

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 ON NOTICE

Infrastructure, Transport, Regional Development and Communications

Questions submitted by Mr Julian Hill MP (Deputy Chair)

Question Number: 1

Topic: Ineligible Applications

(Hansard page 4)

Mr HILL: I'd also like to know if the minister or the ministerial panel expressed any interest in the other applications that provided a response, having been deemed ineligible under the guidelines?

Dr Bacon: For each project that goes before a decision-maker in our programs, we would normally provide advice on both the merit assessment and eligibility matters. In the course of administering this program, we provided a range of advice to—

Mr HILL: That's not the question I'm asking. I understand that you provided advice. My question is: what interest did the minister or the ministerial panel show in this other application that was also considered ineligible? I think that's a very reasonable question, given the audit report and your confirmation at the last hearing that the minister showed strong preference for Nolan Meats. So I'd like to know: what, if any, view was expressed by the ministerial panel on the other ineligible application, and why was it deemed ineligible?

Dr Bacon: In terms of other projects, we haven't gone through, or don't have with us today, all of the information about other projects. We've come with information about the Nolan Meats project because that was the focus of our discussion last time.

Mr HILL: Sure. I did say when I wrote to your secretary on Wednesday that we'd have questions arising from the information provided, and these seem to be fairly obvious logical questions, having read the information you provided back.

Dr Bacon: I'm sorry; I don't have the information about the other project. We'd have to go back through our records and check the information about that project.

Answer:

The Department has no information that would indicate that the Minister or the Ministerial Panel gave additional consideration to the other ineligible application.

The application was from a tertiary education provider. Section 7.2.2 of the RJIP Guidelines states that applicants are not eligible if they are a higher education provider, or Technical and Further Education (TAFE) body.

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ANSWERS TO QUESTIONS ON NOTICE

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Questions submitted by Mr Julian Hill MP (Deputy Chair)

Question Number: 2

Topic: Applications to the Wide Bay Burnett RJIP Region

(Hansard page 6)

Mr HILL: That was the recommendation brief, but when did they get the full list of applicants? It's a different question.

Ms Wieland: At that point they would have got the department's recommendations of rankings of all of the applications and eligibility.

Mr HILL: Yes, but what I'm trying to establish is: when did they get the full list of applicants? Not the recommendations and not the assessments—at what point did Minister McVeigh and his office get the full list of applicants? It's a very different question to the recommendations or assessments. I've worked with ministers. It's quite normal for them to say, 'Look, I want to get an initial feel for how demand is going and where our spread is.' It would be entirely routine, but I'd like to know the date when the minister first received the list of applicants.

Dr Bacon: We would respond to queries on a case-by-case basis in our different programs.

Mr HILL: Of course.

Dr Bacon: We'd have to double-check whether that was the case here.

Mr HILL: It's possible your answer is that the department didn't send the full list of applicants until the recommendation.

CHAIR: Order—not to direct witnesses.

Ms Wieland: As neither of us were here at the time, we're unable to say what we personally did. We'd have to go back and check records.

Mr HILL: Okay. Can you take that on notice?

Dr Bacon: Yes, we can.

Mr HILL: Could you advise whether the full list of applicants was provided to all panel members at this time, or just to Minister McVeigh?

Dr Bacon: We'll check that.

Answer:

The Department provided the then Minister Nash's Office with a list of applicants on 5 October 2017. The Department's records show that the first time the Department provided Minister McVeigh a list of applicants was on 5 February 2018 as part of the Recommendation Brief for the Wide Bay Burnett region.

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Questions submitted by Mr Julian Hill MP (Deputy Chair)

Question Number: 3

Topic: Ineligible Applicants due to their RTO status

(Hansard page 11)

Mr HILL: Why did the department provide advice on the four applications that were ineligible due to their RTO status? Were they all in Wide Bay-Burnett?

Dr Bacon: I'd have to double-check to see what regions they were from, but we would provide advice around eligibility, advice around merit assessment, so that we could ensure a decision-maker had all of the information they needed to make the best-quality decisions.

Mr HILL: Can you take on notice, then, what else was in that briefing regarding the four RTOs and could you provide a copy of the briefing, understanding that you might want to redact the name of the other RTOs.

Dr Bacon: In my opening statement I referred to the principles and the practices that we operate under in relation to material that could reveal the deliberations of cabinet. I think I mentioned earlier that, in relation to the content of the advice that we've provided, the content of the advice that we provided in February goes to that as considered by cabinet.

Mr HILL: This is one of those grey zones. Did cabinet set up this whole decision-making process to be protected or was it only later that the government decided to pop this into cabinet?

Ms Wieland: That's not my understanding. My understanding is that it was always planned to go to cabinet.

Mr HILL: Can you still take that on notice and give further consideration to whether there are aspects of those preliminary pieces of briefing. I'm not hearing you suggest that all aspects of the decision-making were covered by cabinet processes.

Dr Bacon: We're happy to take the question on notice.

Answer:

Information was provided about each of the four applications to give context to the ineligibility status of RTOs. The applicants were not all in the Wide Bay Burnett region:

- 1 project was in the RJIP region of Wide Bay Burnett
- 1 project was in the RJIP region of Bowen Basin.
- 1 project was in the RJIP region of Regional Tasmania.
- 1 project was in the RJIP region of Upper Spencer Gulf.

As stated by Dr Bacon at the hearing it is a longstanding practice not to disclose information about the operation and business of the Cabinet, as to do so could potentially reveal the deliberations of the Cabinet, which are confidential.

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ANSWERS TO QUESTIONS ON NOTICE

Infrastructure, Transport, Regional Development and Communications

Questions submitted by Mr Julian Hill MP (Deputy Chair)

Question Number: 4

Topic: Senate Order for the Production of Documents

(Hansard page 25)

Mr HILL: On page 3 of FOI 20-050, an email advises Ms Wieland that a sample of documents was pulled together based on the Geelong region, and, Ms Wieland, you responded that 'using one batch to indicate the handling approach would be helpful.' What was the handling approach?

Dr Bacon: As I've said already, it is appropriate for the department to provide advice on how these different processes work. That can include advice on relevant considerations to take into account when handling requests such as this, and that is the type of advice that the department provided in this case.

Mr HILL: Could you take it on notice and then tell us when you provided that advice in writing, and can we have a copy of that advice—redacted, of course?

Dr Bacon: We'll take that on notice.

Mr HILL: Could you release the 'not particularly sensitive documents' to the committee?

Dr Bacon: I will take that on notice.

Mr HILL: Did the department provide advice to the Deputy Prime Minister for his public interest immunity claim letter tabled on 2 December 2019?

Dr Bacon: I think I might have already answered that question. The department provides advice on how these various parliamentary processes work. We did provide some advice in this case, as you've referred to already, in relation to Senate orders for the production of documents and relevant considerations and how that process works.

Mr HILL: If you can take on notice: when was that advice provided, in what form and on what dates; what were the responses from the Deputy Prime Minister, his office, when, in what form and on what dates; what was the involvement you referred to the Department of the Prime Minister and Cabinet and what was their involvement, when, in what form and on what dates; and was the Prime Minister's office contacted, when, in what form and what dates?

Answer:

Officials from the Department met with the relevant adviser in mid November 2019 to show the relevant documents. The Department's advice, the timing of that advice and the interactions of the Department with the Department of the Prime Minister and Cabinet and the Deputy Prime Minister's Office are in the documents provided under Freedom of Information request FOI-20-050, which is published at the Department's Freedom of Information Disclosure Log, accessible at:
<https://www.infrastructure.gov.au/department/ips/log.aspx>.

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ANSWERS TO QUESTIONS ON NOTICE

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Questions submitted by Mr Julian Hill MP (Deputy Chair)

Question Number: 5

Topic: Conflict of Interest - Regional Planning Committee Tropical North Queensland Region

(Hansard page 27)

Mr HILL: Finally, I understand with regard to the issue of conflict of interest not being adequately managed that the major issue related to the awarding of \$2.4 million to the QRX Group in Cairns under the tropical North Queensland when the wife of the chair of the local planning committee held a one-third state in the company. The audit report notes that the applicant had not declared the conflict at the application stage. The chair had returned a blank declaration of consent by family members and the conflict was not declared once the committee was operational even though the local planning committee's terms of reference required that the declaration of conflicts of interest must be a standing agenda item for all committee members. Was this conflict of interest disclosed in the ministerial panel?

Dr Bacon: The department has discussed this matter extensively with the Senate committee on rural and regional affairs and transport. It may be useful if you want to look at the *Hansard* from that committee of 21 May 2018. We can provide page references for that *Hansard* if that is helpful. Also it was discussed in that committee on 22 October 2018, as well as in responses to questions on notice. So there is quite a lot of detail if it would assist the committee in referencing that material. If it's useful, we'd be happy to provide copies of those *Hansards*.

Mr HILL: Given you're across that, let's not go over it now, but if you could provide it that would be good. Does the Audit Office consider it appropriate for the ministerial panel to award funding to the wife of the chair of the local planning committee? Is that a matter which should be declared?

Answer:

Extracts from Hansard of the Senate Committee on Rural and Regional Affairs and Transport Estimates Hearings of 21 May 2018 and 22 October 2018 are at Attachments A and B.

- Attachment A: Extract from Committee hearing of 21 May 2018.
- Attachment B: Extract from Committee hearing of 22 October 2018

Responses to relevant Questions on Notice from the hearings are at Attachment C.

- Attachment C: Responses to Questions on Notice

Senator WATT: I've got some other questions about the Regional Jobs and Investment Package, and I know Senator McCarthy started asking about that. Can we just clarify what the process was for the selection of RJIP local planning committee members and chairs?

Ms Wieland: We took that question on notice from Senator McCarthy.

Senator WATT: But is there no-one here who can advise in a general sense—

Ms Wieland: Unfortunately, Marie and I weren't here at the time that process was undertaken.

Senator WATT: Is there anyone behind you who was?

Ms Taylor: No, we'll have to take that on notice.

Dr Kennedy: We can try to get someone in later this evening. Are you going to have a series of questions?

Senator WATT: I do. I wonder whether it might be better—I just figure that I'm going to be told over and over again, 'We don't know the answer to that question.' Is there anyone here who has any knowledge of any particular local committees or particular grants that have been awarded?

Ms Wieland: I can step you through the general process, but if it's a question about some of the detail that Senator McCarthy asked earlier I couldn't answer that.

Senator WATT: Sure. So, as I said, is there anyone here who has any knowledge of any particular grants or particular committees and their operations?

Ms Wieland: Just in broad terms, those committees were established by Senator Nash. That's the detail of how they were established that Senator McCarthy was looking for. Once they were established, they developed local investment plans that outlined strategies and priorities for that region. Then it was open for a merit based application process within each of the 10 regions. Applicants were asked to lodge applications for projects against the program guidelines for the RJIP program.

Senator WATT: The questions you took on notice from Senator McCarthy I think were: who was nominated to serve on these committees and whether local members were involved in the selection of those committees—is that right?

Ms Wieland: Those were the questions that were asked, yes.

Ms Taylor: The process for establishing the committees was taken on notice.

Senator WATT: Are you able to answer any questions about, in a general sense, what the process was for determining what types of industries would get funding from each committee? Was that something that was left to each committee to work out?

Ms Wieland: It was left to each committee—is my understanding.

Senator WATT: Did it need approval from anyone higher up in the department or was it completely a decision for the local committee?

Ms Taylor: It was the committee's decision. They identified the priorities for investment in their region. And I can tell you, from looking at the guidelines for RJIP, that the minister at the time did appoint the local planning committee in each region, so it would've been the minister appointing that committee.

Senator WATT: The minister appointed them, but you don't know whether the department suggested possible names to the minister?

Ms Taylor: The normal course of events would be that the department would suggest names. But, as Ms Wieland has indicated, we don't have direct knowledge. We will have to go back and ask that question so we can give you an accurate answer.

Senator WATT: In terms of the grants that have been awarded to date, can you tell us what the process is for that. Am I right that the local committee receives applications?

Ms Taylor: No.

Senator WATT: What can you tell us about the process?

Ms Taylor: Effectively there were two processes. The local committee's job was to basically prepare these local investment plans. Once that was done, the local committee's job was over. Those local plans then informed the assessment process, which was undertaken by the grants hub on our behalf, so there was a competitive round open for a particular RJIP region. One of the criteria was to assess the project against those priorities that are identified in the plan, but that assessment was undertaken by the grants hub.

Senator WATT: Who's the grants hub?

Ms Taylor: That's the department of industry's grants hub.

Senator WATT: That's a Canberra based group?

Ms Taylor: That's right. That's the department of industry.

Ms Wieland: The grants hub is a Commonwealth whole-of-government grant assessment centre, if you like. They do the assessment and the contracting arrangements for a number of programs across Australian government.

Dr Kennedy: These are public servants.

Senator WATT: What policies apply to these RJIP grants to prevent a conflict of interest involving a member of a local RJIP committee and a grant recipient?

Ms Wieland: The grant recipients themselves fill out any conflict of interest forms, but the local planning committee members were also asked to sign a conflict of interest declaration form. As we said earlier, the local committee had no role in the assessment or awarding process. That assessment was done by the grants hub and recommendations were provided to the government for decision.

Senator WATT: Can we step through that one by one. What you said was that the grant recipients, or presumably applicants for funding—

Ms Wieland: They'll always benefit from the grant.

Senator WATT: Sure. Was it at the application stage? If I wanted to apply for a grant, I would need to declare any conflict of interest that I had—is that what you meant by a grant recipient declaring—

Ms Taylor: I don't think that is correct.

Ms Wieland: If I said that, I apologise.

Senator WATT: What conflicts did grant recipients need to declare?

Ms Taylor: Let me clarify—the members of the local planning committee were asked to declare conflicts and did.

Senator WATT: At what point?

Ms Wieland: At the time that they were appointed.

Ms Taylor: Yes, at the appointment point. In terms of an applicant for a grant under the program, they were not required to submit any conflict of interest at that point because, of course, any applicant applying for money has a direct interest in the outcome of that application round.

Senator WATT: Was there any stage that grant recipients or applicants needed to disclose any conflicts of interest involving the assessment process or those who were making decisions about grants?

Ms Wieland: I'm not sure that there is a conflict of interest there. They're going to benefit from the grant and they're not the decision maker, so they're not conflicted in that regard; they're putting in an application.

Senator WATT: If there were a potential conflict involving those who were making decisions about the awarding of grants—

Ms Wieland: They would be the people that would declare that conflict.

CHAIR: They are bureaucrats in a government agency somewhere here in Canberra.

Ms Wieland: That's correct.

Senator WATT: I think what you were just talking about was that the members of the local committees who are not bureaucrats needed to disclose any conflicts as well.

Ms Taylor: That's right.

Ms Wieland: They did.

Senator WATT: What sorts of conflicts were they required to disclose? What kinds of conflicts would they have that needed to be disclosed?

Ms Wieland: It was a standard declaration of conflicts of interest. I'd have to take the details of that on notice. I don't have them in front of me.

Senator WATT: Could you take on notice to provide a copy of the form that they needed to fill out. I suppose I'm just trying to get at whether they were required to disclose a potential conflict of interest in relation to any applicants for grants.

Ms Taylor: If they were aware of any particular applicants that were coming forward, that should have been covered in their conflict-of-interest declaration, I would've expected.

Senator WATT: That's a departmental policy?

Ms Taylor: There would be a standard conflict-of-interest declaration form, which they would have been provided with to complete.

Senator WATT: Okay. If the department does identify a conflict of interest for a member of one of these local committees, involving a recipient of a grant, what does the department do in that situation?

Ms Wieland: As far as I'm aware, we haven't had any declared conflicts of interest. There has been one case cited in the media around that particular issue. As I understand it, both the Australian Federal Police and the ANAO were looking at that particular grant.

Senator WATT: You're saying that no member of any of these local committees has declared any conflict of interest?

Ms Wieland: That's what I'm saying.

Senator WATT: Right. And the department hasn't done any work to review whether any conflicts of interest exist, aside from any declarations by committee members?

Ms Taylor: That would be something we would have to ask the grants hub. As managers and assessors of the grants, they would be the ones that would've noticed that in the application assessment process. We're certainly not privy to any that have been declared at the application point.

Senator WATT: What would be the consequence of a member of one of these local committees having a conflict of interest and not disclosing it?

Ms Wieland: You're asking me what decision a minister would take in terms of whether they would've appointed that person or not. I'm not a decision-maker.

