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Canberra ACT
19 October 2021

Dear Mr President
Dear Mr Speaker

In accordance with the authority contained in Section 25 of the *Auditor-General Act 1997*, I have produced an information report titled *Australian Government Grants Reporting*.

This information report is neither an audit nor an assurance review. This means that no conclusions or opinions are presented.

I present this information report to the Parliament.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's website — <http://www.anao.gov.au>.

Yours sincerely

A handwritten signature in black ink, reading 'Grant Hehir'.

Grant Hehir
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office (ANAO). The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits, financial statement audits and assurance reviews of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Australian Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

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Summary

1. GrantConnect provides centralised publication of Australian Government grant opportunities and awards. Reporting on GrantConnect is mandated from 31 December 2017 for all non-corporate Commonwealth entities. It is also mandated for corporate Commonwealth entities where a Minister is involved in the decision making.

2. Section 25 of the *Auditor-General Act 1997* enables the Auditor-General at any time to cause a report to be tabled in either House of the Parliament on any matter. This is the first information report prepared by the ANAO on Australian Government grants reporting. The objectives of this information report are to provide transparency of, and insights on, government grants expense and Commonwealth entities' self-reporting of grants on GrantConnect.

3. The primary data used for this report is based on information self-reported by entities on GrantConnect between 31 December 2017 and 30 June 2021. In compiling this report, the ANAO also drew upon multiple data sources for analysis.¹ The key information includes:

- 108,206 grant awards were published on GrantConnect with a start date between 31 December 2017 and 30 June 2021. These were published by 31 non-corporate Commonwealth entities and two corporate Commonwealth entities with a total value of \$60.2 billion (paragraph 2.2).
- The value of grant awards is highest for the grant categories of 'Ageing' (\$11.9 billion, 20 per cent); 'Health, Wellbeing and Medical Research' (\$10.4 billion, 18 per cent); and 'Indigenous' (\$8.6 billion, 14 per cent). The categories of 'Ageing', 'Children, Youth and Youth at Risk' and 'Disaster Relief' received the most grants by number (Table 2.4).
- 19 per cent of total grant funding was made through variations to the initial award (paragraph 3.15).
- By value, between 31 December 2017 and 30 June 2021 most grants (forty-two per cent) were awarded through a closed non-competitive selection process. However, ad hoc/one-off grants were the most numerous (twenty-four per cent) (Figure 3.1).
- Twelve per cent of grants selected through an open competitive selection process were approved before the closing date of their associated grant opportunities (Table 4.4).
- Of the 39,127 grant awards linked to an opportunity, 7705 (20 per cent) had a reported selection process that was different to what was reported for their related opportunities (paragraph 4.15).
- Twenty-seven per cent of regional development grants funding were delivered to postcodes classified as 'Major cities of Australia' (Table 5.11).

1 Sources of data used in this report are described in Table 1.2.

1. Background

Introduction

1.1 An Australian Government grant is an arrangement to provide financial assistance by the Commonwealth, or on behalf of the Commonwealth:

- under which money is to be paid to a grantee other than the Commonwealth; and
- which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee to achieve its objectives.²

1.2 The Australian Government policy framework for the administration of grants is established under the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act). As of August 2021, 187 Australian Government entities were governed by the PGPA Act, comprising:

- 98 non-corporate Commonwealth entities (NCEs);
- 71 corporate Commonwealth entities (CCEs); and
- 18 Commonwealth companies (that is, a Corporations Act 2001 company that the Commonwealth controls).³

1.3 To achieve transparency and public accountability, government entities administering grants must comply with public reporting requirements. The Department of Finance (Finance) is the central agency with responsibility for establishing and promulgating the Australian Government's resource management framework, which includes the grants administration policy framework. Finance's responsibility includes the *Commonwealth Grants Rules and Guidelines* (CGRGs), resource management guides (RMGs) that are intended to assist entities in implementing relevant requirements (including public reporting), and web-based information, developed by Finance to assist entities to implement the Framework.

1.4 The CGRGs outline the mandatory requirements and better practice principles for NCEs that undertake grant administration on behalf of the Commonwealth, and apply to Ministers, accountable authorities and officials. The CGRGs establish the Commonwealth grants policy framework and the definition of a grant. CCEs and Commonwealth companies are not generally subject to the CGRGs, unless undertaking grants administration on behalf of the Commonwealth. Third parties, including non-government organisations and CCEs, are required to adhere to applicable requirements of the CGRGs, where they undertake grants administration on behalf of the Commonwealth.

