



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

13th Assembly

PUBLIC ACCOUNTS COMMITTEE

Public Briefing Transcript

Tuesday, 15 October 2019

Litchfield Room

Members:

Mrs Kate Worden MLA, Chair, Member for Sanderson

Mr Gerry Wood MLA, Member for Nelson

Mr Terry Mills MLA, Deputy Chair, Member for Blain

Mr Tony Sievers MLA, Member for Brennan

Mr Lawrence Costa MLA, Member for Arafura

Mr Gary Higgins MLA, Member for Daly

Witnesses:

Mr Shaun Drabsch: Chief Executive Officer, Department of Trade,
Business and Innovation

The committee convened at 12 pm.

DEPARTMENT OF TRADE, BUSINESS AND INNOVATION

Madam CHAIR: On behalf of the committee, I welcome everyone to this public briefing on the Darwin Turf Club grant. I welcome to the table to give evidence to the committee Shaun Drabsch, the Chief Executive Officer of the Department of Trade, Business and Innovation. Good morning and thank you for coming before the committee. We appreciate you taking the time to speak to us and look forward to hearing from you today.

This is a formal proceeding of the committee, and the protection of parliamentary privilege and the obligation not to mislead the committee applies. This is a public briefing which is being webcast throughout the Assembly's website. A transcript will be made for use of the committee and may be put on the committee's website.

If, at any time during the hearing, you are concerned that what you may say should to be made public, you may ask that the committee go into a closed session and take your evidence in private.

For the record, could I please get you to state your name and the capacity in which you are appearing.

Mr DRABSCH: My name is Shaun Drabsch. I am the Chief Executive Officer of the Department of Trade, Business and Innovation.

Madam CHAIR: Mr Drabsch, would you like to make an opening statement?

Mr DRABSCH: No, I am happy to take questions. As the Chief Executive Officer, I am the accountable officer for the issue of the grant and the contract arrangement with the Darwin Turf Club. I am happy to respond to any questions that the committee may choose to ask.

Madam CHAIR: Terrific. I will kick off with a question and then we will get questions from other committee members. Thank you for that.

Mr Drabsch, we understand the grant came from an appropriation in the budget for infrastructure expenditure. That came in some advice we have received from the Chief Minister already. Could you tell us what output and output group is that appropriation from—that is, is it the Strategic Infrastructure and Projects in the Business and Industry Development and Support Group, Budget Paper No 3?

Mr DRABSCH: No, there is no line item in the budget that was issued in May. The decision to provide the grant was made by Cabinet in June. In the allocation of the infrastructure capital budget, that was provided for the year 2018–19.

Madam CHAIR: It was 2018–19?

Mr DRABSCH: Yes.

Madam CHAIR: Okay. Is that a budget output? No? Was that the answer to your question?

Mr DRABSCH: The infrastructure capital budget. As I think the Chief Minister has explained, as the year unfolds and the application of the infrastructure funds are applied, if there are residual funds and opportunities to direct capital to projects which can achieve the objectives of the infrastructure fund—which is, essentially, to stimulate economic construction activity ...

Madam CHAIR: That was one of my questions. What was the purpose of it? That is economic stimulant activity. Okay. Is there an amount under that budget output area—a total amount?

Mr DRABSCH: The total amount of the budget was in the order of \$1.5bn. I could not give you the precise ...

Madam CHAIR: To be clear, did the Turf Club grant come from money that had not been previously allocated under that output? Or are you saying that it is not always allocated? Or was it an underspend?

Mr DRABSCH: It was money that was available to the government from the infrastructure capital item of \$1.5bn, which was provided for a range of infrastructure projects, some of which occurred in a timely way,

some of which occurred in a way which was under the allocated budget. So, there were residual funds from which this grant was provided. That is the advice that was given to me.

Mr HIGGINS: In saying it comes out of that infrastructure bucket, technically that whole \$1.5bn is allocated to infrastructure already. I understand some get delayed and the money carries forward et cetera, but at some point there is \$12m, technically, added to that \$1.5bn, whether it is from this year, next year or the year after. It is added to it because the \$12m just did not come out of thin air, it was part of that \$1.5bn. In other words, the project is either stopped and wiped or delayed. So, it has an impact on all the other infrastructure projects. Is that correct?

Mr DRABSCH: The advice I had was that the amount was available from within that \$1.5bn.