Senator WATT: If there is a policy that requires members of these committees to disclose a conflict—

Ms Wieland: As I understand it, if a person filled out a conflict-of-interest form and declared a conflict of interest, I would expect that the minister who was making that appointment would either no longer proceed with the appointment or put appropriate processes in place to manage that conflict.

Senator WATT: So it is the role of the minister to do something about that.

Ms Wieland: As I understand it, the minister wrote to the members of the committee to appoint them. When writing to them, they were given the conflict-of-interest form.

Senator WATT: Bearing in mind our discussion this morning, Chair, I have put together a few packs because there is one particular grant that I want to work through. So I'm happy to table these and send them up.

CHAIR: Let's do this. Let's circulate them to the relevant people at the table, and the voting senators should get a copy—and give us a bit of an opportunity to look through them.

Senator WATT: Sure. I have five copies here.

CHAIR: That should probably be sufficient. Do you have a particular witness who the questions will be directed to?

Senator WATT: It's sounding like Ms Wieland and Ms Taylor ought to be the people answering most of the questions.

CHAIR: We'll make sure they get a copy. As you know, the process is for the committee to accept it as a tabled document before we give it to the witnesses. Senator Sterle and I might quickly rush through it.

Senator STERLE: Seeing as it's from a senator—I've never knocked one back yet. I'm happy to keep the precedence going.

CHAIR: I'll have a quick look. These are either matters of public record or—

Senator WATT: There are some company searches which include residential addresses, so we might need to take care with them, as we did this morning—otherwise, it's media releases, media reports and company searches, so all public documents.

CHAIR: With the searches, we won't run into the same thing where we're challenged whether the search relates to the entity—there's certainty around the entity?

Senator WATT: I would have thought so.

CHAIR: Because of a corporate name unique to it?

Senator WATT: Corporate name or individual name.

Senator STERLE: What we can do, Chair, if you want to is—if the committee agrees—while you're going through that to appease yourself and make sure you're happy, why don't we go to Infrastructure Australia? We have about five minutes of questions for them. Then they can go. How does that sound?

CHAIR: That would be useful. Are you able to arrange that, Dr Kennedy?

Dr Kennedy: Yes.

Senator STERLE: That will give Ms Taylor and Ms Wieland a chance to—

CHAIR: Senator, I didn't see a search on an individual. I've seen a couple on corporate—

Senator WATT: Sorry, there are a couple of directors of companies but there are individual—

CHAIR: If there's no confusion over the company, if the company name is unique to your line of questioning, then it's a moot point about the directors, is it not?

Senator WATT: Yes. I don't know if there are people back at the office listening in. I think the officials here know the grant that I'm referring to. If there are people back at the office who have some information, it might be helpful if they can be listening in.

CHAIR: All right. The copy that needs to go to the witness needs to have the address redacted. And the copy you tender to Hansard needs to have the address redacted. The rest we can hand back to Senator Watt when we're done. We'll now go across to Infrastructure Australia and come back to this once we've had a chance to have a look at it.

Infrastructure Australia

[17:33]

CHAIR: Welcome. We'll give the call to Senator McCarthy.

Senator McCARTHY: Hello, Mr Davies. To date, has the NAIF board sought the views of Infrastructure Australia on the merits of any investment proposal currently before them?

Mr Davies: I was hoping to make an opening statement, if that's agreeable?

Senator McCARTHY: I beg your pardon; yes, please. We have had no-one do that so far, so go ahead!

ACTING CHAIR (Senator Sterle): In the absence of the chair, by all means, Mr Davies.

Mr Davies: Do I hand it over?

ACTING CHAIR: It's up to you.

Mr Davies: We've got copies, if you'd like one.

documents aren't—and I have no objection to these documents being tabled, and no other senator has any objections. Firstly, can we have our witnesses back for Regional Development and Local Government Division?

Dr Kennedy: Part of this activity is undertaken by the grants hub, the entity we've been talking about that is run by the Department of Industry, Innovation and Science. Because these responsibilities cross both portfolios, we'll do our best but I'm wondering if we should appear with them together so we could both answer questions. For example, the assessment aspects of grants that my colleagues were talking about earlier are undertaken by those officials, and any matters of concern around a specific grant are addressed directly by that set of officials. Yet, as my officials were talking about earlier, we were part of the process of sending out those conflict-of-interest forms for the people on the panels that identify the industries of specific interest. But it's up to the committee.

Senator STERLE: Dr Kennedy—through you, Chair—are they in the building now?

Dr Kennedy: No. This is a suggestion of what we would have to do. We could either join them in their hearing—my officials could sit with their officials and we could join together—or, as you have another day of us tomorrow, we could find a slot tomorrow and I could ask their officials to come and join us. Or we can just have a crack now. It's up to you. But there may be some questions where, because it's not strictly our area, we have to say—

CHAIR: I think they're all good suggestions. Firstly, I'm keenly interested as to whether we've had any luck in determining that this matter is currently under investigation. I've got the news report of 4 May. Let me read it into the *Hansard*. Or you can do it, Senator, if you choose. It says:

The Australian Federal Police yesterday also confirmed they had finalised a month-long probe into an individual complaint of alleged fraud and official misconduct ...

Does the witness have this batch of papers? We'll need the—

Secretary interjecting—

CHAIR: Okay. The addresses have been redacted. Without identifying any of the players in this, it says that this was the subject of a Federal Police investigation of 'alleged fraud and official misconduct over the handling of the'—and it makes reference to a grant—and says:

The AFP did not identify any Commonwealth criminal offences, a spokesman says.

That's the limit of what's before me to determine whether this is currently under investigation, Commonwealth offences or otherwise. Can anyone assist?

Dr Kennedy: That is our understanding too. But—to go to that point of relevant officials—the relevant officials that would have interacted with the AFP in that process—

CHAIR: Are the other mob?

Dr Kennedy: are the relevant officials in the grants hub. If the senator was about to ask questions about that interaction, that matter, it was handled by that set of officials. However, as to the questions you were asking earlier, Senator—around who appointed the panels and what was required—that is us. That's why I offered that suggestion. But my understanding is the same as yours.

CHAIR: What I don't want to do is anything that inhibits Senator Watt's opportunity, at his timing, to pursue this matter. He is entitled to; in fact, he has a responsibility to.

Senator WATT: My preference would be to push on, because the reality is that this is an allocation from your department, approved by your minister.

Dr Kennedy: Yes.

Senator WATT: So it might be that we need to come back to the others.

CHAIR: It would aid me greatly in comfort to know whether any of your people have a connection with these people who approved the grants—the people we're talking about joining? Do you know them?

Ms Wieland: To explain the process, the people who—

CHAIR: No, I don't need that. I just need to know whether you can pick up your telephone and ring one of these people and ask one simple, specific question.

Ms Taylor: I can confirm that our advice is as your advice—that there was an AFP investigation undertaken but it has closed and there was no criminality identified as a result.

CHAIR: All right.

Ms Taylor: But that is advice that has been given to us from the grants hub officials.

CHAIR: Thank you. Dr Kennedy, Senator Watt has indicated an interest in trying to deal with whatever questions he can with your team.

Dr Kennedy: Okay.

CHAIR: Senator Watt, the document has been redacted, so it might be a couple of minutes before the witness has it. Have you got a batch?

Senator WATT: I do.

CHAIR: For the purposes of this, could the secretariat give the redacted copy to the witness please. I'm told it might take a minute.

Senator WATT: Can we give it a go—

CHAIR: Without the document?

Senator WATT: Without the document.

CHAIR: Sure.

Senator WATT: I'll quote sections to you.

CHAIR: Yes. Senator Watt.

Senator Scullion: The only concern I have—and I think it's gone—was around having absolute clarification that the Federal Police have, in fact, completed their investigation. It's just a newspaper article. I know, Senator Watt, you wouldn't want to be asking questions that would have an impact on such a thing.

Senator WATT: Correct.

Senator Scullion: The information officer has just provided that she has some information from someone else. So it would appear that that is the case. The other piece of the information is that I think you indicated that the board was making the decision. I just thought, before we start with that, perhaps, misapprehension, Mr Secretary might want to qualify or just correct that.

Dr Kennedy: That's correct.

Senator WATT: But each of the grants was ultimately signed off by your minister.

Senator Scullion: That's correct.

Senator WATT: Who, at the time they were done, was Minister McVeigh.

Ms Taylor: Yes.

CHAIR: Can I ask one qualifying question, so I get it in my head. I'm obviously going to follow this very closely. We have a local advisory committee. I understand how those positions were made up. Names were put forward. The minister decided who would be on it. They looked at a local area plan, for want of a better term, and said, 'Look, here are two, four, six, eight or 10 things that would work in this community.' They provided that to the minister. Then, separate to this, is a grants process where applicants can apply for grants. Senator Watt will pursue this line himself, but let me ask this as a principle statement: there may well be things on the list of recommendations from the local committee that are not the subjects of applications for grants—correct?

Dr Kennedy: Yes. The application for a grant is entirely a matter for the applicant.

CHAIR: For the applicant. So they might make an application for a grant even though they are not on the wish list, if you like, that's come from the community. Is the wish list from the community available to the decision-makers? I'm keenly interested in this before Senator Watt starts. So over there the bureaucrats have got applications from Fred and Betty to put a chook farm at Charlton. Do they get to have a look at the local area committee's recommendations to see if the chook farm's on there?

Ms Taylor: It might help if I give you a bit of a sense of the type of plan that's produced. I did have a look at this particular plan. Basically, what it did is identify broad sectors for investment, if you like. In the case of this particular one, it identified the sectors of creative arts, culture, building and construction, defence, marine, tourism, health, and education and training. So they were quite broad in the priorities that were set by the local planning committee, at least in that instance.

CHAIR: Yes. So there was no recommendation of describing metes and bounds, or, 'We will put an abattoir.'

Ms Taylor: No, they are not specific projects. They are very high categories of sectors, if you like.

CHAIR: Coming back to my question, then: do the decision-making bureaucrats who've got the grants in front of them have the benefit of this plan?

Ms Taylor: Yes.

CHAIR: Do they go, 'They've said abattoir; they haven't got abattoir'?

Ms Taylor: Yes, they do.

CHAIR: That's all I need. Senator Watt, you have the call.

Senator WATT: You've taken on notice both my question and Senator McCarthy's questions about the process for the selection of chairs and members of the different committees. Turning to the Tropical North Queensland local committee, which was effectively based around the electorate of Leichhardt, did the department suggest the names of the members and chair of that particular local committee?

Ms Wieland: Sorry, could you repeat the question?

Senator WATT: I'll give you the heads-up when you need to refer to something, if that makes it easier for you.

Ms Taylor: I think as we've indicated, we both were not involved in the program at the time. I think I indicated earlier that it would be commonplace for the department to recommend in the first instance people that could be on a committee. But in that instance the minister made the appointment. I haven't got anything further I can add at the moment. I can take it on notice.

Senator WATT: But, in short, you don't know yourself whether the department suggested the names of either the chair or the members of this particular committee.

Ms Taylor: No.

Senator WATT: You'll take that on notice?

Ms Taylor: Yes.

Senator WATT: Do you know whether the local member—the member for Leichhardt—made any suggestions or was consulted about the membership of this committee?

Ms Wieland: That would be a matter for the minister at the time. I'm not aware. We'll take it on notice.

Senator WATT: You don't know and you'll take that on notice. The first document I've given to you there is a press release from the member for Leichhardt, Mr Entsch, dated 19 January 2017. This was prior to the appointment of the chair and members. You'll notice that down the bottom of the first page he says, 'I've been working with the Minister for Regional Development, Senator Fiona Nash, over the past couple of months and have recommended a number of local people who could contribute a wealth of local knowledge to the panel.' I suppose that makes me think that the local member has been involved in at least suggesting members, if not appointing them. But you'll take that on notice as to whether that occurred.

Dr Kennedy: We'll take on notice exactly our role in that process.

Senator WATT: Okay. And do you know—

CHAIR: Sorry, Senator Watt. You can confirm that the local member didn't have any authority to appoint these people?

Ms Taylor: Yes, we can. The minister made the appointments.

Senator WATT: I'm more asking about whether the local member suggested people. I understand that it was the minister who made the appointments.

CHAIR: Yes. Okay.

Senator WATT: Do you know whether the department suggested that Mr Trent Twomey be appointed as a member or the chair of the Tropical North Queensland committee?

Ms Taylor: No. We will have to take that on notice.

Senator WATT: Do you know whether Mr Entsch, the member for Leichhardt, suggested that Mr Trent Twomey be appointed as a member or chair?

Ms Taylor: No.

Senator WATT: You don't know?

Ms Taylor: I don't know.

Dr Kennedy: We'll work that out.

Senator WATT: Take that on notice. Because you'll see that the next document, which is a press release from Minister Nash, who was the minister at the time, dated 30 January 2017, notes that Mr Trent Twomey has been appointed as the chair of the committee. Then it goes on to mention the names of the other members. Was the department aware at the time Mr Twomey was appointed as the chair of this committee that he had been the campaign manager for the member for Leichhardt, Mr Entsch?

Ms Wieland: I would have to take that on notice. Obviously when I came into this job I saw the media that was available at the time. That was the first time I became aware of it.

Senator WATT: You will see there that I have an article dated 22 March from the *Cairns Post*. You're saying that was the first time you became aware that Mr Twomey, who was the chair of the local committee, had been Mr Entsch's campaign manager.

Ms Taylor: Neither Ms Wieland nor I were actually in these roles at the time. We have seen the articles as they appeared in the press.

Dr Kennedy: But I do think it is appropriate for us to take on notice to ask whether the department was aware, and to examine our own correspondence.

Senator WATT: It would be helpful. I don't know whether there is anyone back at the office watching in who would know—who had some personal involvement—but it would be helpful if we could get some answers on some of those things even this evening, if that's possible.

Dr Kennedy: We will try, but it will involve us digging through correspondence.

Senator WATT: Sure. Who was it, then, that suggested that the priority sectors for grants in this local area should include healthcare projects? Were you saying before that that was the responsibility of the local committee?

Ms Taylor: The committee, yes.

Senator WATT: So the committee chaired by Mr Twomey decided the industries that were eligible for funding—that's right?

Ms Taylor: They identified the priority sectors, that's right.

Senator WATT: Yes. And in doing so, they are the sectors where grants could be provided.

Ms Wieland: As long as they met the eligibility criteria.

Senator WATT: Yes. That's the point of having a variety of sectors. I think what you said before was that there wasn't any departmental intervention in that. That was really a decision at the local level. Okay.

Is the department aware that Mr Twomey, in addition to being the chair of the local committee, has extensive business interests in pharmacies in North Queensland? I've got a copy of Mr Twomey's bio, which says that he and his wife are both pharmacists and, together, they are partners in a group of seven pharmacies. Was the department aware of that before now?

Ms Wieland: Again, we'll have to take that on notice.

Senator WATT: Okay, but you are not aware?

Ms Wieland: I'm not aware.

Senator WATT: In relation to this particular grant, you've said that there was an article in the *Cairns Post* on 22 March which raised all these concerns about a particular grant that had been approved. That was a grant announced on 22 February. It was a grant of \$2.4 million to a company called QRX Group 1 Pty Ltd, essentially to establish a pharmaceutical distribution centre in Cairns. Are you aware of that grant?

Ms Wieland: Yes. I'm also aware of that newspaper article. That's how I became aware of this issue.

Senator WATT: Did your department recommend that grant be made?

Ms Wieland: I'm not sure. I'll have to look into that.

Dr Kennedy: Do you want us to explain the process for the recommendation of grants?

Senator WATT: I'm guessing it probably involves the grants hub.

Ms Wieland: That's right.

Dr Kennedy: So we make a recommendation—and I'll just confirm this as I go through—and it goes to a ministerial panel. Am I correct?

Ms Wieland: Yes.

Dr Kennedy: The ministerial panel then makes a decision around those grants that came from the grants hub. They pass through us, of course. Then that final decision is endorsed.

Senator WATT: Is your department's involvement essentially to endorse decisions that are made or recommended by the grants hub?

Dr Kennedy: It's to prepare the briefing after the hub—

Ms Taylor: We would package up for the minister the proposals that have been assessed by the grants hub, and the minister would, in conjunction with the ministerial panel—he actually is the chair of the ministerial panel that looks at these grants—make those decisions and then those decisions are endorsed or not by the cabinet.

Senator WATT: Do you know whether the member for Leichhardt, Mr Entsch, made any representations on behalf of QRX?