1.5 In December 2020 an amendment was made to the *Public Governance, Performance and Accountability Rule 2014* (the PGPA Rule) to prescribe the advising, decision-making and reporting requirements that apply when a Minister is involved in the making of a corporate Commonwealth entity grant under Division 6A. This change followed Auditor-General Report No. 23 2019–20 *Award of Funding under the Community Sport Infrastructure Program*, which recommended:

2 Department of Finance, *Commonwealth Grants Rules and Guidelines 2017*, Finance, 2017, p. 6.

3 Department of Finance, *Flipchart of PGPA Act Commonwealth entities and companies (187) 16 July 2021* [Internet], available from https://www.finance.gov.au/sites/default/files/2021-07/Flipchart_16_July_2021.pdf [accessed 3 August 2021].

The Australian Government amend the CGRGs to require that the advising, decision-making and reporting requirements applying to situations where a minister approves grant funding be extended to apply to corporate Commonwealth entities in situations where a minister, rather than the corporate entity, is the decision-maker. This would mean that there would be a single framework in place for all circumstances where a minister decides upon the award of grant funding.

1.6 Following this amendment, from 1 December 2020, CCEs are required to report grants where a Minister is involved in decision-making. There is no such requirement for Commonwealth companies.

1.7 GrantConnect was established in 2017 by the Department of Finance to provide centralised publication of forecast and current Australian Government grants. A requirement to publish grant awards was mandated from 31 December 2017. Prior to GrantConnect, entities were required to publish information on grant guidelines and awards on their entity websites.

1.8 RMG 421 *Publishing and reporting Grants and GrantConnect* sets out the requirements for the publication of grants on GrantConnect (Table 1.1).

Table 1.1: Grants reporting requirements as at August 2021

Requirement	Explanation
Reporting of grant opportunity guidelines	Grant opportunity guidelines must be made publicly available on GrantConnect, except where there is a specific policy reason not to publicise the grant opportunity guidelines, or where grants are provided on a one-off or ad hoc basis.
Grant awards publishing timeline	From 31 December 2017, an entity must report information on grants on GrantConnect no later than twenty-one calendar days after the grant agreement takes effect.
Confidentiality provisions	Officials must identify whether a grant agreement contains confidentiality provisions.
Provision of GO ID	From 1 July 2020, the grant opportunity identification number (GO ID) must be published as part of the grant award report.
Reporting of variations	Reporting on individual grants awarded includes reporting grant variations, where those variations involve additional payments of relevant money or significant extensions.

Source: CGRGs, PGPA Rule, RMG 421, *Australian Government Grant News – September 2020 Edition* as at August 2021.

1.9 In addition to the above reporting requirements, all PGPA Act entities must prepare an annual report, including audited financial statements, through which information regarding grants expense and associated disclosures is reported. The Australian Government's annual Consolidated Financial Statements (CFS) reports on total grants expense. CFS includes both payments meeting the CGRGs' definition of a grant and other types of grants expense such as overseas development aid and payments made to states and territories under the *Federal Financial Relations Act 2009*.⁴

⁴ In 2020–21 RMG125 was updated to define a grant (for the purposes of financial statements) as 'Grants Contributions of government resources (monetary or non-monetary) from a unit of government for specific or general purposes where no direct economic benefit is received in exchange by government.'

Rationale and approach

1.10 The purpose of the ANAO is to support accountability and transparency in the Australian Government sector through independent reporting to the Parliament, and thereby contribute to improved public sector performance. Section 25 of the *Auditor-General Act 1997* enables the Auditor-General at any time to cause a report to be tabled in either House of the Parliament on any matter.

1.11 The objectives of this information report are to provide transparency of, and insights on, government grants expense and Commonwealth entities' self-reporting of grants on GrantConnect. To achieve this, the report analyses:

- (a) Whole of Government grant awards;
- (b) entities' administration of grants;
- (c) entities' self-reporting on GrantConnect;
- (d) grant award recipients; and
- (e) Whole of Government grants expense.

1.12 Chapter 3 through Chapter 6 describe the grant awards reported on GrantConnect. The actual grants expense against grant awards is not reported on GrantConnect, but is reported via other means such as financial statements. Grants expense in the financial statements is discussed in Chapter 7.

1.13 This information report is not an audit or assurance review report and does not present a conclusion. The analysis of grant awards and opportunities contained in this report is based on data extracted by Finance at the end of July 2021. The ANAO has not tested the integrity of the underlying data contained in this information report and, accordingly, does not provide any assurance in respect of the reliability of the data. The ANAO performed diagnostics over the GrantConnect data provided by Finance to prepare the analysis in this report.