Mr HIGGINS: The question I am asking is—you can grab as much as you like out of the \$1.5bn by simply canning something that was already in there. My understanding is that whole \$1.5bn—there is a Cabinet decision on where that is spent when they prepare the budget, therefore, the whole \$1.5bn is allocated. Your answer has said—and correctly so—that the \$12m is coming from either delayed projects or projects that are not as progressed as far. So, it is not new money, as such, at some point it has to be paid for.

Mr DRABSCH: It is not new money as such, but it was money that was allocated in the previous budget. Regarding what projects were delayed and so forth, I am not responsible for the administration of that area. The Department of Infrastructure and Department of Treasury are probably the best placed to.

Mr HIGGINS: Yes, the point I am trying to make is that there is \$1.5bn allocated to infrastructure. What we now have is another \$12m. Sure, the \$12m might come out of that \$1.5bn this year, but the \$12m does not increase the budget, therefore, next year it will come out of some other project. In other words, that \$12m will carry on year after year. It will have an impact at some point. In other words, next year, the government will have to allocate \$12m less to new infrastructure in a future year.

Mr DRABSCH: Member for Daly, I am not in a position to speculate about how the infrastructure budget will be managed in to or what projects it was drawn from. The advice I have is that it was available from that budget. That was the basis on which I was instructed to issue the grant and to establish the contract with the Darwin Turf Club.

Mr HIGGINS: Yes, no problem.

Madam CHAIR: Flowing on from that then, most of the infrastructure grants that we are aware of are included in the infrastructure program, on a year by year, and they are listed in Budget Paper No 4 and the grants summary. We noted, as a committee, that the Darwin Turf Club grant was not included in that original—obviously, not forecasted. Can you tell us what is the process for the department to then request an unlisted project—we have the ones that are listed and we know about those—to be funded through that program? Is there a specific process that the department is using, or is it simply a Cabinet decision?

Mr DRABSCH: There was a Cabinet decision to allocate funds within the 2018–19 infrastructure budget to projects to ensure effective expenditure of those funds towards construction and job-creation activity.

Madam CHAIR: So, this one would have come into the department and it was one that was put up to Cabinet. Is that what you are saying—a consideration?

Mr DRABSCH: It was one of the list that went to Cabinet. We had been engaging with the Turf Club about this proposal for some months and we were asked to provide the information on the business case that supported that grant, which we did, which informed the Cabinet decision.

Madam CHAIR: And you describe that as a normal process, getting towards the end of a financial year?

Mr DRABSCH: It is not an uncommon process. From my experience in government, it goes back some 30 years. These budgets are always actively managed to ensure the effective expenditure of funds and the achievement of the objectives of the government.

Mr WOOD: When was the first application put in for this money? What was the starting date?

Mr DRABSCH: Well, the engagement with the Turf Club began in late 2018, prior to my taking on the position. I am advised that there were discussions about potential for this project to come forward as a market-led proposal. In the earlier months of this year, the potential for funding as a grant was introduced, and we had

dialogue with the Turf Club to ensure that there was an appropriate proposal which set out the technical, financial and other details that would be expected in a business case to support the decision to allocate the grant.

Mr WOOD: So, they did that?

Mr DRABSCH: Yes.

Mr WOOD: Is that documentation public?

Mr DRABSCH: That is a document that came from the Turf Club which was presented to Cabinet. That is subject to Cabinet confidentiality principles, so I am not at liberty to ...

Madam CHAIR: I might go—the Member for Blain has a question.

Mr MILLS: No, not yet. I am still forming a view on this.

Madam CHAIR: Do you have a further question?

Mr WOOD: I was trying to follow on from the \$1.45bn money that was allocated in the infrastructure program. Do you know why there was no mention of that in the budget? As we know, there were other items mentioned in infrastructure highlights, but that item was not included.

Mr DRABSCH: Yes, the preparation of the budget for 2019–20—the process began in November last year and the detailed determination of priorities going forward in 2019–20 would have been undertaken in February, March, April. We were still in dialogue with the Turf Club in preparing and ensuring that there was an appropriate proposal and business case. It was not in the position to be advanced at that stage. So, it was not in a position to be included in the budget at that point in time.

Mr WOOD: The problem I have is that without knowing that there was a grant being approved and not showing up in the infrastructure program highlights, then how could the Estimates Committee at least question that expenditure if they did not know anything about it? Surely, that amount of money would have been put somewhere in the budget?

Mr DRABSCH: The actual expenditure of the funds occurred in the 2018–19 financial year—before the end of June this year. So, the expenditure of funds, in the context of the government, is not occurring in the budget year 2019–20.