Ms Taylor: We're not aware of any.

Senator WATT: You don't know that? You'll see in some of those clips that I have provided to you Mr Entsch has certainly taken a lot of credit for these decisions. There's an article from 23 June 2016 which says that 'Leichhardt MP Warren Entsch will also be involved in the decision-making process.' On 22 January 2018, he said that departmental staff had assured him the successful projects 'would be named before February'. On 5 February he said that he'd got the department 'pinned down to a date' for an announcement. So he seems to be pretty actively involved in the decision-making process. But you're not aware of any representations he made?

Dr Kennedy: No. Just to be clear, the departmental decision-making process within the grants hub—and I am aware of the grants hub; I've formally had responsibility for that division—is carried out by those public servants, not in consultations with members of parliament. I can't tell from that correspondence. They can answer questions around the

timing of processes but not any specific matter. You can, of course, pursue it with them to ask questions of them and see if they had correspondence with Mr Entsch.

Senator WATT: Can you take on notice from your department's point of view, though, whether you received any representations from the Mr Entsch on behalf of QRX.

Dr Kennedy: I'm very happy to do that.

Senator WATT: Are you aware that QRX, which received a \$2.4 million grant from your department, is one-third owned by the wife of Mr Twomey, who chaired the local committee that oversaw these grants—

Ms Wieland: We're aware that's what was stated in the media.

Senator WATT: and that drew up the priority sectors?

CHAIR: Hold on, please. Let's get this language right. This is a serious thing. You should listen to the question. He just said that they oversaw the grants. Could you clear that up for the senator. They did not oversee the grants.

Ms Wieland: The local committees had no role in assessments of or decision-making about the grants. All the role they had was in establishing this local investment plan.

Senator WATT: Are you aware that QRX, which received a \$2.4 million grant, is one-third owned by the wife of Mr Twomey, who chaired the committee in the area in which this grant was made?

Ms Wieland: I was not aware of that until the allegations were made.

Senator WATT: In the media?

Ms Wieland: That's correct.

Senator WATT: Are you aware that one of the other owners of QRX, which received the grant, is Mr Twomey's business partner, Mr Leo Maltam?

Ms Wieland: I wasn't aware of that.

Senator WATT: Right now is the first time you've become aware of that? Okay. Again, you'll see there are company searches there that demonstrate that. I see that Mr Maltam and Mr Twomey are shareholders and partners in a number of companies, including FNQ INV, which presumably means Investments Pty Ltd, and Twaltam Pty Ltd, which seems to be a combination of their two surnames. But you weren't aware that Mr Twomey's business partner was also an owner of this company that got a grant?

Ms Wieland: No. As I said earlier, the assessment of the grants in a merit-based process was undertaken by the grants hub.

Senator WATT: Are you aware that Mr Entsch's own son works for QRX, the company that received this \$2½ million grant?

Ms Wieland: No, I'm not aware of that.

Senator WATT: That's in that article dated 22 March as well. So, putting all this together, if these allegations are correct—that a \$2½ million grant has been made to a company which is part-owned by the wife and business partner of the local committee involved in these grants—

CHAIR: I'm sorry, Senator. We're going to have to be careful with the language. This committee was not involved in the grants. The witnesses have been at great pains to explain that.

Senator WATT: Okay. I'll put it another way.

CHAIR: I don't think you should refer to them as allegations, because they are facts. They are undisputed facts.

Senator WATT: I'm happy for you to put it that way. The facts seem to be that a \$2½ million grant has been made to a company which is part-owned by the wife and business partner of Mr Entsch's former campaign manager who chaired the committee in the area in which this grant occurred. Further, the recipient of the grant employs Mr Entsch's own son. Does any of that suggest to you that the department's policies for conflicts of interest have been breached?

Dr Kennedy: That's a complex set of questions. I'd have to take them on notice. But, to go back to the earlier point, our focus is on interference with the merit-based process or conflicts that would arise in the merit-based process or inappropriate influence over officials. I'm not aware of any of that occurring in this case. But, in light of your questions, and in light of your questioning of our processes, I'm more than happy to look at our processes in more detail.

Senator WATT: Sure. These—as Senator O'Sullivan says—facts have been in the public domain now for well over a month. Has your department not conducted any investigation to determine whether any of your conflict of interest policies have been breached?

Dr Kennedy: Around the establishment of panels?

Senator WATT: Around the establishment of panels, around the awarding of grants, around representations being made for particular recipients—around any of it?

Ms Wieland: It's quite common for grant recipients to have some relationship with their local members. These companies or businesses or local government —

Senator WATT: To employ their sons?

CHAIR: Let the witness answer.

Ms Wieland: In doing our process, we sought a conflict of interest declaration from every committee member. The fact that the ministerial panel is completely separate and the grants hub is completely separate from that local planning process tells me that the risk of fraud or other means of deception is reasonably low. But, as we said earlier, the AFP have looked into this particular case and not found anything of significance.

Senator WATT: Well, they haven't found fraud. That's a different matter to whether your departmental policies have been breached. And you're right: in my earlier questioning you said that the department had not received any declarations of conflicts of interest from any members of the local committees. So, I take it that Mr Twomey hasn't declared a conflict of interest.

Ms Taylor: I think what we indicated was that all members of the local planning committee had completed conflict of interest declarations. So, that certainly has occurred.

Senator WATT: Yes. And correct me if I'm wrong, but I think you also said that no member of a committee had declared that they had a conflict of interest.

Ms Wieland: That we're aware of—that's correct.

Senator WATT: From that, that obviously means that Mr Twomey hasn't declared a conflict of interest.

Dr Kennedy: Well, we had better just go and check our records on that.

Senator WATT: Okay. But, again, I'm kind of surprised that this has been in the public domain for several weeks. These are pretty serious allegations, and it doesn't sound like any investigation has occurred from the department.

CHAIR: Senator, I'm probably going to spend as much time on this as you. If it assists you, I'm happy to start, so that you can come and contradict my line of questioning, because I'm afraid I haven't arrived, on the evidence in front of me, at the same position that you have. So, do you mind if I ask some clarifying questions and—

Senator WATT: Sure. I'd be interested to hear how this isn't a conflict of interest.

CHAIR: Firstly, let us just take the circumstance—and you've heard what Senator Watt's had to say, and the assertions made. Let's go firstly to the primary aspect of his appointment to a local area committee. Have you heard anything, or has any evidence been presented to you here today, that would suggest that there was something untoward with respect to the appointment of Mr Twomey to the local area committee? Feel free. If there's something that disturbed you around that, that would trigger you to take a further interest or investigate, then just say so. Has there been anything? His appointment to a local area committee, full stop.

Dr Kennedy: Our advice around any appointment to a local area committee would be a person who has strong interest and understanding of the local area and is able to provide advice around the priorities of that area. And I don't know this—

CHAIR: He's the chairman of a very prominent organisation called Advance Cairns, which may be of some assistance to you, in terms of his qualifications.

Dr Kennedy: That would suggest a good knowledge of those issues. And it does sound to me like all the appropriate safeguards were in place for decision-making around the grant—

CHAIR: No, we're going to get to that. I'm sorry, Dr Kennedy, but we need to unpack this. It's been built with elements. I need to unpack them, one element at a time. So, the burden of my question is: based on everything you've heard and asserted here this evening on this subject matter, is there anything that disturbs you or would have enlivened your department to do something different in relation to the appointment of this individual to the local area committee?

Ms Taylor: Not in my view. If you have a look at Professor Twomey's qualifications, he was, as you said, chairman of Advance Cairns, obviously very prominent in the local region, with a good understanding of the local economics. So, on its face, he would seem to be a reasonably good choice for chairing a local planning committee of that nature.

CHAIR: Sure. So, if you were looking on the papers—the recommendations that were made with respect to the categories by this Advance committee—do those categories look reasonably generic? Would you find duplication in that, with these committees in other places? Would they have recommended defence and health and sport, or something?

Dr Kennedy: They are a wide-ranging set of categories that appear regularly in all of the panels.

CHAIR: Sure. So far, nothing would have triggered, even with all of the knowledge that you've been provided with tonight. Nothing so far has triggered.

Dr Kennedy: That's right.

CHAIR: Mr Twomey and six or seven others—we have to put them all in the one boat here—have signed off on this area plan and it goes in the mail. We've heard no assertion, but do you believe that it would be—I'll get you to take it on notice. Is there any prospect that Mr Twomey would have had any dealings with the grants committee? Was there any mechanism there, pathways, obligations or opportunities?

Ms Taylor: Not to our knowledge.

Dr Kennedy: None that we're aware of.

CHAIR: In fact, for the grants committee to take a call off someone, where there's an application before them, that would be a matter of concern, would it not?

Dr Kennedy: They would all be recorded. The grants process requires the calls around the grant to be directed of the proponent. But it would be a matter of record that the grants hub would have.

CHAIR: Remember, we are confining this to Mr Twomey. If the senator wants to move on to other lines, we'll deal with him as we do. I don't want to put hypotheticals, but in the absence of you coming back with the questions on notice, and Mr Twomey hasn't had any contact with the grants committee, we'll move now to the parliamentary committee that decides on how the grant is established. There's an application. It goes to a grants committee. Shortlists are made on merit and qualification, I imagine. Your job, almost, is the postman. It comes back to the department. The department takes it to the minister.

Now we have another process. It involves elected members of parliament, as I understand it, who sit around in the teepee and look at recommendations. They'll look at applications; they'll look at a range of things. And they'll make a decision about whether a grant should be issued. Unless there's been a line of communication between Mr Twomey or some other person and that group at the table, would there be anything, in your view—or when you've looked at the grants on the way through. Could you have looked at an application and gone, 'I'd better be careful here,' because of some feature that's going to influence you to make a decision, one way or the other?

Ms Taylor: On the basis that the local planning committee was completely divorced from the assessment process that was undertaken, in terms of the recommendation of the grants, and therefore independent of the actual decision, no. We do not see anything of relevance here for further investigation.

CHAIR: Let me bundle all this together. We've done a lot of talking. We've provided a lot of documents. You be as adventurous as you like in your answer on this. Can you think of one thing, one sheet, one paragraph, one line, one assertion, one allegation, one exchange here, that would cause you to say Mr Twomey had a conflict of interest and he should have declared it? If so, what is that perceived conflict of interest? The vibe I pick up is it can only be that somewhere he, with seven other people around the table who know exactly what his business interests are in the community, had collectively agreed to put health in with Defence and tourism and half a dozen other things. You can be as adventurous as you like. Would you say to Mr Twomey, 'I think you probably have a little conflict here and you should have dealt

with it? Anything—the whole expansion of what we've heard here tonight. Let's go one at a time.

I'll start with you, Ms Wieland. Can you think of anything that you would tell Mr Twomey to do differently because he may have had a little conflict?

Senator WATT: Or the applicant, for funding.

CHAIR: We can go there next, if you want. We can work through every resident of Cairns until we get there. This focus has been on—

Senator WATT: I'll just stick with Mr Twomey and his wife.

CHAIR: With respect, I didn't interrupt you. Ms Wieland, do you have any advice for Mr Twomey?

Ms Wieland: You're getting to the heart of what it is that you ask people to declare in a conflict-of-interest form. Essentially, if you wanted to be totally transparent, you would want them to list any relationships with any government members.

CHAIR: Well, okay; all right. Well, he—

Ms Wieland: That's what we're talking about.

CHAIR: If he tried to conceal that, given that he was Warren Entsch's campaign director, he hasn't done a good job. But on the circumstance that you have—

Dr Kennedy: Perhaps if—

CHAIR: No, sorry, Dr Kennedy—and I don't mean to interrupt you—I'm going for a trifecta here, if I can. I'm asking Ms Wieland whether she has any advice for Professor Twomey—her conflicts.

Ms Wieland: I can't give advice—

CHAIR: On the evidence you've got in front of you—nothing; all right. Ms Taylor, do you have any advice for Professor Twomey?

Ms Taylor: On the basis that the job of the committee was to identify broad areas of priority for the Far North Queensland region—and that's quite a significant region—if it were the case perhaps that the committee was required to identify particular projects then clearly he should have declared a conflict of interest in relation to his business interests. But because basically the job they were asked to do is identify broad sectoral priorities, I think it's reasonable that Mr Twomey didn't actually identify his particular business interests in that process.

Senator WATT: Wow.

CHAIR: Good. And he's not on his own either, of course. He and six others are at the table. Do you have any advice for him, Ms Taylor, about what he may have done differently in form of a conflict? It's a genuine question. This is an important issue. We've got a man's reputation here, again, on full display, national display—a live broadcast. I want to be sure that we're all on the same page.

Dr Kennedy: We have to take it on notice, because we don't have the precise details of what was in the—is that correct?

CHAIR: And if Professor Twomey's declared some conflict, then good luck. I'm asking: on the evidence we have—there have been quite serious assertions here that rolled on: Federal

Police, sons employed, Warren Entsch's mate, pharmaceuticals, partners and so on. They've been quite serious allegations; they are arriving at the door of: he's had a conflict, don't you think? I'm asking whether, on the basis of everything in front of you, you've established that he has a conflict. Well, maybe the burden should go this way—

Senator STERLE: You're not going to go to jail if you answer it!

CHAIR: And I don't care what the answer is. Say yes if you choose to, or—

Senator STERLE: Geez; just do it, please! For Christ's sake, I don't want to be sitting here at 11 o'clock still following the same bloody line of questioning.

CHAIR: Let's go to you, Dr Kennedy. You can answer it this way, with some detail. You tell me what, as you were sitting there thinking through this, back at the consultative committee, you would have done differently around how that operates or how they're appointed.

Senator STERLE: Go on, people. Will you just friggin' answer?

Dr Kennedy: Given the broad extent of what the committee was asked to identify—the broad regions and the regions that were read out by Ms Taylor—then no, I don't think this person had a form of a direct conflict of interest.

CHAIR: Thank you.

Senator WATT: If you're finished, Chair, can I—

CHAIR: Of course.

Senator WATT: I am stunned that you don't think that there's a conflict of interest here. But can I remind you of departmental policies that apply to this? The sample grant agreement for these Regional Jobs and Investment Packages has a section—section 7, 'Conflict of interest'—and presumably these are what have to be signed by people who get these grants. It says:

Other than those which have already been disclosed to the Commonwealth, the Grantee warrants that, to the best of its knowledge, at the date of this Agreement, neither it nor its officers have any actual, perceived or potential conflicts of interest in relation the Activity.

And people are asked, as part of this document, to declare, as part of their application, any perceived or existing conflicts of interests or declare that to the best of their knowledge there's no conflict of interest. So, you're seriously saying that you don't think there's any conflict of interest that needs to be disclosed?

Senator COLBECK: For clarification: the document that you're reading from—

Senator WATT: And that you should have in your bundle, yes.

Senator COLBECK: is a declaration in the context of receiving the grant?

Senator WATT: It's part of the agreement that people who receive grants need to sign.

Senator COLBECK: So, why aren't you reading the document that comes to being a member of the consultative committee? They're two different things.

Senator WATT: I'm asking—

Senator COLBECK: Listening to this, there are two processes. One is to be a member of the consultative committee. The individual involved has participated in the consultative committee, provided a report back to the department and that work is completed. He has then

gone and, in a separate process, made an application for a grant, which, unless I'm mistaken, he wouldn't have been disqualified from doing.

Dr Kennedy: Sorry; I may have missed something here. This gentleman didn't subsequently make an application for a grant.

Senator WATT: No, but his wife did.

CHAIR: The company did.

Senator WATT: A company that his wife part-owned and his business partner owned.

CHAIR: This'll help. You're a lawyer, Senator Watt. So they can answer the question, can you particularise the conflict of failure on the document for them. Did he not say, 'I was a member of a consultative committee that recommended eight areas, one of which was health'? Is that what you're saying the conflict is?

Senator WATT: I'm amazed that I have to spell this out for you. I think there's a reasonable argument that there's a conflict if a company which is part-owned by two different people, one of whom is the wife of the chair of the committee that has designed the guidelines—I'm not saying they awarded the grant—and identified the sectors—

CHAIR: That's a very long bow.

Senator WATT: Are you saying this committee is completely divorced from the process?

CHAIR: Based on the evidence—

Senator WATT: It's ridiculous! Why have it?

Senator COLBECK: It goes back to my question—

CHAIR: Hold on, please; I see the witnesses all agreeing with me. Based on all of the evidence here tonight, there is a void between them that can't be bridged.