Data sources

1.14 In compiling this report, the ANAO drew upon seven data sources relevant to Australian Government grants (Table 1.2).⁵

5 Where possible and appropriate, different datasets were merged via a common data field or a unique identifier for more in-depth analysis. For example, grant awards may be linked to opportunities to measure the time between the publishing of an opportunity and the award of a corresponding grant; and Australian Business Register and Australian Statistical Geography Standard data was linked to grant award data to identify grant recipient characteristics.

Table 1.2: Data sources used in this information report

Data source	Purpose
Grant opportunity data for opportunities published on GrantConnect up to 30 June 2021.	<p>Entities must advertise a grant opportunity on GrantConnect.^a This data provides information on how entities advertise for grants, the types of selection processes to be used and the estimated total funding.</p> <p>Reporting requirements for publishing grant opportunities have changed over time. This has limited the ANAO's analysis of opportunities.</p> <p>All grant opportunity data is self-reported by entities.</p>
Grant awards data for awards started between 31 December 2017 and 30 June 2021 published on GrantConnect.	<p>Grant awards report a commitment of grant expenditure. This report provides analysis of the types of financial commitments Australian Government entities make through grants.</p> <p>Grant awards can be reported as an individual award or aggregated awards. Aggregated awards are a single grant record describing the total amount committed to multiple grantees.</p> <p>All grant awards data is self-reported by entities and includes GST.</p>
Consolidated Financial Statements (CFS) for 2017–18, 2018–19 and 2019–20. ^b	<p>The Consolidated Financial Statements report the Australian Government grants expense.</p> <p>Some grants expense reported in the CFS may not be considered a grant for the purposes of the CGRGs, such as payments for overseas development aid and payments made to states and territories under the <i>Federal Financial Relations Act 2009</i>. The ANAO has excluded them from the analysis where possible.</p> <p>Grants expense reported in the CFS excludes GST.</p>
The published annual reports of Commonwealth entities and Commonwealth companies subject to the PGPA Act for 2017–18 and 2019–20. ^b	<p>Data from annual reports is used to report on which government entities had grants expense for those subject to PGPA Act.</p> <p>Entities report grants expense at different levels of aggregation depending on relevant financial reporting requirements. The ANAO excluded those grant expenses not meeting the CGRGs' definition from analysis where possible.</p>
Australian Business Register (ABR).	The ANAO has used Australian Business Number (ABN) as a unique identifier for organisation grant recipients.
Australian Statistical Geography Standard 2016 data from the Australian Bureau of Statistics (ABS).	<p>'Remoteness Areas', as defined by the ABS, comprise five categories: major cities of Australia, inner regional Australia, outer regional Australia, remote Australia and very remote Australia.^c</p> <p>The ANAO has linked grants to an ABS remoteness classification based on the postcode reported on GrantConnect, in which grant outcomes are reported to be delivered.</p>

Data source	Purpose
Tertiary Education Providers data from Tertiary Education Quality and Standards Agency published on data.gov.au.	The ANAO has used ABNs contained within the list of Tertiary Education Providers to identify recipients classified as universities. ^d

Note a: The CGRGs describe exemptions from this requirement. These exemptions are discussed in paragraph 4.3.

Note b: Where noted, grants expense to 'states and territories', 'multi-jurisdictional sector' and 'overseas' reported in annual reports is excluded from ANAO analysis in this report.

Note c: Australian Bureau of Statistics, *1270.0.55.005 - Australian Statistical Geography Standard (ASGS): Volume 5 - Remoteness Structure* [Internet], ABS, July 2016, available from: <https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/1270.0.55.005Main+Features1July%202016?OpenDocument> [accessed 12 August 2021].

Note d: Tertiary Education Quality and Standards Agency, *Provider* [Internet], TEQSA, 11 August 2021, available from: <https://data.gov.au/dataset/ds-dga-0c4f6591-2aea-4797-a127-ae8f8a0be0e2/distribution/dist-dga-07370e3f-780b-4a70-8c87-b6796d5ab237/details?q=> [accessed 12 August 2021].

1.15 Information captured by GrantConnect influences the analysis that can be undertaken. During the process of preparing for this information report, the ANAO noted the following:

- (a) Users of GrantConnect can alter information previously reported if a change is made to the agreement of a grant award, such as additional payments of relevant money, significant extensions, or changes in organisation details. Each variation will be captured as a new entry and can be linked to the original grant award.
- (b) Grant awards can be reported as an individual award or aggregated awards. Aggregated awards are a single grant record describing the total amount paid for multiple grants.⁶
- (c) The GrantConnect dataset does not include information about whether a grant is administered by government grants hubs or a Minister was involved in the decision making.