Mr WOOD: But did it occur in the previous budget Regional Highlights?

Mr DRABSCH: It was not included, no, for the reasons I explained.

Mr WOOD: That is right. The problem we have is that we have not been able to know until it was a public media release that said that there was \$12m granted. That is the problem we have—that we do not know where it came from, it just occurred.

Madam CHAIR: The Member for Brennan has a question.

Mr SIEVERS: Shaun, in February 2018 your department issued the market-led proposals policy?

Mr DRABSCH: Yes.

Mr SIEVERS: The policy outlines the processes for proponents seeking to approach government with proposals that provide tangible benefits to the Northern Territory and provides guidance on how proposals will be considered. Under this proposal, did the market-led proposals policy apply to this project?

Mr DRABSCH: The project was initially advanced within the context of the market-led proposals policy, which, ultimately, generally involves investment by the proponent to achieve a government objective. Over the course of the months earlier this year, it was determined that the financial case for a market-led proposal could not be established and the option of providing a grant was pursued.

Mr SIEVERS: Right.

Mr DRABSCH: That is not to say that the economic benefits that are intended to be achieved through the market-led proposal process were not evident in this proposal. The point is that the economic benefits were quite strong and they were demonstrated in the business case that was presented to Cabinet—some \$2m a year in income to the Turf Club, expenditure on goods and services, expenditure on wages and an attraction of some 1000 high-value interstate or overseas patrons to the event, which would provide an additional \$2100 per person, another \$2m—so, an annual economic benefit of some \$4m per year.

Madam CHAIR: Mr Drabsch, we have gone back and forth a little about time lines and stuff. Could you specifically outline for our record the time line for the submission assessment and decision? Would you be able to map those three things out for us?

Mr DRABSCH: The submission of the business case to the government?

Madam CHAIR: Yes. You have made it clear that it falls into the category of market-led proposal. At some point, you would have received a submission and then that would have been assessed. Obviously, as you have already given the evidence, that would then be put to Cabinet and then there would be a decision. Can you give us, as close as you can, time lines for those?

Mr DRABSCH: Sure. As I said, the discussions were initiated with my department late last year—I think it was November. There were ongoing discussions over the subsequent months in relation to the preparation of the proposal. Drafts were provided to the department for consideration. We provided comment and feedback on those drafts on the information that would be required to properly inform an investment decision. That was a process of some iterations.

The final proposal was presented in June. It was communicated in early June. Once we received it and were comfortable with the contents of it, we provided it to Cabinet to inform their decision of the allocation of the infrastructure fund, as I was describing earlier. That happened in late June, as I understand.

Madam CHAIR: Yes, late June it went in as a ...

Mr DRABSCH: Around the 20th, I think.

Madam CHAIR: So, you say the assessment was done between that period of November to June. It was an ongoing assessment of that ...

Mr DRABSCH: Yes, there was an ongoing dialogue between the Turf Club and my department.

Madam CHAIR: Then the submissions was ...

Mr DRABSCH: The final ...

Madam CHAIR: The final one was to the department, but then there was a submission late June and a decision by Cabinet late June?

Mr DRABSCH: Yes.

Mr MILLS: Can I ask for clarification on that?

Madam CHAIR: Yes, Member for Blain.

Mr MILLS: You started this, Mr Drabsch, by saying discussions were initiated—by whom?

Mr DRABSCH: The Darwin Turf Club, as I understand. I believe key people involved in those early discussions were the Chairman and the CEO.

Mr MILLS: For them to take the initiative to approach and begin this conversation, was that in the light of the potential that there was money available for a project such as this?

Mr DRABSCH: No, the initial approach was in the context of the market-led proposals.

Mr MILLS: Right. How is that communicated?

Mr DRABSCH: I was not there at the time, Member for Blain, but I understand a meeting took place—possibly one or two meetings—to discuss a concept with the Chief Executive at the time of my department. Then there was an ongoing dialogue with officers of my department about the details of preparing a market-led proposal. Those discussions, fundamentally, happened with the Chief Executive, Keith Stacey.

Mr HIGGINS: There was discussion earlier in the year about a bank guarantee that was given to the Turf Club—on the basis that they could borrow money to do a different project, is my understanding. Was consideration given, seeing you have said the amount of money the Turf Club would make out of this, to the Turf Club borrowing the money, as opposed to a grant, and using the same sort of arrangement—in other words, a bank guarantee? Was consideration given to that or a loan-type process in any way, shape or form?