Senator WATT: This is amazing!

CHAIR: If you believe that Twomey had dinner with the chair of the grants committee, you're up for the cup.

Senator WATT: I'm not saying that.

CHAIR: If you believe Twomey wrote to him or her, or rang them on the phone and threatened their kids, you are up for the cup. But there is not one single bit of evidence that Trent Twomey has had a conflict of interest with a grant made by a company—

Senator WATT: Do you know Trent Twomey?

CHAIR: I know Trent Twomey well, and I'm happy to defend him until midnight. He's a very decent man and very well respected in the Cairns community. I'm just saying that you haven't made the case. I think we're going over some really old ground now.

Dr Kennedy: I need to make one point of clarification. The panels did not design the grants process, to be absolutely clear. The panels selected broad areas that were seen as priority areas for those areas. They did not design the merit based process that the grants hub then applied; they had no role in that. Their role was simply to say, 'These are the areas that we think are priorities for growth in this region.' As I mentioned in my earlier evidence, the set of areas that was defined for this region, off the top of my head, would have covered—

Ms Taylor: Almost everything.

Dr Kennedy: almost everything, or 70 per cent or more of the economy. There's no direct connection between that and the subsequent merit based process.

Senator WATT: If you're so convinced that there's been no conflict of interest—

Dr Kennedy: You've asked us for an assessment at the table and we've done our best, of course.

Senator WATT: Okay. It doesn't sound like you've done any investigation of your own up until now to determine whether there was a conflict of interest.

CHAIR: But there's nothing to investigate.

Senator WATT: That's your view. You have a different view of conflicts of interest to me.

CHAIR: We talked about the triggers. You can point them to the triggers they missed, if you like.

Dr Kennedy: We're certainly doing our best to answer at the table.

Senator WATT: Sure.

Dr Kennedy: Of course these are matters that are serious, and we will reflect on them and go back and think about them. I don't want to leave you with a sense of, 'Okay, we're finished.' We're doing our best at the table. Parts of these processes we don't own or control, as I said, just to be clear.

Ms Taylor: We were aware that there was an AFP investigation on foot. We understood that there was an investigation, as I indicated earlier. The advice we've received from the hub is that that has been completed and there were no findings of criminality or fraud, I believe.

Senator WATT: Why is it then, according to *The Cairns Post* of 4 May, that Australia's Auditor-General has detailed plans to order an independent investigation into the entire Regional Jobs and Investment Packages program rolled out across 10 pilot regions from Far North Queensland to Tasmania?

Dr Kennedy: It's entirely appropriate for the ANAO to work through and audit all of our programs, which it does.

Senator WATT: According to this article, the Auditor-General has told how his decision to audit the entire program follows concerns about a potential conflict of interest and shortfalls in a project awarded \$2.4 million—this project. It doesn't seem to be a general audit.

Dr Kennedy: We can't comment on a *Cairns Post* article. What we can say is that, should the Auditor-General and the ANAO choose to audit the program, I regard that as entirely appropriate and reasonable. As it should, it works through all of the programs in the department. If it has chosen to audit that program—I don't know the basis upon which it has chosen to do that—that's entirely appropriate.

Senator WATT: Has the Auditor-General had any communication with you about this audit?

Ms Taylor: All we know is that this program is on the work program for the next financial year. We've known that for some time. I can't comment on what factors were taken into account by the Auditor-General, other than I do know that it's quite common for the ANAO to audit our programs.

Senator WATT: But, aside from this ordinary process of reviews by the Auditor-General, they haven't made any contact with you about an audit of this program?

Ms Wieland: In terms of the audit of the broader program, not in relation to this particular grant, no. The department has been made aware of the broader communication about auditing the RJIP program. It's also on the ANAO's website.

Senator WATT: How long ago did that happen—that you were told?

Ms Wieland: As part of their consultation on their work program for the upcoming year.

Dr Kennedy: I think the senator is seeking the timing on when that consultation—

Ms Taylor: We can take that on notice. I know we were consulted some time ago on a draft work program from the ANAO, but I can't recall the exact date.

Senator WATT: Okay. The only other think I might ask then is: are you aware of concerns in the Cairns community that this proposal that's been funded, rather than actually creating new jobs—which is what this entire program's about—may actually see the reduction of jobs or just jobs transferred from one business to another? Are you aware of those concerns?

Ms Wieland: Sometimes those claims are made across a range of grants programs. The issue of job creation is specified in the program guidelines about what's expected of people and what they have to outline in their application.

Senator WATT: Another article from the *Cairns Post* on 22 March quotes another Cairns pharmacist and pharmacy guild members who questioned whether the 20 new jobs allegedly going to be created by this project are genuinely new or are just reshuffled from existing pharmacies. Was any work done to ensure that there actually will be jobs created here?

Ms Taylor: The grants hub would have assessed the number of jobs under this particular project. We would really need to consult with the officers who undertook that assessment. But, by and large, my understanding is that guidance is given to applicants as to how to evaluate and count the number of full-time equivalent jobs. We give that guidance to every applicant. But largely, after that guidance has been given, the government relies on the numbers that are put forward by the applicant. That's my understanding.

Senator WATT: To close off that, you have already addressed whether you consider there to be a conflict of interest involving Mr Twomey and the applicant for the grant and recipient of the grant. Are you aware of whether the member for Leichhardt has declared a conflict of interest, given his connection to the chair of the local advisory committee?

Ms Taylor: I'm not aware of—

CHAIR: Again, if we're going to kick this door open, we'll be here till 10 pm. I'm not going to let you do that, right? If you want to go line by line now—

Senator WATT: No, that's enough.

CHAIR: You've left it out there. If you want to go line by line now, suggesting that Warren Entsch's had a conflict of interest, we'll be here until we have exhausted that as well. If it's not a matter you want to pursue, I'm happy to close off for the evening meal. But, if you want the allegation pursued, you feel free to go ahead.

Senator WATT: No, I'm happy—I've completed my questions.

Senator McKenzie: I think it's important, before we go out and put words into people's mouths and pretend that people are saying things they're clearly not, that we look at the whole picture—

Senator WATT: I can show you the video.

Senator McKenzie: The Facebook post says it is pending a business case approval, which I think it a good thing to do, a caveat to put on that—

Senator WATT: Sure. I think it's a great idea to actually tell the truth and where there are caveats to say so—

Senator McKenzie: I look forward to Labor doing that in the next campaign.

Senator WATT: I encourage you to have a look at Ms Landry's video and you can make your own judgements.

Senator McKenzie: And read it in the context of the post.

Senator WATT: Was there any application submitted for funding under this program for infrastructure on Great Keppel Island?

Ms Taylor: We would probably have to take that on notice. That doesn't immediately spring to mind.

Ms Zielke: I'm sorry, Senator, we have 337-odd applications.

Senator WATT: If you can take that on notice, because there certainly has been media coverage in the central Queensland region that funding was being considered under this program for Great Keppel Island infrastructure. Was an application made and what was the outcome of that application? I presume the answer is that it hasn't proceeded to stage 2.

Senator McKenzie: I think given that we have over 300 and 16 are proceeding, there will likely to be 280-odd plus projects that are very worthy and will have had local champions.

Senator WATT: I'm trying to clear up whether that one was applied for and what happened to it. On another one of your grant programs, the RJIP program, which I think is Regional Jobs and Investment Packages from memory—

Senator McKenzie: Yes.

Senator WATT: You might remember at a previous estimates hearing I was asking some questions about a particular grant from that program, \$2.4 million to a company called QRX. It is a company that is owned by the wife and business partner of Mr Trent Twomey, who has been the campaign manager for the local member, the federal member Mr Entsch, and QRX also employed Mr Entsch's son. I notice that there were a number of questions on notice that you took from that hearing that have been answered in recent days. I wanted to make sure that I understood those answers correctly. What I think you've said is that—

Senator McKenzie: Do you have a question on notice there that we can actually refer to?

Senator WATT: Yes. I have copies with me.

Senator McKenzie: Which number?

Senator WATT: Let's start with No. 80. Before I go to questions on notice, has any number been paid to that company?

Senator McKenzie: No, it hasn't.

Senator WATT: Is that the same for all the RJIP grants?

Senator McKenzie: No. With that particular project, as I understand it, the proponent was unable to source the required matching funding to commence the project.

Senator WATT: So it's all over?

Senator McKenzie: It's all over red rover.

Senator WATT: Not happening?

Senator McKenzie: Not happening. That and another one in the Goulburn Valley.

Senator WATT: Question on notice No. 80, what you answered there was that Mr Entsch wrote a letter to the then minister, Minister Nash, with names of potential members of the local planning committee and the decision about the appointments was made by the minister. What I don't think you answered there was whether Mr Twomey was one of the names that Mr Entsch put forward. Do you know the answer to that? Could you take that on notice?

Ms Zielke: I see what you mean. In relation to it, no, I don't have that information in front of me. But I see what you're getting at.

Senator WATT: But what we do know—ultimately Mr Twomey was appointed as the chair of the local planning committee, which helped identify sectors where grants could be approved. And what we know from the question on notice is that Mr Entsch supplied to the minister some possible names for appointment, which may or may not have included Mr Twomey, and that's what we'll clarify. And then question on notice No. 83: Mr Entsch wrote a letter of support for the QRX grant application—a grant that was being sought by a company that employed his son and that was owned by the wife and business partner of his campaign manager. Mr Entsch wrote that letter of support. Could I ask you to table a copy of that letter, please?

Senator McKenzie: I haven't seen that letter. I haven't seen the letter to Mr Nash, either. So, I'm very happy to take that on notice.

Senator WATT: Sure. Again, I'm just going from the answers that have already been given. So, if you could table a copy of that letter—

Senator McKenzie: I'll take that on notice.

Senator WATT: I also saw question on notice No. 86: Mr Twomey did complete a Declaration of Personal Interest form and didn't declare any conflicts of interest when he was appointed as the chair of the committee. Is my reading of that correct

Senator McKenzie: I think the other piece of that QON actually does outline that the chair had no role in receiving, assessing, recommending or approving specific applications or projects.

Senator WATT: No, I think that's right. My recollection from last time is that the role of the local planning committee was primarily to identify sectors where grant applications could be made. One of those sectors was health, or something relating to health.

Senator McKenzie: Yes.

Ms Wieland: There was a whole range of other sectors in that particular plan as well.

Senator WATT: Yes. Is there an ongoing role for this local planning committee?

Senator McKenzie: No.

Senator WATT: But from those questions on notice we know that Mr Entsch's campaign manager was appointed as the chair of the local planning committee, which identified sectors where grants could be made. A grant was then made to a company that employed Mr Entsch's son and was owned by Mr Entsch's campaign manager's wife and business partner. Mr Entsch had written a letter of support for that grant to that company. Is everything I'm saying correct?

Senator McKenzie: No. An offer was made to that company, not a grant. So, just to be clear, it was an offer, and noting that they were unable to source the matching funding, so no money has been—

Senator WATT: But an offer of \$2.4 million was made to that company.

Senator McKenzie: Yes.

Senator WATT: Which is now not proceeding.

Senator McKenzie: Absolutely not.

Senator WATT: The Auditor-General listed this as an area for investigation after these issues were raised at the last estimates. Do you have any update on that investigation?

Senator McKenzie: The ANAO audits programs, as they usually do, and that was conducted with this particular program, in its usual fashion.

Senator WATT: It has been conducted?

Senator McKenzie: No, in its usual fashion. So, the ANAO—

Dr Kennedy: Sorry to break in. I'll just confer with my colleagues. I don't think the ANAO has done an audit of this—

Senator WATT: I think you said last time that they'd listed it on their work program or something like that.

Senator McKenzie: It has been listed but hasn't been undertaken as yet.

Senator WATT: It may still happen, but it hasn't yet.

Ms Zielke: As the ANAO does with all of our programs.

Senator WATT: Thank you.

Senator McCARTHY: I want to go to the Building Better Regions Fund. Have all the projects announced as part of round 1 of Building Better Regions proceeded and had funding agreements signed?

Ms Zielke: I understand that we have two projects that are yet to have agreements executed in relation to them. That's two out of 110 projects. That's for the infrastructure projects stream. And in relation to community investments, the 147, two are yet to be executed.

Senator McCARTHY: So why aren't projects proceeding?

Ms Zielke: Projects are proceeding. I'm talking about those that are yet to have agreements. We have four across all 257 that are yet to have agreements finalised, so the projects are proceeding.

Senator McCARTHY: So four out of 257?

Ms Zielke: Yes. It doesn't mean that they're not proceeding; it just means that their agreements haven't been finalised as yet.

Question on notice no. 82

Portfolio question number: 230

2018-19 Budget estimates

Rural and Regional Affairs and Transport Committee, Infrastructure, Regional Development and Cities Portfolio

Senator Murray Watt: asked the Department of Infrastructure, Regional Development and Cities on 21 May 2018—

Senator WATT: In relation to this particular grant, you've said that there was an article in the Cairns Post on 22 March which raised all these concerns about a particular grant that had been approved. That was a grant announced on 22 February. It was a grant of \$2.4 million to a company called QRX Group 1 Pty Ltd, essentially to establish a pharmaceutical distribution centre in Cairns. Are you aware of that grant?

Ms Wieland: Yes. I'm also aware of that newspaper article. That's how I became aware of this issue.

Senator WATT: Did your department recommend that grant be made?

Ms Wieland: I'm not sure. I'll have to look into that.

Answer —

The project was assessed as meeting the program guidelines, including that it provided value with relevant money.

Question on notice no. 83

Portfolio question number: 231

2018-19 Budget estimates

Rural and Regional Affairs and Transport Committee, Infrastructure, Regional Development and Cities Portfolio

Senator Murray Watt: asked the Department of Infrastructure, Regional Development and Cities on 21 May 2018—

Senator WATT: Can you take on notice from your department's point of view, though, whether you received any representations from the Mr Entsch on behalf of QRX.

Dr Kennedy: I'm very happy to do that.

Answer —

Letters of support are regularly received from Members of Parliament and Senators, local organisations and community members in relation to grant applications.

On 30 August 2017, the Hon Warren Entsch MP wrote in support of QRX Group 1's application for a NQ Pharmaceutical Distribution and Manufacturing Centre under the RJIP program.

Question on notice no. 84

Portfolio question number: 232

2018-19 Budget estimates

Rural and Regional Affairs and Transport Committee, Infrastructure, Regional Development and Cities Portfolio

Senator Murray Watt: asked the Department of Infrastructure, Regional Development and Cities on 21 May 2018—

Senator WATT: Are you aware that QRX, which received a \$2.4 million grant, is one-third owned by the wife of Mr Twomey, who chaired the committee in the area in which this grant was made?

Ms Wieland: I was not aware of that until the allegations were made.

Senator WATT: In the media?

Ms Wieland: That's correct.

Senator WATT: Are you aware that one of the other owners of QRX, which received the grant, is Mr Twomey's business partner, Mr Leo Maltam?

Ms Wieland: I wasn't aware of that.

Senator WATT: Right now is the first time you've become aware of that? Okay. Again, you'll see there are company searches there that demonstrate that. I see that Mr Maltam and Mr Twomey are shareholders and partners in a number of companies, including FNQ INV, which presumably means Investments Pty Ltd, and Twaltam Pty Ltd, which seems to be a combination of their two surnames. But you weren't aware that Mr Twomey's business partner was also an owner of this company that got a grant?

Ms Wieland: No. As I said earlier, the assessment of the grants in a merit-based process was undertaken by the grants hub.

Senator WATT: Are you aware that Mr Entsch's own son works for QRX, the company that received this \$212 million grant?

Ms Wieland: No, I'm not aware of that.

Senator WATT: That's in that article dated 22 March as well. So, putting all this together, if these allegations are correct—that a \$212 million grant has been made to a company which is part-owned by the wife and business partner of the local committee involved in these grants—

CHAIR: I'm sorry, Senator. We're going to have to be careful with the language. This committee was not involved in the grants. The witnesses have been at great pains to explain that.

Senator WATT: Okay. I'll put it another way.

CHAIR: I don't think you should refer to them as allegations, because they are facts. They are undisputed facts.

Senator WATT: I'm happy for you to put it that way. The facts seem to be that a \$212 million grant has been made to a company which is part-owned by the wife and business partner of Mr Entsch's former campaign manager who chaired the committee in the area in which this grant occurred. Further, the recipient of the grant employs Mr Entsch's own son. Does any of that suggest to you that the department's policies for conflicts of interest have been breached?