1.16 This report was prepared at a cost to the ANAO of \$175,000.

⁶ Finance advised the ANAO that aggregate awards can be used by entities to provide information on grants when details that identify the recipient cannot be provided (such as grants to individuals, or to recipients for whom the *Privacy Act 1988* restricts the information that can be provided).

2. Whole of Government grant awards

2.1 A grant award results in a commitment of funding to a recipient. This chapter describes the grant awards reported on GrantConnect, including value and number of grant awards, intended outcomes of awards, the top 10 categories of grant awards, the top 10 entities administering grants, and COVID-related grants.

Value and number of grant awards

2.2 A grant award (award) is a notice published on GrantConnect of a grant being awarded by an Australian Government entity. Between 31 December 2017 and 30 June 2021, there were 108,206 awards reported by 31 non corporate Commonwealth entities (NCEs) and two corporate Commonwealth entities (CCEs). The total value of all awards during this period was \$60.2 billion. NCEs made ninety-six per cent of awards while the remaining four per cent were awarded by CCEs.⁷

Table 2.1: Total number and value of awards on GrantConnect by entity type

Period	Number (and value, \$million) of NCE awards	Number (and value, \$million) of CCE awards	Total awards number (and value, \$million)
31 December 2017–30 June 2018	7611 (5349)	84 (937)	7695 (6286)
2018–19	30,192 (22,368)	413 (274)	30,605 (22,641)
2019–20	25,080 (15,537)	475 (998)	25,555 (16,535)
2020–21	44,148 (14,628)	203 (94)	44,351 (14,723)
Total	107,031 (57,882)	1175 (2303)	108,206 (60,185)
Proportion of total by entity type	99% (96%)	1% (4%)	100% (100%)

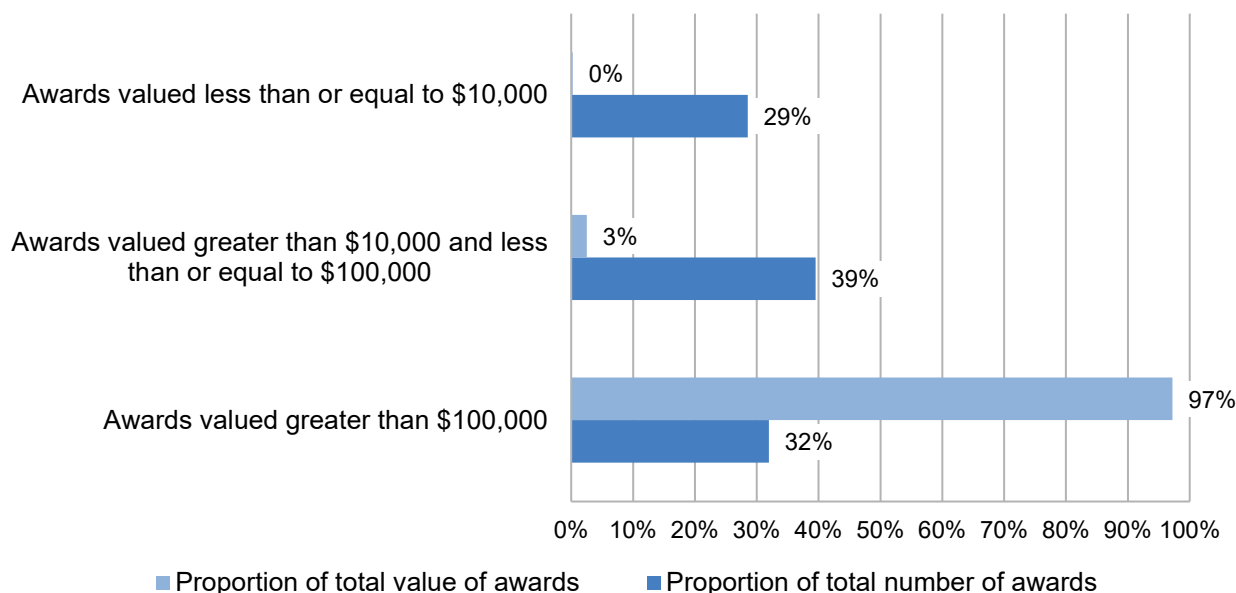
Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021.

2.3 One third of the 108,057 awards (representing 97 per cent of awards by value) were valued at more than \$100,000.⁸

7 One opportunity can result in multiple awards. Publishing grant opportunities for ad hoc/one off grants are not mandatory.

8 This analysis excludes 149 aggregated awards. These are award notices that relates to multiple recipients.

Figure 2.1: Distribution of awards



Note: Grant awards with value less than or equal to \$10,000 represents 0.2% of total value.