Mr DRABSCH: We have a fund called the Local Jobs Fund, which provides guarantees on loans, but the nature of that proposal fell outside the guidelines for the Local Jobs Fund. There is a limit, for example, of \$5m, and the project did ...

Mr HIGGINS: The government guarantee has been around since I think about 2005 or 2006. The Turf Club is outside that jobs fund. The jobs fund was not even around then. For getting the jobs fund, was there consideration given to extending that bank guarantee so that the Turf Club could borrow this money if they felt it would be economically viable for them?

Mr DRABSCH: I am not aware of the answer to that question. I cannot answer it on an informed basis, Member for Daly.

Mr HIGGINS: Was it an option put up in the Cabinet submission ...

Madam CHAIR: Do you want to put that on—sorry, Member for Daly, Mr Drabsch said he is not in a position to answer it. Do you want to put that on notice?

Mr HIGGINS: No, I want to ask one more question on it. When you put up papers to Cabinet, you usually have options in there. Was that one of the options put up?

Mr DRABSCH: The proposal put to grant was requested from Cabinet and we presented that proposal for a grant. In the issue of other forms of finance, there was a consciousness that there was a current construction project under way of the Silks Club, which is a \$10m project which the Turf Club was funding out of its own resources.

Mr HIGGINS: With a government guarantee, yes. That is the one, yes.

Madam CHAIR: While we are on feasibility, I will ask an additional question, if that is okay? We understand that the Turf Club provided a feasibility analysis to the government which was then verified by your area, the Department of Trade, Business and Innovation. Can you explain to us what, in your view, that feasibility analysis is, what were the parameters and how that differs from a cost-benefit analysis?

Mr DRABSCH: A cost-benefit analysis is a particular element of a feasibility analysis. It is an economic assessment.

Madam CHAIR: That was done as part of the overall feasibility?

Mr DRABSCH: Yes, there was information in there which could inform a cost-benefit assessment. A feasibility analysis identifies the technical scope of the project, the likely cost, the potential benefits in the revenue and other economic benefits, which I was describing earlier, and an indication of the time line.

Madam CHAIR: Okay. Did that feasibility study include any quantifiable measures of the benefits of the proposal to the Territory—like the ones you ...

Mr DRABSCH: Yes, precisely those ones I have just described.

Madam CHAIR: Is there a reason the department did not undertake an independent cost-benefit analysis of its own? Is that the usual?

Mr DRABSCH: Yes, we normally rely upon the information that is provided in these sort of proposals. We assess the information and make our judgment about the validity and plausibility of those numbers and

validation of the assessment of them actually yielding the net economic benefits they indicated. We were satisfied with that and that was the basis of me providing that to Cabinet.

Madam CHAIR: Thank you. Member for Blain?

Mr MILLS: This links to that question of the tender process. On 13 September 2019, the Chief Minister issued a media statement that the Department of Trade, Business and Innovation's findings regarding the awarding of the contract to Jaytex Constructions, as well as the independent probity audit conducted by accounting firm, Moore Stephens, indicated that the procurement process was independent and fair to all tenderers. Could you describe the investigations that the department did to undertake and inform its findings?

Mr DRABSCH: Yes, thank you, Member for Blain. Upon the publication of the awarded tender to Jaytex, the Chief Minister instructed me to investigate the conduct of the procurement process that was undertaken by the Turf Club to ensure it was undertaken consistent with the provisions of the contract that we issued to the Turf Club.

I personally took responsibility for that process. I sought, that day, a copy of the selection panel report, the minutes of the board meeting which considered the recommendations of that report which confirmed the decision, and a copy of the probity adviser's report. I studied those documents in detail. I undertook discussions with the probity adviser and project manager, Mr Moriarty, who was also on the selection panel, and interrogated the information that was provided.

From looking at that analysis—and I have had some involvement in procurement processes for large infrastructure projects for some years, so I am familiar with the appropriate processes that need to be taken and the probity that needs to be applied. In particular, I was aware of the potential for a perception of conflict of interest, given the position of the chair and his relationship to the winning tenderer, and I was concerned to ensure that there was no evidence of actual conflict of interest and that appropriate actions were taken to manage that potential perception.

In undertaking that analysis, it was clear to me that from the beginning of the process that the Chairman, Mr Dixon, had been recused from any board deliberations in relation to this grant and the contract. There were also actions to confirm that he excused himself from the preparation of the tender and this was undertaken by other members of the Jaytex company. It was clear to me that the selection panel and the board of the Turf Club were aware, at all times, about the potential for a perception of conflict of interest and took active action throughout the process to manage those potential conflicts.