Dr Kennedy: That's a complex set of questions. I'd have to take them on notice. But, to go back to the earlier point, our focus is on interference with the merit-based process or conflicts that would arise in the merit-based process or inappropriate influence over officials. I'm not aware of any of that occurring in this case. But, in light of your questions, and in light of your questioning of our processes, I'm more than happy to look at our processes in more detail.

Answer —

See answer to Committee Question number 86.

Question on notice no. 85

Portfolio question number: 233

2018-19 Budget estimates

Rural and Regional Affairs and Transport Committee, Infrastructure, Regional Development and Cities Portfolio

Senator Barry O'Sullivan: asked the Department of Infrastructure, Regional Development and Cities on 21 May 2018—

CHAIR: No, we're going to get to that. I'm sorry, Dr Kennedy, but we need to unpack this. It's been built with elements. I need to unpack them, one element at a time. So, the burden of my question is: based on everything you've heard and asserted here this evening on this subject matter, is there anything that disturbs you or would have enlivened your department to do something different in relation to the appointment of this individual to the local area committee?

Ms Taylor: Not in my view. If you have a look at Professor Twomey's qualifications, he was, as you said, chairman of Advance Cairns, obviously very prominent in the local region, with a good understanding of the local economics. So, on its face, he would seem to be a reasonably good choice for chairing a local planning committee of that nature.

CHAIR: Sure. So, if you were looking on the papers-the recommendations that were made with respect to the categories by this Advance committee-do those categories look reasonably generic? Would you find duplication in that, with these committees in other places? Would they have recommended defence and health and sport, or something?

Dr Kennedy: They are a wide-ranging set of categories that appear regularly in all of the panels.

CHAIR: Sure. So far, nothing would have triggered, even with all of the knowledge that you've been provided with tonight. Nothing so far has triggered.

Dr Kennedy: That's right.

CHAIR: Mr Twomey and six or seven others-we have to put them all in the one boat here-have signed off on this area plan and it goes in the mail. We've heard no assertion, but do you believe that it would be-I'll get you to take it on notice. Is there any prospect that Mr Twomey would have had any dealings with the grants committee? Was there any mechanism there, pathways, obligations or opportunities?

Ms Taylor: Not to our knowledge.

Dr Kennedy: None that we're aware of.

Answer —

The Department is not aware of Mr Twomey having any dealings with the Ministerial Panel or the assessment team in the AusIndustry Business Grants Hub.

Question on notice no. 86

Portfolio question number: 234

2018-19 Budget estimates

Rural and Regional Affairs and Transport Committee, Infrastructure, Regional Development and Cities Portfolio

Senator Barry O'Sullivan: asked the Department of Infrastructure, Regional Development and Cities on 21 May 2018—

CHAIR: Let me bundle all this together. We've done a lot of talking. We've provided a lot of documents. You be as adventurous as you like in your answer on this. Can you think of one thing, one sheet, one paragraph, one line, one assertion, one allegation, one exchange here, that would cause you to say Mr Twomey had a conflict of interest and he should have declared it? If so, what is that perceived conflict of interest? The vibe I pick up is it can only be that somewhere he, with seven other people around the table who know exactly what his business interests are in the community, had collectively agreed to put health in with Defence and tourism and half a dozen other things. You can be as adventurous as you like. Would you say to Mr Twomey, 'I think you probably have a little conflict here and you should have dealt with it'? Anything-the whole expansion of what we've heard here tonight. Let's go one at a time. I'll start with you, Ms Wieland. Can you think of anything that you would tell Mr Twomey to do differently because he may have had a little conflict?

Senator WATT: Or the applicant, for funding.

CHAIR: We can go there next, if you want. We can work through every resident of Cairns until we get there. This focus has been on-

Senator WATT: I'll just stick with Mr Twomey and his wife.

CHAIR: With respect, I didn't interrupt you. Ms Wieland, do you have any advice for Mr Twomey?

Ms Wieland: You're getting to the heart of what it is that you ask people to declare in a conflict-of-interest form. Essentially, if you wanted to be totally transparent, you would want them to list any relationships with any government members.

CHAIR: Well, okay; all right. Well, he-

Ms Wieland: That's what we're talking about.

CHAIR: If he tried to conceal that, given that he was Warren Entsch's campaign director, he hasn't done a good job. But on the circumstance that you have-

Dr Kennedy: Perhaps if-

CHAIR: No, sorry, Dr Kennedy-and I don't mean to interrupt you-I'm going for a trifecta here, if I can. I'm asking Ms Wieland whether she has any advice for Professor Twomey-her conflicts.

Ms Wieland: I can't give advice-

CHAIR: On the evidence you've got in front of you-nothing; all right. Ms Taylor, do you have any advice for Professor Twomey?

Ms Taylor: On the basis that the job of the committee was to identify broad areas of priority for the Far North Queensland region-and that's quite a significant region-if it were the case perhaps that the committee was required to identify particular projects then clearly he should have declared a conflict of interest in relation to his business

interests. But because basically the job they were asked to do is identify broad sectoral priorities, I think it's reasonable that Mr Twomey didn't actually identify his particular business interests in that process.

Senator WATT: Wow.

CHAIR: Good. And he's not on his own either, of course. He and six others are at the table. Do you have any advice for him, Ms Taylor, about what he may have done differently in form of a conflict? It's a genuine question. This is an important issue. We've got a man's reputation here, again, on full display, national display-a live broadcast. I want to be sure that we're all on the same page.

Dr Kennedy: We have to take it on notice, because we don't have the precise details of what was in the-is that correct?

Answer —

Mr Twomey completed a declaration of personal interest form and declared no conflicts.

Mr Twomey had no role in receiving, assessing, recommending or approving specific applications or projects.

Question on notice no. 87

Portfolio question number: 235

2018-19 Budget estimates

Rural and Regional Affairs and Transport Committee, Infrastructure, Regional Development and Cities Portfolio

Senator Murray Watt: asked the Department of Infrastructure, Regional Development and Cities on 21 May 2018—

Senator WATT: Why is it then, according to The Cairns Post of 4 May, that Australia's Auditor-General has detailed plans to order an independent investigation into the entire Regional Jobs and Investment Packages program rolled out across 10 pilot regions from Far North Queensland to Tasmania?

Dr Kennedy: It's entirely appropriate for the ANAO to work through and audit all of our programs, which it does.

Senator WATT: According to this article, the Auditor-General has told how his decision to audit the entire program follows concerns about a potential conflict of interest and shortfalls in a project awarded \$2.4 million-this project. It doesn't seem to be a general audit.

Dr Kennedy: We can't comment on a Cairns Post article. What we can say is that, should the Auditor-General and the ANAO choose to audit the program, I regard that as entirely appropriate and reasonable. As it should, it works through all of the programs in the department. If it has chosen to audit that program-I don't know the basis upon which it has chosen to do that-that's entirely appropriate.

Senator WATT: Has the Auditor-General had any communication with you about this audit?

Ms Taylor: All we know is that this program is on the work program for the next financial year. We've known that for some time. I can't comment on what factors were taken into account by the Auditor-General, other than I do know that it's quite common for the ANAO to audit our programs.

Senator WATT: But, aside from this ordinary process of reviews by the Auditor-General, they haven't made any contact with you about an audit of this program?

Ms Wieland: In terms of the audit of the broader program, not in relation to this particular grant, no. The department has been made aware of the broader communication about auditing the RJIP program. It's also on the ANAO's website.

Senator WATT: How long ago did that happen-that you were told?

Ms Wieland: As part of their consultation on their work program for the upcoming year.

Dr Kennedy: I think the senator is seeking the timing on when that consultation-

Ms Taylor: We can take that on notice. I know we were consulted some time ago on a draft work program from the ANAO, but I can't recall the exact date.

Answer —

The Department was provided with relevant extracts of the Australian National Audit Office draft annual work program 2018 on 19 April 2018 for consideration and comment.

Question on notice no. 96

Portfolio question number: 328

2018-19 Budget estimates

Rural and Regional Affairs and Transport Committee, Infrastructure, Regional Development and Cities Portfolio

Senator Glenn Sterle: asked the Department of Infrastructure, Regional Development and Cities on 21 May 2018—

Were all relevant MPs with electorates covered by the regions in the RJIP program invited to the announcement of the outcomes of the program? How were they contacted? Please provide a list of all MPs and Senators invited to the announcement of each package and the date the invitation was issued.

Answer —

This was not managed by the Department and is a matter for the Office of the Minister for Regional Development, Territories and Local Government.

The Hon. Warren Entsch MP

Federal Member for Leichhardt



Email: warren.entsch.mp@aph.gov.au **Web:** www.warrenentsch.com.au

30th August 2017

To whom it may concern,

Letter of Support | QRX Group 1 Pty Ltd

I write to express my support for QRX Group 1 Pty Ltd application under the Regional Jobs and Investment Package for a NQ Pharmaceutical Distribution and Manufacturing Centre.

The initiative would provide a state-of-the-art establishment for drug distribution, dose administration, sterile compounding and human resource management.

NQPDMC would be available to all community pharmacies to utilise and create a supply chain that will enable the creation of highly trained professionals and top class healthcare for the North.

To assist with closing the unemployment gap, construction phase would see 70 local contractors, 10 direct suppliers, and indirect suppliers to sub-contractors and will create approximately 20 ongoing positions once the centre is fully operational.

As the Federal Member for Leichhardt I always encourage new industries into the region, in particular those that will provide a significant amount of local jobs.

This will be a first of its kind in this area and I urge you to favourably consider the application.

Yours sincerely,

The Hon Warren Entsch MP
Federal Member for Leichhardt
ts.we

Question on notice no. 85

Portfolio question number: 85

2018-19 Supplementary budget estimates

Rural and Regional Affairs and Transport Committee, Infrastructure, Regional Development and Cities Portfolio

Senator Murray Watt: asked the Department of Infrastructure, Regional Development and Cities on 22 October 2018—

Senator WATT: Question on notice No. 80, what you answered there was that Mr Entsch wrote a letter to the then minister, Minister Nash, with names of potential members of the local planning committee and the decision about the appointments was made by the minister. What I don't think you answered there was whether Mr Twomey was one of the names that Mr Entsch put forward. Do you know the answer to that? Could you take that on notice?

Ms Zielke: I see what you mean. In relation to it, no, I don't have that information in front of me. But I see what you're getting at.

Senator WATT: But what we do know-ultimately Mr Twomey was appointed as the chair of the local planning committee, which helped identify sectors where grants could be approved. And what we know from the question on notice is that Mr Entsch supplied to the minister some possible names for appointment, which may or may not have included Mr Twomey, and that's what we'll clarify. And then question on notice No. 83: Mr Entsch wrote a letter of support for the QRX grant application—a grant that was being sought by a company that employed his son and that was owned by the wife and business partner of his campaign manager. Mr Entsch wrote that letter of support. Could I ask you to table a copy of that letter, please?

Senator McKenzie: I haven't seen that letter. I haven't seen the letter to Mr Nash, either. So, I'm very happy to take that on notice.

Senator WATT: Sure. Again, I'm just going from the answers that have already been given. So, if you could table a copy of that letter—

Senator McKenzie: I'll take that on notice.
Answer —

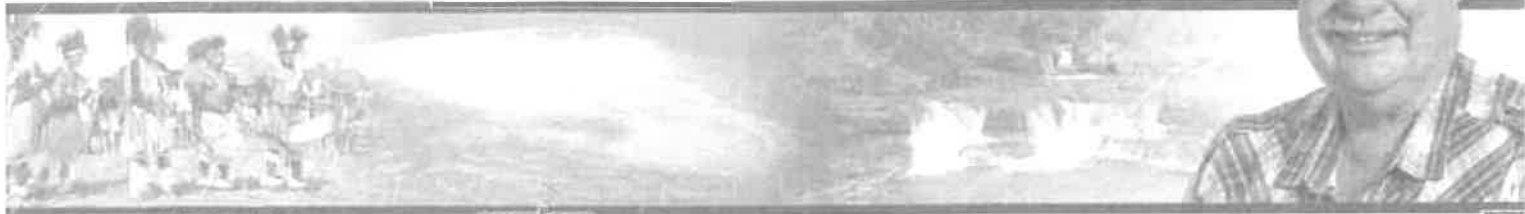
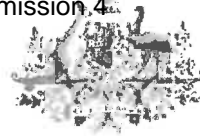
Mr Entsch nominated nine people, including Mr Twomey, to be on the Local Planning Committee.

Attachments

- Attachment A – Mr Entsch letter in support of QRX grant application.

The Hon. Warren Entsch MP

Federal Member for Leichhardt



Email: warren.entsch.mp@aph.gov.au **Web:** www.warrenentsch.com.au

30th August 2017

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This will be a first of its kind in this area and I urge you to favourably consider the application.

Yours sincerely,

The Hon Warren Entsch MP
Federal Member for Leichhardt
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Question on notice no. 72

Portfolio question number: 220

2018-19 Budget estimates

Rural and Regional Affairs and Transport Committee, Infrastructure, Regional Development and Cities Portfolio

Senator Malarndirri McCarthy: asked the Department of Infrastructure, Regional Development and Cities on 21 May 2018—

Senator McCARTHY: I was initially but I have moved to this. I will make that much clearer for you, because it has, obviously, caused a bit of confusion. The department wrote to all relevant MPs inviting them to nominate members of the panel for this program. Did all MPs respond?

Ms Taylor: I will have to take that on notice. I have to admit that was some time ago. My notes don't have the detail. I do know that those local planning committees were established and their role was basically to do, if you like, a local investment plan to identify priorities for the regions. Once that was done, effectively competitive grant programs were done for those regions, which were assessed against the priorities in the plan. But, I must confess, I don't have before me the process that was undertaken to set-up those committees.

Senator McCARTHY: You will provide that on notice?

Ms Taylor: Can do.

Senator McCARTHY: Could you provide a list of the nominees from each MP for each RJIP?

Ms Wieland: I will look into that for you. I'm not sure whether that information is available.

Senator McCARTHY: Who made the decision about which nominees from MPs to accept and which to reject?

Ms Taylor: I think that would have been made by the minister but I will confirm that for you.

Senator McCARTHY: Thank you very much.

Answer —

The then Minister for Regional Development, Senator Fiona Nash, wrote to relevant Members of Parliament in each RJIP region seeking nominations for the membership of the Local Planning Committees.

The appointments of the Chair and members of the Local Planning Committee in each RJIP region were decisions made by the then Minister.

A list of the membership for each Local Planning Committee is available on the business.gov.au website.

Attachment A

Declaration of Personal Interests

Part A

Please answer the following questions by circling the reply that applies to your personal circumstances. If you answer "yes" to any question, please provide details in an attachment to this form. Please note that answering "yes" to any question does not necessarily preclude you from being appointed. Your response will be treated as confidential and will only be used for purposes connected with this proposed appointment.

1. Do you have any disclosable criminal convictions, i.e. convictions as an adult that form part of your criminal history other than those protected by the Spent Convictions Scheme (see Part VIIC of the <i>Crimes Act 1914</i>)?	Yes/No
2. Are you, or have you been, the respondent or defendant in any civil or criminal court action (including as a company director or other office holder)?	Yes/No
3. (a) Have you ever been declared bankrupt, entered into a debt agreement under Part IX of the <i>Bankruptcy Act 1996</i> (the Bankruptcy Act) or entered into a personal insolvency agreement under Part X of the Bankruptcy Act? (b) If you are in a partnership, have any of your partners ever been declared bankrupt, entered into a debt agreement under Part IX of the Bankruptcy Act or entered into a personal insolvency agreement under Part X of the Bankruptcy Act?	Yes/No Yes/No or N/A
4. Has any business or commercial enterprise for which you, or if applicable your partner(s), have had responsibility ever gone into receivership or a similar scheme or arrangement?	Yes/No
5. During the last 10 years have you, or if applicable your partner(s), been the subject of a court order in connection with monies owing to another party?	Yes/No
6. Have you ever been summonsed or charged concerning non-payment of tax or outstanding tax debts, investigated for tax evasion or defaults, or negotiated with the Australian Taxation Office over outstanding tax debts?	Yes/No
7. Have you ever been the subject of a complaint to a professional body which has been substantiated, or is currently under investigation?	Yes/No
8. Have you ever been dismissed from employment because of a discipline or misconduct issue?	Yes/No
9. Are you a lobbyist registered on the Australian Government's Lobbyists Register or the register of a state or territory?	Yes/No
10. Is there any other information which could be relevant to your suitability for the proposed appointment?	Yes/No

Part B

The types of interests and relationships which may need to be disclosed include real estate investments, shareholdings, trusts or nominee companies, company directorships or partnerships, other significant sources of income, significant liabilities, gifts, private business, employment, voluntary, social or personal relationships that could or could be seen to impact upon official responsibilities.

