REDACTED] then General Manager, Regional Programs Branch, provided initial advice on Nolan Meats to Minister McVeigh's office in an email on 6 February 2018 and then details of the four applications that were considered ineligible due to their Registered Training Organisation (RTO) status in an email on 7 February 2018.

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