The probity adviser confirmed that was the case and he concluded that it was a fair, independent and transparent process which allowed all bidders to participate equally and competitively to win the contract.

Mr MILLS: Thank you. So, the Moore Stephens audit report—could that be made available to the committee?

Mr DRABSCH: I understand it was issued at the time.

Madam CHAIR: Was it made public?

Mr DRABSCH: I believe so.

Madam CHAIR: We can research that. If not, are you comfortable with it being passed on? We can take it confidentially.

Mr DRABSCH: Well, the audit report was to the Turf Club, but I am happy to. It was my understanding that the contents of the probity adviser's report were made public.

Madam CHAIR: We can follow that up. Thank you.

Mr DRABSCH: Sorry for lack of clarity...

Mr HIGGINS: In all of that process, one issue I would like to ask about is did you or anyone ensure that every person submitting a tender was given exactly the same information prior to submitting their tender? It is a very specific point I am asking.

Mr DRABSCH: That was one of the key questions I wanted to satisfy myself about, because that is the basis of ensuring that no company got an advantage over any other bidder, so that they were able to compete on a level playing field. That is a very important part of any procurement process.

I was assured by reviewing the documents and by the subsequent conversations I had with Mr Moriarty and the probity adviser that all bidders were provided with the information at the same time, the opportunity for discussion and explanation of the tender documents and the outcome the Turf Club was seeking, and each bidder received an equivalent amount of time and full and fair opportunity to develop their proposal.

The probity adviser advised me in my discussions with him that there were no complaints from any of the tenderers in relation to the conduct of the process and the access to information.

Mr HIGGINS: In the tender review process, did you go back and have a look? The reason I ask this is I did a lot of verification on some very large computer tenders in the ACT and was asked to check the process. One of the things I did was go to the responses from the tenderers to see if they had a clear understanding of each section. Where they did not have a clear understanding, I then asked them what information they based it on and verified that.

Was that process looked at by the probity person? In other words, going through all of the tenders and asking how they responded to each section, that is how you evaluate your tenders. Was there a glaring difference in some area and why?

Mr DRABSCH: I cannot speak on behalf of the probity adviser, but I know that they were participating in the process throughout. They were appointed from the beginning of the process and the preparation of the tender documents before them going public. There was an expression of interest process involving some 30 companies. Five companies submitted bids. A short list of three was identified by the selection panel. It was a competitive process. There were a number of competitive bids—in particular, the three short-listed bids—which were well developed in responding to the opportunity to build the grandstand.

Mr WOOD: I need to go back to one question that we have not asked. In May 2017, the government introduced its infrastructure strategy, which included a Northern Territory Project Development Framework, the NTPDF. That strategy stated that the NTPDF would be applied to projects the Northern Territory funded or required some level of Northern Territory government support, irrespective of whether they were projects funded through the government capital works program, government facilitate strategic projects or unsolicited private sector projects. Did the Northern Territory Project Development Framework apply to this project? If not, why not?

Mr DRABSCH: Well, the project development framework applies to proposals which are developed by government in undertaking their business cases. That was the context of that. In Queensland, where I previously operated, we developed a value-for-money framework along those lines.

Certainly, the principles of the project development framework were applied in this respect. That is the basis on which we undertook the dialogue with the Darwin Turf Club to ensure the proposal they put forward was in sufficient form to inform a Cabinet decision. That goes to proper detail on the proposed estimated cost, the design, any risks or issues that might arise in the development of the project, as well as the economic benefits.

The provisions of the project development framework were applied, which are common and consistent across all jurisdictions, and formed by the national infrastructure guidelines Infrastructure Australia now oversees.

Mr WOOD: The Auditor-General said in her August 2018 report that currently grants management for NT Government agencies are partly centralised. High-level requirements for grants are maintained by the Department of Treasury and Finance. Grant guidelines are maintained through DCM and systems are currently being centralised through DCIS.

How do you work that framework? Do you have to deal with those three groups, or do you just have your own guidelines to how you fit in with that framework?

Mr DRABSCH: The responsibility for project development frameworks sits within my agency. That is in an advanced process of development.

Mr WOOD: One other question I was worried about at the beginning and am still worried about is this grant does not show up in the budget. Would I expect this \$12m to be in the following year's budget as an item?

Mr DRABSCH: It will be shown in the final reports of the 2018–19 budget.