Please complete:

- ☐ To the best of my knowledge and belief, no conflict exists which may hinder or prevent me from acting fairly and impartially on the Local Planning Committee for Cairns in accordance with the Local Planning Committee Terms of Reference.

OR

- ☐ I advise that the following pecuniary and other interests or relationships of myself and / or my immediate family members and close associates may give rise to a conflict of interest or to the perception of a conflict of interest:
- ☐ Where I have advised that a pecuniary and other interest/relationship of a member of my family or close associate conflicts with or may conflict with my duties on the Local Planning Committee for Cairns in accordance with the Local Planning Committee Terms of Reference, I have advised them of the disclosure (and where appropriate they have completed a Declaration of Consent – attached).
- ☐ I advise that I hold the following directorships or that I am engaged in the following employment/arrangement which may give rise to a conflict of interest or to the perception of a conflict of interest:
- ☐ I also confirm that where I am assigned a task that could give rise to a conflict or to the perception of a conflict of interest, I will promptly update this declaration.
- ☐ I have read and understood the Department of Infrastructure and Regional Development's Australian Privacy Principle (APP) 5 notice (at the bottom of the next page) providing advice on the purpose of collection of this information and how it will be used.

Signature and date

Name (please print)

Position

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates 2018 - 2019

Infrastructure, Regional Development and Cities

**Declaration of consent by immediate family member
to the disclosure of personal financial and other interests**

This declaration is to be completed by immediate family member(s) or close associates(s) should circumstances arise in which the declarant considers that the personal financial and other interests of the family member(s) or close associate(s) could or could be seen to influence the decisions they are taking or the advice they are giving as a member on the Local Planning Committee for Cairns in accordance with the Local Planning Committee Terms of Reference.

Name: _____

Name of related declarant: _____

Relationship to declarant: _____

I am aware that my information has been collected for the purpose of identifying personal and other interests that could or could be seen to influence the decisions made or actions to be taken by the declarant covered by this declaration. I have read and understood the Australian Privacy Principle (APP) 5 notice at the bottom of this page advising the purpose of collection of this information and how it will be used.

I consent to the collection of my personal information by the Department of Infrastructure and Regional Development.

Signature and date

Name (please print)

Privacy Notice (APP5)

The Department of Infrastructure and Regional Development is collecting information for the purposes of compliance with Conflict of Interest policies.

The Department will use this information to record your declaration of any personal and other interests that could or could be seen to influence decisions made by the declarant covered by this declaration or advice they are providing. This information is not routinely provided to parties external to the Department. If you do not provide a Conflict of Interest declaration for any personal or other interests, the declarant covered by this declaration will be responsible for any consequences arising if a conflict of interest is later identified.

The Department's online privacy policy contains information regarding complaint handling processes and can be accessed on the Department's webpage at www.infrastructure.gov.au/department/about/privacy-policy.aspx. The Department's Privacy Officer can be contacted on (02) 6274 6495.

Question on notice no. 78

Portfolio question number: 226

2018-19 Budget estimates

Rural and Regional Affairs and Transport Committee, Infrastructure, Regional Development and Cities Portfolio

Senator Murray Watt: asked the Department of Infrastructure, Regional Development and Cities on 21 May 2018—

Ms Taylor: Let me clarify—the members of the local planning committee were asked to declare conflicts and did.

Senator WATT: At what point?

Ms Wieland: At the time that they were appointed.

Ms Taylor: Yes, at the appointment point. In terms of an applicant for a grant under the program, they were not required to submit any conflict of interest at that point because, of course, any applicant applying for money has a direct interest in the outcome of that application round.

Senator WATT: Was there any stage that grant recipients or applicants needed to disclose any conflicts of interest involving the assessment process or those who were making decisions about grants?

Ms Wieland: I'm not sure that there is a conflict of interest there. They're going to benefit from the grant and they're not the decision maker, so they're not conflicted in that regard; they're putting in an application.

Senator WATT: If there were a potential conflict involving those who were making decisions about the awarding of grants—

Ms Wieland: They would be the people that would declare that conflict.

CHAIR: They are bureaucrats in a government agency somewhere here in Canberra.

Ms Wieland: That's correct.

Senator WATT: I think what you were just talking about was that the members of the local committees who are not bureaucrats needed to disclose any conflicts as well.

Ms Taylor: That's right.

Ms Wieland: They did.

Senator WATT: What sorts of conflicts were they required to disclose? What kinds of conflicts would they have that needed to be disclosed?

Ms Wieland: It was a standard declaration of conflicts of interest. I'd have to take the details of that on notice. I don't have them in front of me.

Senator WATT: Could you take on notice to provide a copy of the form that they needed to fill out. I suppose I'm just trying to get at whether they were required to disclose a potential conflict of interest in relation to any applicants for grants.

Answer —

All funding decisions were made by the Australian Government following an independent assessment of applications by the AusIndustry Business Grants Hub.

The declaration of personal interests form provided to local planning committee members is at Attachment A.

Attachments

- Declaration of personal interests.

Attachment A

Declaration of Personal Interests

Part A

Please answer the following questions by circling the reply that applies to your personal circumstances. If you answer "yes" to any question, please provide details in an attachment to this form. Please note that answering "yes" to any question does not necessarily preclude you from being appointed. Your response will be treated as confidential and will only be used for purposes connected with this proposed appointment.

1. Do you have any disclosable criminal convictions, i.e. convictions as an adult that form part of your criminal history other than those protected by the Spent Convictions Scheme (see Part VIIC of the <i>Crimes Act 1914</i>)?	Yes/No
2. Are you, or have you been, the respondent or defendant in any civil or criminal court action (including as a company director or other office holder)?	Yes/No
3. (a) Have you ever been declared bankrupt, entered into a debt agreement under Part IX of the <i>Bankruptcy Act 1996</i> (the Bankruptcy Act) or entered into a personal insolvency agreement under Part X of the Bankruptcy Act? (b) If you are in a partnership, have any of your partners ever been declared bankrupt, entered into a debt agreement under Part IX of the Bankruptcy Act or entered into a personal insolvency agreement under Part X of the Bankruptcy Act?	Yes/No Yes/No or N/A
4. Has any business or commercial enterprise for which you, or if applicable your partner(s), have had responsibility ever gone into receivership or a similar scheme or arrangement?	Yes/No
5. During the last 10 years have you, or if applicable your partner(s), been the subject of a court order in connection with monies owing to another party?	Yes/No
6. Have you ever been summonsed or charged concerning non-payment of tax or outstanding tax debts, investigated for tax evasion or defaults, or negotiated with the Australian Taxation Office over outstanding tax debts?	Yes/No
7. Have you ever been the subject of a complaint to a professional body which has been substantiated, or is currently under investigation?	Yes/No
8. Have you ever been dismissed from employment because of a discipline or misconduct issue?	Yes/No
9. Are you a lobbyist registered on the Australian Government's Lobbyists Register or the register of a state or territory?	Yes/No
10. Is there any other information which could be relevant to your suitability for the proposed appointment?	Yes/No

Part B

The types of interests and relationships which may need to be disclosed include real estate investments, shareholdings, trusts or nominee companies, company directorships or partnerships, other significant sources of income, significant liabilities, gifts, private business, employment, voluntary, social or personal relationships that could or could be seen to impact upon official responsibilities.

Please complete:

- ☐ To the best of my knowledge and belief, no conflict exists which may hinder or prevent me from acting fairly and impartially on the Local Planning Committee for Cairns in accordance with the Local Planning Committee Terms of Reference.

OR

- ☐ I advise that the following pecuniary and other interests or relationships of myself and / or my immediate family members and close associates may give rise to a conflict of interest or to the perception of a conflict of interest:
- ☐ Where I have advised that a pecuniary and other interest/relationship of a member of my family or close associate conflicts with or may conflict with my duties on the Local Planning Committee for Cairns in accordance with the Local Planning Committee Terms of Reference, I have advised them of the disclosure (and where appropriate they have completed a Declaration of Consent – attached).
- ☐ I advise that I hold the following directorships or that I am engaged in the following employment/arrangement which may give rise to a conflict of interest or to the perception of a conflict of interest:
- ☐ I also confirm that where I am assigned a task that could give rise to a conflict or to the perception of a conflict of interest, I will promptly update this declaration.
- ☐ I have read and understood the Department of Infrastructure and Regional Development's Australian Privacy Principle (APP) 5 notice (at the bottom of the next page) providing advice on the purpose of collection of this information and how it will be used.

Signature and date

Name (please print)

Position

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates 2018 - 2019

Infrastructure, Regional Development and Cities

**Declaration of consent by immediate family member
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Name: _____

Name of related declarant: _____

Relationship to declarant: _____

I am aware that my information has been collected for the purpose of identifying personal and other interests that could or could be seen to influence the decisions made or actions to be taken by the declarant covered by this declaration. I have read and understood the Australian Privacy Principle (APP) 5 notice at the bottom of this page advising the purpose of collection of this information and how it will be used.

I consent to the collection of my personal information by the Department of Infrastructure and Regional Development.

Signature and date

Name (please print)

Privacy Notice (APP5)

The Department of Infrastructure and Regional Development is collecting information for the purposes of compliance with Conflict of Interest policies.

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The Department's online privacy policy contains information regarding complaint handling processes and can be accessed on the Department's webpage at www.infrastructure.gov.au/departments/about/privacy-policy.aspx. The Department's Privacy Officer can be contacted on (02) 6274 6495.

Question on notice no. 79

Portfolio question number: 227

2018-19 Budget estimates

Rural and Regional Affairs and Transport Committee, Infrastructure, Regional Development and Cities Portfolio

Senator Murray Watt: asked the Department of Infrastructure, Regional Development and Cities on 21 May 2018—

Senator WATT: You've taken on notice both my question and Senator McCarthy's questions about the process for the selection of chairs and members of the different committees. Turning to the Tropical North Queensland local committee, which was effectively based around the electorate of Leichhardt, did the department suggest the names of the members and chair of that particular local committee?

Ms Wieland: Sorry, could you repeat the question?

Senator WATT: I'll give you the heads-up when you need to refer to something, if that makes it easier for you.

Ms Taylor: I think as we've indicated, we both were not involved in the program at the time. I think I indicated earlier that it would be commonplace for the department to recommend in the first instance people that could be on a committee. But in that instance the minister made the appointment. I haven't got anything further I can add at the moment. I can take it on notice.

Senator WATT: But, in short, you don't know yourself whether the department suggested the names of either the chair or the members of this particular committee.

Ms Taylor: No.

Senator WATT: You'll take that on notice?

Ms Taylor: Yes.

Senator WATT: Do you know whether the local member—the member for Leichhardt—made any suggestions or was consulted about the membership of this committee?

Ms Wieland: That would be a matter for the minister at the time. I'm not aware. We'll take it on notice.

Senator WATT: You don't know and you'll take that on notice. The first document I've given to you there is a press release from the member for Leichhardt, Mr Entsch, dated 19 January 2017. This was prior to the appointment of the chair and members. You'll notice that down the bottom of the first page he says, 'I've been working with the Minister for Regional Development, Senator Fiona Nash, over the past couple of months and have recommended a number of local people who could contribute a wealth of local knowledge to the panel.' I suppose that makes me think that the local member has been involved in at least suggesting members, if not appointing them. But you'll take that on notice as to whether that occurred.

Dr Kennedy: We'll take on notice exactly our role in that process.

Answer —

The appointments of the Chair and members of the Local Planning Committee in each RJIP region were decisions made by the then Minister.

Question on notice no. 80

Portfolio question number: 228

2018-19 Budget estimates

Rural and Regional Affairs and Transport Committee, Infrastructure, Regional Development and Cities Portfolio

Senator Murray Watt: asked the Department of Infrastructure, Regional Development and Cities on 21 May 2018—

Senator WATT: Do you know whether the department suggested that Mr Trent Twomey be appointed as a member or the chair of the Tropical North Queensland committee?

Ms Taylor: No. We will take that on notice

Senator WATT: Do you know whether Mr Entsch, the member for Leichhardt, suggested that Mr Trent Twomey be appointed as a member or chair?

Ms Taylor: No.

Senator WATT: You don't know?

Ms Taylor: I don't know.

Dr Kennedy: We'll work that out.

Senator WATT: Take that on notice. Because you'll see that the next document, which is a press release from Minister Nash, who was the minister at the time, dated 30 January 2017, notes that Mr Trent Twomey has been appointed as the chair of the committee. Then it goes on to mention the names of the other members. Was the department aware at the time Mr Twomey was appointed as the chair of this committee that he had been the campaign manager for the member for Leichhardt, Mr Entsch?

Ms Wieland: I would have to take that on notice. Obviously when I came into this job I saw the media that was available at the time. That was the first time I became aware of it.

Senator WATT: You will see there that I have an article dated 22 March from the Cairns Post. You're saying that was the first time you became aware that Mr Twomey, who was the chair of the local committee, had been Mr Entsch's campaign manager.

Ms Taylor: Neither Ms Wieland nor I were actually in these roles at the time. We have seen the articles as they appeared in the press.

Dr Kennedy: But I do think it is appropriate for us to take on notice to ask whether the department was aware, and to examine our own correspondence.

Senator WATT: It would be helpful. I don't know whether there is anyone back at the office watching in who would know—who had some personal involvement—but it would be helpful if we could get some answers on some of those things even this evening, if that's possible.

Dr Kennedy: We will try, but it will involve us digging through correspondence.

Answer —

1. The Hon Warren Entsch MP wrote to the then Minister, Senator the Hon Fiona Nash with the names of possible members of the Tropical North Queensland Local Planning Committee. The final decision on membership was made by the then Minister.

2. The Department was not aware that Mr Twomey had been Mr Entsch's campaign manager.

Question on notice no. 81

Portfolio question number: 229

2018-19 Budget estimates

Rural and Regional Affairs and Transport Committee, Infrastructure, Regional Development and Cities Portfolio

Senator Murray Watt: asked the Department of Infrastructure, Regional Development and Cities on 21 May 2018—

Senator WATT: ... Is the department aware that Mr Twomey, in addition to being the chair of the local committee, has extensive business interests in pharmacies in North Queensland? I've got a copy of Mr Twomey's bio, which says that he and his wife are both pharmacists and, together, they are partners in a group of seven pharmacies. Was the department aware of that before now?

Ms Wieland: Again, we'll have to take that on notice.

Answer —

Yes.

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 ON NOTICE

Infrastructure, Transport, Regional Development and Communications

Questions submitted by Mr Julian Hill MP (Deputy Chair)

Question Number: 6

Topic: Departmental Advice on Conflicts of Interest

(Hansard page 28)

Mr HILL: With regard to your submissions—not just to prove that I read them, but I did!—on the conflict-of-interest issues, the department of infrastructure refer to advice and procedures for managing conflicts as being improved in program guidance material. Could you provide a copy of that advice to the committee?

Dr Bacon: Do you need a copy of the program guidance material?

Mr HILL: In relation to conflict-of-interest advice and procedures.

Dr Bacon: We can absolutely provide that. Ms Wieland, if it's helpful for the committee, could also talk a bit about some of the improvements we've made in relation to conflicts of interest since the insights that we—

Mr HILL: Could you provide a copy of the advice in relation to conflict-of-interest guidance that is given to decision-makers—that is, ministers?

Ms Wieland: I'm sure we can provide that, because it's straight out of the Commonwealth Grant Rules and Guidelines.

Answer:

The Department has made improvements to managing conflict of interest across its regional programs. For example, under Building Better Regions Fund (BBRF) Round Four, improvements were made to guidance material for applicants (Attachment A), and application forms (Attachment B):

- Attachment A: Extract from Program Guidelines – Building Better Regions Fund Round Four
- Attachment B: Application Form – Building Better Regions Fund Round Four

The AusIndustry Business Grants Hub has advised it has improved its conflict of interest procedures in the following ways:

- Staff working on the RJIP program were covered through departmental policy which requires an annual disclosure each year and specific disclosure as matters arise
- From December 2017 the Hub requires employees and contractors to formally acknowledge they understand their conflict of interest obligations at the launch of each program
 - This is in addition to the requirements of the departmental policy
- Contractors are also required to undertake mandatory training on conflict of interest processes.

