

Submission by the Australian Democrats to the Senate Select Committee on Administration of Sports Grants

27 February 2020

It has often been the practice of governments of both major parties over time to bias grant awarding to enhance the re-election chances of sitting members of parliament or to swing votes in marginal seats. Indeed this practice is now so well entrenched that ministers involved, even the Prime Minister, still appear to not understand that it is wrong, indeed corrupt, to use public funds to act in their own political self interest. This is seen now as just one of many benefits of incumbency enjoyed by members of parliament.

Even where there is no electorate bias, such as the Commonwealth Community Grant Scheme (CCGS) which provides funding of up to \$66,000 to each of Australia's 151 electorates, elaborate and well publicised efforts have often been made to benefit the government of the day such as denying sitting opposition or crossbench members of parliament a role in announcements about successful grants.

Bestowing grants undoubtedly improves the standing of local MPs in the eyes of those whose application they choose to support. Unlike Sports Grants, there is no independent assessment of criteria in the CCGS. That is not to say that grants awarded are not worthy, just that it is effectively a marketing and support-generating tool for the major parties, particularly those in government.

The other issue, in both the Sports Grants and CCGS, is that this practice of political advantage-taking does not operate on the basis of need and is somewhat random in public policy terms because of its reliance on community organisational capacity to generate applications. Hence the shocking waste of public money on, in the case of Sports Grants, wealthy electorates with already lavish sporting infrastructure or that, in some cases, had already been completed and funded through other means.

The 94 out of 223 projects awarded grants in the first round of funding did not meet Sports Australia's rating threshold.

Arguably the criteria used by Sports Australia (and the selections made by the Minister) to assess these grant applications should have excluded most golf clubs, for instance, since many recipients have elaborate facilities, charge hundreds, even thousands of dollars a year in fees and typically run catering and function businesses. Golf clubs received \$2.2 million and top dollars appear to have gone those most wealthy like the Tea Tree Gully Golf Club in SA receiving \$190k.

Some projects were not only not especially worthy but, bizarrely, not even wanted.

The first two criteria for these grants – the extent to which the project:

- a. addresses an identified need, gap or deficiency in the availability and/or accessibility of community sport and physical activity facilities
- b. leads to an increase in sport and physical activity participation were together worth just 30% of the selection criteria.

It is well established in Australia and elsewhere that education and socioeconomic status is a critical factor in participation in recreational physical activity in general and sport in particular,

and health more broadly and, this being the case, socioeconomic disadvantage ought to have been a priority.

The ABS National Health Survey 2011-12 found that 63% of Australians over 18 years of age were overweight or obese. An alarming 25% of our children aged 2-17 are considered obese.

Whilst there are advantages in allowing local government and individual organisations to bid for this pot of \$132m, the public health objectives are far from clear and there is little policy or analysis of the extent to which programs like this achieve them, if at all.

Much was made by the Prime Minister of the benefits to women of dedicated change rooms, mostly for their entry into Australian football. However recreational walking, gymnasium fitness, swimming, running and cycling are way ahead of football in terms of participation rates, regardless of gender (AIS). Because these are rarely organised activities it is doubtful that these preferred physical activities or gaps therein, were funded by the program.

Integrity and transparency

The interference by Minister McKenzie and/or her staff in decisions to grant funding, including those rejected or found to be ineligible by Sports Australia, ought to have been the primary reason for her resignation rather than her undeclared membership of a club that received funds under the program. The finding by Phil Gaetjens was predictable, as was the fact of its ongoing confidentiality. There are also questions of the Prime Minister's role in this and recent reports that projects were approved after the election was called whilst the government was in caretaker mode.

It is clear that Ministerial Standards have been breached but who, other than the Prime Minister, who may well be implicated, can the public expect to enforce those standards? The answer is no one. For this reason it is urgent that the Parliament appoints and properly resources a national integrity system.

We endorse the following reforms proposed by the Accountability Round Table for a national integrity system and urge the Parliament to adopt them so that integrity and trust in government can be significantly raised from its current all time low in the eyes of Australian citizens.

1. A National Integrity System of which the principal agencies are the:

A National Integrity Commission (new), Office of the Australian Information Commission, Commonwealth Ombudsman, Whistleblower Protection Authority (new) and the Australian National Audit Office.

These agencies must:

- a. be **proactive**
- b. have the objective of embedding **education** about accountability and **prevention of** corruption in all aspects of their work
- c. have formal mechanisms for **coordination and cooperation** and fully communicate with one another
- d. make **referrals** to other agencies as appropriate
- e. have statutory independence from the executive and have its principal officers appointed by a bi-partisan process

2. The Parliament and the Executive of Government **must ensure that:**

- a. the **separation of powers** between legislative, executive and judiciary remains intact while recognising that integrity institutions have to be independent of the executive

- b. **information is made freely available**, including business cases to support capital investments and program initiatives
- c. Integrity System agencies have the **powers** required and are appropriately **resourced**
- d. heads of Government departments **refer** matters of corruption to relevant Integrity System agencies

3. The establishment of a National Integrity Commission that:

- a. is **independent** and appointed by the governor general on the advice of the parliament
- b. has the **investigative powers** of a royal commission and can conduct public hearings
- c. has the ability to receive and refer **complaints from the public** and use its discretion as to how to best proceed, including **own-motion powers**
- d. can investigate criminal offences and all forms of serious or systemic corruption, maladministration, deficiency in policy advice and incompetence in program management in any part of the public sector, including law enforcement agencies, **parliamentarians and their staff and the executive of government**
- e. can make **recommendations and findings of fact**, but not findings of corruption, and leaves questions of prosecution to the Director of Public Prosecutions
- f. can **investigate the judiciary** if directed by the Parliament to do so unless a Judicial Commission is established for this purpose (as provided for in the Judicial Misbehaviour and Incapacity (Parliamentary Commissions) Act 2012)

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