Mr WOOD: The problem is it probably will be built by the time that occurs in that budget. Would I be correct?

Mr DRABSCH: No, those reports will come out in the coming months before the end of the year. The project is due to be completed by the middle of next year.

Mr WOOD: All right, thank you.

Madam CHAIR: The Member for Brennan has a question.

Mr SIEVERS: Shaun, the Chief Minister has announced some changes to be made to the capital grant tendering process, including these key changes:

- *The Territory Government will have the right to cease the tender process if there is a perceived or actual conflict of interest*
- *Individuals who have decision making power or who are able to influence the operations of an incorporated association cannot directly benefit from the awarding of a tender*
- *Prior to the tender being awarded, the NT Government will have the right to approve or not approve the winning contractor or sub-contractor.*

Can you tell or explain to the committee what is the department doing now to implement these changes? How will these requirements be mandated across government processes?

Mr DRABSCH: Thanks, Member for Brennan. My department has been working with the Solicitor-General in developing amendments to the standard contract template, which is what we used for this project. But given the government policy direction issued by the Chief Minister, we have been working on clauses to bring the intent of those measures to effect. That is in an advanced stage of development.

Mr SIEVERS: Okay. So, you are working with the Solicitor-General to implement those changes across government?

Mr DRABSCH: Yes. It is important we do so to ensure that the provisions we include in the contract are effective in achieving those objectives, and also protect the interests of the Territory.

Mr SIEVERS: Thank you.

Madam CHAIR: The Member for Daly has a question.

Mr HIGGINS: Did the government representative who was on this evaluation committee come from your department or were they from another department?

Mr DRABSCH: They came from my department.

Mr HIGGINS: Okay. Who was that person who was on there?

Mr DRABSCH: I am the accountable officer for the Department of Trade, Business and Innovation. My officers involved in this process were operating under my direction.

Mr HIGGINS: Okay. What level was that person—to ask it another way?

Mr DRABSCH: I understand the purpose of the question, Member for Daly. I can say that the person I appointed to that role had significant experience in analysis of infrastructure projects and had engaged in a number of procurement processes. It was a person of high standing and integrity.

Mr HIGGINS: Yes. I am not saying they were not. We know who all the other people were ...

Mr DRABSCH: I am confirming that publicly.

Mr HIGGINS: ... I was just trying to get a feel for—we did not have the receptionist on there, that is all.

Anyway, that is ...

Madam CHAIR: The answer to that would be no.

Mr WOOD: I am wondering, if these changes that the Chief Minister has flagged come in, how that applies to sporting bodies and other groups like that? Someone came and saw me after the Chief Minister made his statement, concerned that his connections with a particular sporting body at a top level and with working as a person for a company that may be involved in a tender for maybe lighting or something like that for a sporting facility, would mean he would have to either leave the board of that sporting association or retire from his job with the company which is doing the tender, because, as it says here:

Individuals who have decision making power or who are able to influence the operations of an incorporated association cannot directly benefit from the awarding of a tender.

Has there been an analysis—whilst this statement seems to be made in a political atmosphere—of what other outcomes these changes could have on other groups of people in the community?

Mr DRABSCH: I am not really in the position to comment on government policy, Member for Nelson. The advice we would be providing—with the collaboration of the Solicitor-General—to Cabinet in response to this direction will assess those potential implications of the implementation.

Mr WOOD: That would be good, because I would hate something like this to then cause problems elsewhere. It might make it very difficult for some of those groups to operate because, as some people say, we are a small town.

Mr HIGGINS: Can I add to that one, if I can, Gerry? The basis for giving grants to some of the sporting organisations over the past years has been that these sporting organisation can, in fact, deliver a lot of these projects cheaper than government. The way they do that is their members may undertake the work and will do it at a discounted rate. So, while you might allow them to tender, the issue is that they cannot benefit from it. That would be deemed as a benefit. We are undermining the policy behind some of the sporting grants we have issued in the past. The basis of that was it would save us money.

Mr DRABSCH: I understand the dilemma, but I am not in a position to make comments about how policy should be structured. My job is to provide advice on how to implement them.

Mr HIGGINS: Yes, no problem.

Madam CHAIR: We can always seek information to clarify that because what this alludes to is a tender process versus what you might be talking about, the smaller community grants. But we can qualify that offline.

Everyone seems to have exhausted their questions. Thank you, Mr Drabsch, for your time and your openness in answering questions today. That concludes this hearing.

Mr DRABSCH: Thanks very much.

The committee concluded.