A copy of the advice provided to the BBRF Ministerial Panel members on their obligations, including for managing conflicts of interest, is at Attachment C:

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 ON NOTICE

Infrastructure, Transport, Regional Development and Communications

- **Attachment C**: PGPA Act and CGRGs Obligations on Ministers

Extract from the Building Better Regions Fund Round 4 Guidelines

13.1. Conflicts of interest

Any conflicts of interest could affect the performance of the grant opportunity or program. There may be a conflict of interest, or perceived conflict of interest, if our staff, any member of a committee or advisor and/or you or any of your personnel:

- has a professional, commercial or personal relationship with a party who is able to influence the application selection process, such as an Australian Government officer
- has a relationship with or interest in, an organisation, which is likely to interfere with or restrict the applicants from carrying out the proposed activities fairly and independently or
- has a relationship with, or interest in, an organisation from which they will receive personal gain because the organisation receives a grant under the grant program/ grant opportunity.

As part of your application, we will ask you to declare any perceived or existing conflicts of interests or confirm that, to the best of your knowledge, there is no conflict of interest.

If you later identify an actual, apparent, or perceived conflict of interest, you must inform us in writing immediately.

Conflicts of interest for Australian Government staff are handled as set out in the Australian Public Service Code of Conduct (Section 13(7)) of the Public Service Act 1999 (Cth). Committee members and other officials including the decision maker must also declare any conflicts of interest.

We publish our conflict of interest policy on the department's website.

Application BBRFIIV000161

Application Summary

Application ID

BBRFIIV000161

Application Title

BBRFIIV - DEPARTMENT OF INDUSTRY INNOVATION AND SCIENCE

Program Name

BBRF Infrastructure Projects Stream Round 4

Organisation

DEPARTMENT OF INDUSTRY INNOVATION AND SCIENCE

Research Organisation

Not Specified

Submitted Date

13/11/2019

Program selection

Are you a trustee on behalf of a trust?

No

Entity Details

Australian Business Number (ABN)

74599608295

Legal name

DEPARTMENT OF INDUSTRY INNOVATION AND SCIENCE

Date of registration of ABN

2/12/2007

GST Registered

Yes

Are you a charity registered with the Australian Charities and Not-for-profits Commission (ACNC)?

No

Are you a not-for-profit?

No

Australian and New Zealand Standard Industrial Classification (ANZSIC) Details

ANZSIC Division

O - Public Administration and Safety

ANZSIC Class

7510 - Central Government Administration

Program Selection

Program

BBRF Infrastructure Projects Stream Round 4

Program Element

BBRF Infrastructure Projects Stream Round 4

Eligibility

Are you one of the following eligible incorporated entities?

- an incorporated not for profit organisation
- an Australian local government agency or body as defined in the glossary of the grant opportunity guidelines
- non-distributing co-operatives.

Yes

Is your project taking place in a drought-affected location in Australia as outlined in section 2.1.2 of the grant opportunity guidelines?

Later in this form you will be required to provide evidence to support your claim that your project will take place in a drought-affected location. This evidence could include:

- projects located in a local government area that is eligible for the Australian Government's Drought Communities Programme - Extension
- projects located in a locality drought-declared by the relevant state or territory government
- official Bureau of Meteorology rainfall data indicating an extended period without or significant decline in rainfall
- demonstrated impact of economic and/or employment decline as a result of drought.

Your application will be ineligible if:

- a. your project is not located in a drought-affected location; and
- b. if you do not provide satisfactory evidence to support your claim.

Yes

Is your project in an eligible location?

Please use the [mapping tool](#) to determine the eligibility of your project location. Information from the mapping tool will be required throughout your application. We advise you to keep the mapping tool open.

Excluded areas are the Urban Centre and Locality (UCL) cities over 1 million people for Sydney, Melbourne, Brisbane, Perth and Adelaide as defined by the Australian Bureau of Statistics' Australian Statistical Geography Standard. For the city of Canberra, the excluded area is only the part of the Canberra-Queanbeyan Significant Urban Area that is located within the Australian Capital Territory.

Yes

Is your project located in an excluded area and significant benefits and employment outcomes will flow directly into an eligible area?

Not applicable

Can you provide evidence of how you will provide your share of project costs if applicable?

If you will be making a cash contribution to the project you must use the Accountant Declaration form available on [business.gov.au](#) and [GrantConnect](#).

If your project will receive cash contributions from other sources you must provide formal documentation confirming the cash contributions from those sources (e.g. State government) such as a commercial finance agreement or letter of offer with your application.

Yes

Can you confirm that you have the authority of the land or infrastructure project owner to undertake the project at the nominated site(s)?

You are required to provide a letter from the land or infrastructure project owner using the letter template provided on [business.gov.au](#).

Yes

Does your project include the construction, upgrade or extension of infrastructure that provides economic and social benefits to regional and remote areas?

Yes

Select the eligible activities that your project will include.

the construction of new infrastructure

Has construction started at the time of application?

No

Is your project classified as remote or very remote?

Your project location (latitude and longitude) determines your remoteness classification. We base the criteria for the remoteness classification on the Australian Bureau of Statistics' Remoteness Structure under the Australian Statistical Geography Standard. A [mapping tool](#) is available on [business.gov.au](#) to assist you in determining the location of your project. See section 5.2.1 of the grant opportunity guidelines for more information.

No

Will you be applying for an exceptional circumstances exemption from a cash contribution?

See section 4.2.1 of the grant opportunity guidelines for more information.

No

Applicant address

Business Street Address

13/11/2019

100 Abbett St
SCARBOROUGH WA 6019
Australia

Attachment B

Business Postal Address

100 Abbett St
SCARBOROUGH WA 6019
Australia

Applicant financials

Latest Financial Year Figures

Has the applicant existed for a complete financial year?

Yes

What was the latest complete financial year?

2018/19

Recent Trading Performance

Sales Revenue (Turnover)

\$12

Export Revenue

\$12

R&D Expenditure

\$12

Taxable Income

\$12

Number of employees (headcount)

12

Number of independent contractors (headcount)

12

Project information

Project title and description

Provide a project title.

-

Provide a brief project description for publication.

Ensure your project description focuses on your project's key activities and outcomes. Explain what it is you are going to do and how it will benefit your organisation.

-

Detailed project description and key activities

Provide a detailed description of your project including the project scope and key activities.

-

Risk management

Risk title

Risk 1

Risk

-

Likelihood

Rare

Consequence

Substantial

Risk management strategy

-

Risk title

Risk 2

Risk

-

Likelihood

Unlikely

Consequence

Insignificant

Risk management strategy

-

Risk title

Risk 3

Risk

-

Likelihood

Unlikely

Consequence

Insignificant

Risk management strategy

-

Maintaining project benefits

At the completion of the project, how will the outputs of the project be maintained in original condition for the period outlined in section 12.8 of the grant opportunity guidelines? You should outline the operational needs of the project into the future and a strategy to maintain the viability of the completed project.

-

Project outcomes

Project outputs

Summarise the individual items that will be delivered on completion of the project *

e.g.

- 25 new runway lights, 750m extension to runway, terminal extension to accommodate 20 additional retail outlets.
- construction of a two story multipurpose hall (include dimensions), incorporating two meeting rooms to seat up to 20 people, a reception/office space, public toilet facilities (include number of toilets), 10x5m stage and hall to seat 200 people, and café (include dimensions).

-

Project management

Describe how the project will be managed from commencement to completion.

Include the following information:

- confirmation of required approvals, are they in place or being sought?
- how will goods and services be procured?
- how you ensure the project is delivered on time, on budget and to the required standards, e.g. who will manage the project and what governance arrangements are in place?

-

Employment numbers

What is the total expected additional direct full time equivalent employment (employees and independent contractors) generated during the project period?

1

How many of these employees do you anticipate will be Indigenous?

1

What is the total expected additional indirect full time equivalent employment (employees and independent contractors) generated during the project period?

1

How many of these employees do you anticipate will be Indigenous?

1

What is the total expected additional direct full time equivalent employment (employees and independent contractors) generated following the project period?

1

How many of these employees do you anticipate will be Indigenous?

1

What is the total expected additional indirect full time equivalent employment (employees and independent contractors) generated following the project period?

1

How many of these employees do you anticipate will be Indigenous?

1

Project duration

Estimated project start date

06/06/2020

Estimated project end date

30/06/2021

Estimated project length (in months)

13

Project milestones

Milestone title

Milestone 1

Description

-

Estimated start date

30/06/2020

Estimated end date

30/06/2021

Project location

Project Site 1

Is the address located in Australia?

Yes

300 Farringdon Rd
BOMBAY NSW 2622
Australia

Estimated % of project value expected to be undertaken at site

100

Project geolocation

Project site name

Site 1

Project site address latitude

A [mapping tool](#) is available on [business.gov.au](#) to assist you in determining the location of your project.
The latitude must be expressed in numeric format.

For example, the latitude of Alice Springs is -23.6980, equal to 23 degrees, 41 minutes, 51 seconds South.
Valid latitude ranges are -9.000000 to -44.000000
-23.6980

Project site address longitude

A [mapping tool](#) is available on [business.gov.au](#) to assist you in determining the location of your project.

The longitude must be in numeric format.

For example, Alice Springs is 133.8807, equal to 133 degrees, 53 minutes and 1 second East.

Valid values are 112.000000 to 154.000000

133.8807

Project site address remoteness classification

The criteria for the remoteness classification is based on the Australian Bureau of Statistics' Remoteness Structure under the Australian Statistical Geography Standard. It is very important that you specify the correct remoteness classification. An error may cause your contribution to be inadequate and your application to be considered ineligible. If your project includes multiple site locations and there is a mix of regional and remote classifications we will consider your entire project location as remote for the purposes of the contribution requirement.

[Click here](#) to access the mapping tool that will help you determine the remoteness classification of your project location.

Remote

Drought affected location

Provide evidence to support your claim that your project is taking place in a drought-affected location in Australia as outlined in the grant opportunity guidelines.

This evidence could include:

- projects located in a local government area that is eligible for the Australian Government's Drought Communities Programme - Extension
- projects located in a locality drought-declared by the relevant state or territory government
- official Bureau of Meteorology rainfall data indicating an extended period without or decline in rainfall
- demonstrated impact of economic and/or employment decline as a result of drought.

You can attach further evidence to support these claims later in the application.

-

Project budget

Project budget summary

Head of Expenditure	Cost Type	Financial Year	Costs
Project expenditure			\$160,000
	Materials for construction		\$40,000
		2019/20	\$20,000
		2020/21	\$20,000
		2021/22	\$0
		2022/23	\$0
		2023/24	\$0
		2024/25	\$0
	Hired/leased plant expenditure		\$10,000
		2019/20	\$10,000
		2020/21	\$0
		2021/22	\$0

Head of Expenditure	Cost Type	Attachment B	
		Financial Year	Costs
		2022/23	\$0
		2023/24	\$0
		2024/25	\$0
	Contract expenditure		\$60,000
		2019/20	\$60,000
		2020/21	\$0
		2021/22	\$0
		2022/23	\$0
		2023/24	\$0
		2024/25	\$0
	External labour hire and external consulting expenditure		\$40,000
		2019/20	\$40,000
		2020/21	\$0
		2021/22	\$0
		2022/23	\$0
		2023/24	\$0
		2024/25	\$0
	Other eligible expenditure		\$10,000
		2019/20	\$10,000
		2020/21	\$0
		2021/22	\$0
		2022/23	\$0
		2023/24	\$0
		2024/25	\$0
Total Project Costs (\$AUD and GST exclusive)			\$160,000

Financial Year	Costs
2019/20	\$140,000
2020/21	\$20,000
2021/22	\$0
2022/23	\$0

Financial Year	Attachment B Costs
2023/24	\$0
2024/25	\$0
Total Project Costs (\$AUD and GST exclusive)	\$160,000

Total Commonwealth Funding Sought (\$AUD and GST exclusive)

\$80,000

Exceptional circumstances

Are you applying for an exceptional circumstances exemption to allow you to seek up to 100% grant funding for the Total Eligible Project Cost of your project?

Exceptional circumstances may include:

- drought and/or disaster declaration
- limited financial capacity of the local council
- impact of industry decline
- significant recent change in population or community demographics
- other exceptional circumstances.

Before you consider seeking an exemption, note:

- we will only grant exemptions in very limited circumstances
- if the evidence provided does not include how the exceptional circumstance is preventing you from meeting your cash contribution requirement, or is deemed insufficient, your application will be deemed ineligible and there will be no opportunity to resubmit your application in the same funding round
- we assess all applications, including those granted an exemption, against each of the assessment criteria.

No

Source of funding

Your contribution

Name of contributor

Department of Industry

Details of contribution

Contribution Type	Amount	Due Date	Description
Cash	\$80,000	30/06/2020	Cash
Total	\$80,000		

Other non-government contribution

Details of contribution

Contribution Type	Amount	Due Date	Description
Cash	\$0		
Total	\$0		

Other non-Commonwealth government grants

Details of contribution

Contribution Type	Amount	Due Date	Description
Cash	\$0		
Total	\$0		

Other Commonwealth Government grants**Details of contribution**

Contribution Type	Amount	Due Date	Description
Cash	\$0		
Total	\$0		

Assessment criteria**Assessment criterion 1****Economic benefits of your project for the region (Score out of 15)**

You should demonstrate this by identifying:

- the extent to which your project meets the needs of the regional community
- the broader economic benefits that your project will deliver for the region and community during and beyond the term of funding.

Economic benefits for a region may cover increases in economic activity, improvements in productivity, wider access to markets or fairer and more equitable economic outcomes.

Examples of how your project could demonstrate economic benefits may include:

- increasing the number or value of jobs, new businesses or the production of goods and services in the region (this includes direct and indirect opportunities created through the project)
- providing opportunities for growth in existing sectors, e.g. tourism, agriculture, manufacturing
- the use of local suppliers and goods
- increasing efficiency of the transport system or service delivery
- increasing Indigenous economic participation, including Indigenous employment and supplier-use outcomes.

In the Project information tab of your application, you must include the total employment numbers you expect to create during and following your project. You will need to identify how many of these employees will be Indigenous. You must substantiate any employment numbers with evidence.

If you have previously stated that your project is in an excluded area but economic benefits will flow directly to an eligible area, you must demonstrate this in your response to this criterion.

-

Evidence to support claims

You must provide documentation to support your application.

BBRF Attachment.docx

Assessment criterion 2**Social benefits of your project for the region (Score out of 15)**

You should demonstrate this by identifying:

- the extent to which your project meets the needs of the regional community
- the broader social benefits that your project will deliver for the region and community during and beyond the term of funding.

Social benefits for a region may cover increases in regional amenity, improving community connections and inclusion and providing opportunities for learning and knowledge creation.

Examples of how your project could demonstrate social benefits may include:

- making a region a more attractive place to live

- the degree to which the project fills a 'gap' within the community
- improving community connections and social inclusion
- supporting or protecting local heritage and culture
- increasing community volunteering
- addresses disadvantage within the community.

Evidence to support claims

You must provide documentation to support your application.

BBRF Attachment.docx

Assessment criterion 3

Capacity, capability and resources to deliver the project (*Score out of 5*)

You should demonstrate this by identifying:

- a. your track record managing similar projects and access to personnel and/or partners with the right skills and experience
- b. your readiness to commence the project, including your access to any required resources such as infrastructure, capital equipment or technology. You should describe the steps you have taken to allow construction to commence in the immediate future including the status of:
 - required regulatory and/or development approvals
 - project designs and costings
 - authority from the land or infrastructure project owner to undertake the project at the nominated site
 - funding contributions from all sources
- c. sound project planning to manage and monitor the project, which addresses scope, implementation methodology, timeframes, budget and risk
- d. how you will operate and maintain the infrastructure and benefits of the project into the future.

If your project is still in the planning or concept stage, it is not likely to be competitive.

-

Evidence to support claims

You must provide documentation to support your application.

BBRF Attachment.docx

Assessment criterion 4

Impact of funding on your project (*Score out of 5*)

You should demonstrate this by identifying:

- a. your plan for engagement and collaboration to ensure community support for your project. In your response you can describe:
 - the total investment the grant will leverage including additional cash and in-kind contributions
 - the extent that your project increases investment and builds partnerships in your region.
- b. the likelihood the project would proceed without the grant. If not, why not? Explain how the grant will impact the project in terms of size, timing and reach
- c. if you have already received Commonwealth funding for this project or a similar project, explain why you need additional funding

-

Evidence to support claims

You must provide documentation to support your application.

BBRF Attachment.docx

Application finalisation

Conflict of interest

Do you have any perceived or existing conflicts of interest to declare?

Refer to the grant opportunity guidelines for further information on your conflict of interest responsibilities.

No

Program feedback

How did you hear about the program?

Additional information

Accountant Declaration (if applicable)

An Accountant Declaration that confirms you can fund your share of the project costs. You must use the Accountant Declaration form available on business.gov.au and GrantConnect.

BBRF Attachment.docx

Contributing organisation cash confirmation (if applicable)

You must attach a letter/s from each contributing organisation or individual that includes formal documentation confirming the cash contributions they will make towards the project. See table 2 of the grant opportunity guidelines for more detail.

BBRF Attachment.docx

Evidence to demonstrate your case for exemption (If applicable)

Mandatory for applicants seeking an exceptional circumstances exemption from a cash contribution.

Trust documents

Trust documents showing the relationship of the incorporated trustee to the trust. Mandatory for not for profit organisations that are incorporated trustees applying on behalf of a trust.

Cost benefit analysis

Mandatory for projects with a grant request over \$1 million. Further information on how to prepare a cost benefit analysis is available on business.gov.au.

Evidence of the owner's authority to conduct the project at the nominated site

Mandatory for organisations that do not own the land or infrastructure for their project. The letter template available at business.gov.au and GrantConnect.

BBRF Attachment.docx

Proof of not-for-profit status

If you do not have an active Australian Charities and Not-for-profits Commission (ACNC) registration or state or territory incorporated association registration at the time of application, you must provide Constitutional documents and/or Articles of Association that demonstrate the not for profit character of the organisation.

Project employment evidence

You should attach evidence to support the additional employment numbers provided in your application. Refer to the Project employment factsheet for guidance.

BBRF Attachment.docx

Evidence to support claims of project being delivered in a location affected by drought

If you have indicated that your project is being delivered in a location affected by drought you must attach evidence to support the claims [here](#).

BBRF Attachment.docx

Additional Supporting Information

If you wish to include additional documents these should be limited to those directly relevant to and supporting the application.

Indigenous organisations

Is your organisation Indigenous owned?

An organisation is considered Indigenous owned where at least 51% of the organisation's members or proprietors are Indigenous.

Yes

Is your organisation Indigenous controlled?

An organisation is considered Indigenous controlled where at least 51% of the organisation's board or management committee is Indigenous.

No

Regional Development Australia Committee

Regional Development Australia Committee

Do you agree to allow your application to be provided to your relevant Regional Development Australia Committee (RDA) once project selection has been finalised. Please note, your application is being provided for the RDA's information only, to provide awareness of projects in their local region. The RDA may contact you to find out more about your project and discuss how they can assist with further applications. For more information on the role of RDA's go to www.rda.gov.au.

Yes

Primary application contact

13/11/2019

Attachment B

Title

Mr

Given Name

-

Family Name

-

Position Title

-

Email Address**Mobile Number**

1111111111

Business postal address of the primary contact

200 Anthony Rd

ANTHONY QLD 4310

Australia

Applicant declaration

Application Declaration

Privacy and confidentiality provisions

I acknowledge that this is an Australian Government program and that the department will use the information I provide in accordance with the following:

- Australian Government Public Data Policy Statement,
- Commonwealth Grants Rules and Guidelines,
- Program or Grant Opportunity Guidelines, and
- applicable Australian laws.

Accordingly, I understand that the department may share my personal information provided in this application within this department and other government agencies:

- a. for purposes directly related to administering the program, including governance, research and the distribution of funds to successful applicants and
- b. to facilitate research, assessment, monitoring and analysis of other programs and activities

unless otherwise prohibited by law.

I understand that where I am successful in obtaining a grant, the financial information that I provide for the purposes of payment will be accessible to departmental staff to enable payments to be made through the department's accounts payable software system.

I understand that information that is deemed 'confidential' in accordance with the Program Guidelines may also be shared for a relevant Commonwealth purpose.

The Department will publish information on individual grants in the public domain, including on the department's website, unless otherwise prohibited by law.

Applicant declaration

I declare that I have read and understood the grant opportunity guidelines, including the privacy, confidentiality and disclosure provisions.

I declare that the proposed project outlined in this application and any associated expenditure has been endorsed by the applicant's Board or person with authority to commit the applicant to this project.

I declare that the applicant will comply with, and require that its subcontractors and independent contractors comply with, all applicable laws.

13/11/2019

portal.business.gov.au

Attachment B

I declare that the information contained in this application together with any statement provided is, to the best of my knowledge, accurate, complete and not misleading and that I understand that giving of false or misleading information is a serious offence under the *Criminal Code Act 1995* (Cth).

I acknowledge that I may be requested to provide further clarification or documentation to verify the information supplied in this form and that the Department of Industry, Innovation and Science (the department) may, during the application process, consult with other government agencies, including state and territory government agencies, about the applicant's claims and may also engage external technical or financial advisors to advise on information provided in the application.

I acknowledge that if the department is satisfied that any statement made in an application is incorrect, incomplete, false or misleading the department may, at its absolute discretion, take appropriate action. I note such action may include excluding an application from further consideration; withdrawing an offer of funding; using the information contained in the application for a fraud investigation that would be consistent with the Australian Government's Investigations Standard and Commonwealth fraud control framework and for management purposes and/or terminating any grant agreement between the Commonwealth and the recipient including recovering funds already paid.

I agree to participate in the periodic evaluation of the services undertaken by the department.

I declare that I am authorised to complete this form and acknowledge that by including my name in this application I am deemed to have signed this application.

I approve the information in this application being communicated to the department in electronic form.

By checking this box I agree to all of the above declarations and confirm all of the above statements to be true

Yes

PGPA Act and CGRGs Obligations on Ministers

Requirements under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act):

Under Section 71 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) a Minister must not approve a proposed expenditure of relevant money unless the Minister is satisfied, after making reasonable inquiries that the expenditure would be a proper use of relevant money.

If a Minister approves a proposed expenditure of relevant money, the Minister must:

- a. record the terms of the approval in writing as soon as practicable after giving the approval; and
- b. comply with any other requirements prescribed by the rules in relation to approvals of proposed expenditure.

As Chair of the Ministerial Panel, the Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development, is the Approver of expenditure under BBRF for the purposes of Section 71 of the PGPA Act.

By following the recommendations of the Ministerial Briefing Package, the Approver will be declaring that they have made reasonable inquiries and are satisfied that approving the proposed expenditure represents a proper use of relevant money, in accordance with section 71 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). For the purposes of the PGPA Act, *proper* is defined as efficient, effective, economical and ethical.

Requirements under the *Commonwealth Grants Rules and Guidelines* (CGRGs):

The *Commonwealth Grants Rules and Guidelines* (CGRGs) apply to all grants. As BBRF is a grant funding program there are additional obligations on Ministers who exercise the role of approver.

Receiving Written Advice from Officials:

The CGRGs at section 4.10 require that where a Minister approves proposed expenditure under section 71 of the PGPA Act, in relation to a grant or group of grants, the Minister *must* not approve the grant without first receiving written advice from officials on the merits of the proposed grant or group of grants.

Officials *must* provide written advice to Ministers, where Ministers exercise the role of an approver. This advice *must*, at a minimum:

- a. explicitly state that the spending proposal being considered for approval is a 'grant';
- b. provide information on the applicable requirements of the PGPA Act and rules and the CGRGs (particularly any ministerial reporting obligations), including the legal authority for the grant;
- c. outline the application and selection process, including the selection criteria, that were used to select potential grant recipients; and
- d. include the merits of the proposed grant or grants relative to the grant guidelines and the key consideration of achieving value with relevant money.

The legislative authority for the BBRF is at Item 191 in Part 4 – Programs, of Schedule 1AB of the *Financial Framework (Supplementary Powers) Regulations 1997*.

The Ministerial Briefing Pack provided to the Ministerial Panel constitutes written advice on eligible applications and includes information sufficient to meet the requirements of Section 4.10 of the CGRGs.

Briefing on the merits of a specific grant or group of grants:

The CGRGs at section 4.7 state that while officials do not have to rank all grants when briefing ministers on the merits of a specific grant or group of grants, officials should, at a minimum, indicate: which grant

applications fully meet the selection criteria; which applications partially meet the criteria; and which applications do not meet any of the criteria. Any specific recommendations regarding grant applications for approval can be in addition to this information.

For BBRF, the information provided in the summary ranking report and the individual assessment snapshots will address this requirement.

Recording the basis for the decision:

The CGRGs require at section 4.10b that where the proposed expenditure of relevant money relates to a grant, the Minister who approves it *must* also record, in writing, the basis for the approval relative to the grant guidelines and key principle of achieving value with relevant money.

For the purposes of the BBRF, where the Ministerial Panel selects projects recommended for funding by the Department, the documentation provided in the summary report and the individual assessment snapshots will be sufficient to satisfy this requirement.

However, should the Ministerial Panel select a project for funding outside the recommended pool of applications, regardless of whether or not it is value with relevant money, the Approver will need to record the basis for the decision.

When recording the basis for the decision to fund projects in a competitive merit-based selection process the rationale should be relative to the grant guidelines and key considerations of value with relevant money against the published selection criteria both in its own right and relative to that of competing applications.

Approving grants in a Minister's own electorate:

The CGRGs at section 4.11(a) require that where a Minister (including a Parliamentary Secretary) approves a proposed grant in his/her own electorate, the Minister *must* write to the Finance Minister advising of the details.

As stated in the BBRF Guidelines, funding decisions will be made by the Ministerial Panel in consultation with Cabinet. For the purposes of the PGPA Act the Chair of the Ministerial Panel will be the Approver of the proposed expenditure. Where a project selected for funding sits within the electorate of any Ministerial Panel member, the Approver must write to the Finance Minister advising of the details of the projects approved.

The Department will provide correspondence from the Chair of the Ministerial Panel to the Finance Minister providing details of those projects approved in any of the Ministerial Panel members' electorates to satisfy this requirement.

Conflict of Interest

The CGRGs at section 13.6, 13.7 and 13.8 advise that actual or perceived conflicts of interest can be damaging to government, granting entities and its officials, potential grantees and grantees and that appropriate processes should be put in place to support probity and transparency.

Considerations should take into account:

Actual or perceived conflicts of interest can be damaging to government, granting entities and its officials, potential grantees and grantees. A conflict of interest arises where a person makes a decision or exercises a power in a way that may be, or may be perceived to be, influenced by either material personal interests (financial or non-financial) or material personal associations. A conflict of interest may arise:

- where decision-makers or officials involved in grants administration have a direct or indirect interest, which may influence the selection of a particular grant activity;

- where members of external committees have a direct or indirect interest in informing a decision about expenditure or providing advice on grant opportunities; and
- where a potential grantee has a direct or indirect interest, which may influence the selection of their proposed grant activity during the application process. Conflicts may also arise when undertaking the grant activity.

Officials should establish transparent processes which help manage misconceptions and the potential for personal or related party gain. Accountable authorities should ensure that entity policy and management processes for conflict of interest are published to support probity and transparency.

Accountable authorities should put in place appropriate mechanisms for identifying and managing potential conflicts of interest for grant opportunities. These mechanisms may include:

- establishing procedures for officials, potential grantees, and grantees to declare their interests;
- developing procedures to manage potential conflicts of interest in all phases of grants administration;
- maintaining a register of staff and other party interests; and
- ensuring that grant opportunity guidelines clearly outline what constitutes a conflict of interest.

During deliberations, members of the Ministerial Panel should consider and declare any personal interests, financial or non-financial, in any projects that have been submitted to the BBRF. The Ministerial Panel will consider any declaration and decide during its deliberations how this conflict should be managed and documented during the decision making process.

Approving grants not recommended by the Department:

The CGRGs require at section 4.12 that:

- a. Ministers (including Senators) *must* report annually to the Finance Minister on all instances where they have decided to approve a particular grant which the relevant official has recommended be rejected. The report *must* include a brief statement of reasons (i.e. the basis of the approval for each grant). The report *must* be provided to the Finance Minister by 31 March each year for the preceding calendar year, and
- b. If a decision relates to a Minister's own electorate (House of Representatives members only), the Minister *must* also include this information when writing to the Finance Minister in the context of the process outlined in paragraph 4.11.

In the annual report to the Finance Minister, the Department will include details of any projects which were not recommended but were approved for funding under the BBRF. Where the project sits within any of the Ministerial Panel members' electorates, the correspondence required to satisfy 4.11(a) will be amended to reflect the requirements of 4.12(b).

Scope of the CGRGs:

The CGRGs at section 2.3 state that for the purposes of the CGRGs, a 'grant' is an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth:

- a. under which relevant money or other CRF money is to be paid to a grantee other than the Commonwealth; and
- b. which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee achieve its objectives.

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 ON NOTICE

Infrastructure, Transport, Regional Development and Communications

Questions submitted by Mr Julian Hill MP (Deputy Chair)

Question Number: 7

Topic: Advice on individual RJIP projects

(Hansard page 28)

Mr HILL: A final question for the department, and then I've just got one for the Auditor-General. In relation to three particular projects, can you advise if these were recommended for funding: a \$205,000 grant for an aquaculture project run by a Wollongong dog breeder; a \$750,000 grant was provided to Off Road Camping Accessories, which then went bust—it went broke six months later; and a \$1 million grant for a bus and ferry project. That grant was delayed, and the project and is now losing money. Were those three projects recommended for funding?

Dr Bacon: Are you directing part of that question to the department?

Mr HILL: Yes.

Dr Bacon: As I mentioned in my opening statement, we don't normally talk about the details of individual projects because we have to be sensitive around some of the commercial-in-confidence or privacy issues—

Mr HILL: Sure, I understand—the dollar figures.

Dr Bacon: in relation to the details of individual projects. We'd have to take that on notice and consider what information we're able to provide without breaching some of those principles around that.

Mr HILL: I understand. Those three have been the subject of extensive media reporting and public interest. I think it's a reasonable question to know if they were recommended by the department to the ministerial panel or not.

Dr Bacon: If we can take that on notice, we'll look at the details.

Mr HILL: Is the Audit Office able to add anything to that?

Answer:

The Department provided advice to the Ministerial Panel and Cabinet in relation to these projects. It is a longstanding practice not to disclose information about the operation and business of the Cabinet, as to do so could potentially reveal the deliberations of the Cabinet, which are confidential.

The three projects are currently underway, with payments being made on the achievement of outcomes identified in the relevant funding agreement.

Please refer to Attachment A for project details of the nominated projects.

- Attachment A: Project details

ATTACHMENT A

Applicant Organisation	Project Title	Project Description	Stream	Project Location	Grant Approved (GST Exclusive)
All T&A Consulting Pty Ltd	Establishment of Sustainable Freshwater Aquaculture Facility - Stage 1	The project is Stage 1 of establishing a tank-based freshwater aquaculture facility at Yatte Yattah, New South Wales, for the production of Murray Cod. The project activities include the purchase and installation of the Recirculating Aquaculture System (RAS) and the construction of a 500 sqm steel clad shed with concrete floor, power, an effluent plant, and a water infiltration system to house the RAS plant.	Business Innovation	Yatte Yattah	\$205,000
Off Road Camping Accessories Pty Ltd	Composite Camper and Rapid Adhesive Assembly Process	The project will develop cost competitive curved composite panels, and design and manufacture a high quality, light weight entry level compact camper using the new types of composite panels for rapid assembly. The manufacturing process will be fully automated, simplified and scalable and will ensure the new compact composite camper will be cost competitive with international competitors.	Business Innovation	Moruya	\$758,134
Dindarr Pty Ltd	Dindarr Yarrabah Ferry and Bus Project	The Dindarr Yarrabah Ferry and Bus Project will connect the Yarrabah Indigenous Community to Cairns by fast, low-cost ferry and bus services. This connection will dramatically improve the access of Indigenous residents of Yarrabah to health and other mainland services, open up new opportunities in the employment market to those residents, and allow Yarrabah to leverage its unique cultural capital by bringing international tourists from one of the world's premier tourism destinations across the water to enjoy Indigenous cultural tourism unrivalled anywhere in Australia.	Business Innovation	Yarrabah	\$1,000,000