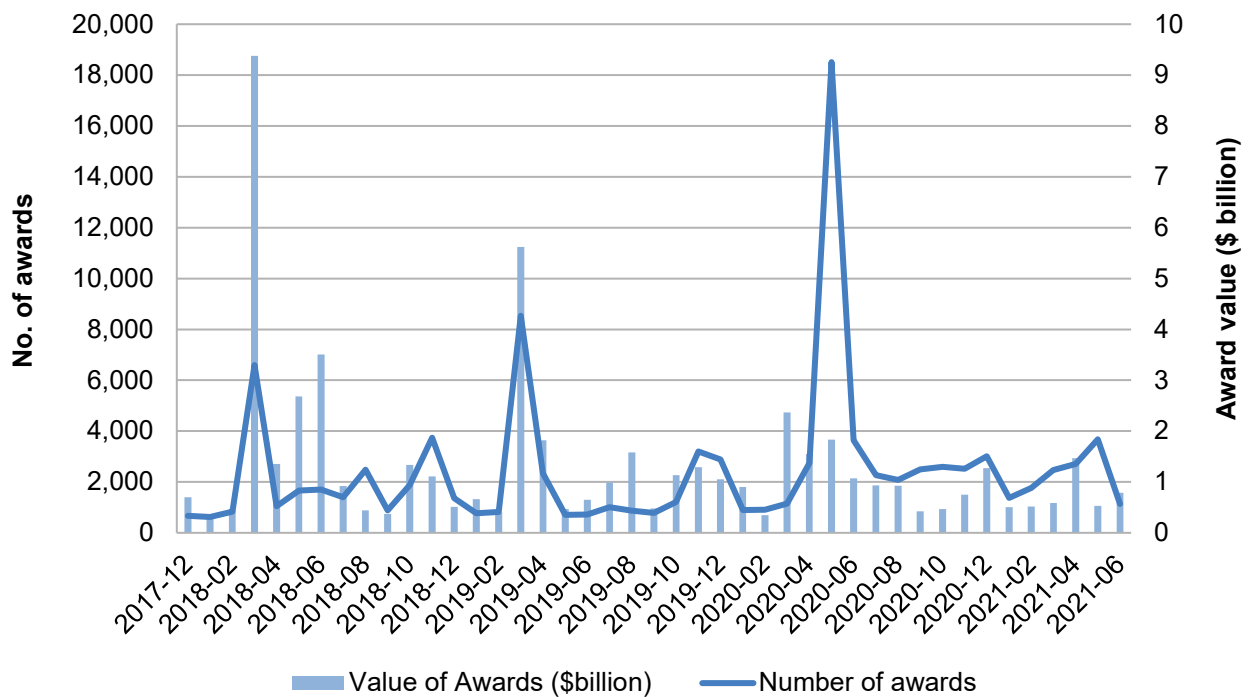
Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021, excluding aggregated awards.

2.4 Most awards valued less than or equal to \$10,000 were awarded by the Department of Social Services (DSS); the Department of Education, Skills and Employment (DESE); the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC); and the Australian Trade and Investment Commission (Austrade). Together, they made up 21,585 awards, or 70 per cent (by count) of all awards valued at \$10,000 or less.⁹

2.5 The value of grants approved was greatest in March of each year (32 per cent of all approved grants), with March 2018 having the highest value (\$9.4 billion), followed by March 2019 (\$5.6 billion) (Figure 2.2).¹⁰

9 The top grant programs by count of awards for each entity are: Volunteer Grants (DSS), Child Care Services Support (DESE), Stronger Communities Program (DITRDC) and 'Programs to promote Australia's exports and other international economic interests international freight assistance mechanism' (Austrade).

10 In March 2018, \$8.1 billion was awarded through the Aged Care Services program. May 2020 had the highest number of awards, with the majority awarded by the Department of Education, Skills and Employment. These grant awards were all linked to one PBS Program: 'support for the Child Care System', and were described as follows: 'The objective of the grant is to keep services viable during a recovery period, so they can remain operational and continue to deliver quality and affordable childcare, so that families can participate in the social and economic life of the community.'

Figure 2.2: Value and number of awards approved by month

Source: ANAO analysis of GrantConnect Data using award approval date.

Intended outcomes of awards

2.6 Grants form one of the primary funding methods through which the Australian Government seeks to achieve policy outcomes. Reporting the corresponding Portfolio Budget Statements (PBS) program for an individual grant award provides transparency and insight into how the Government has distributed funds to meet intended policy outcomes.

2.7 In total, 352 PBS programs have been listed as relevant to grants issued between 31 December 2017 and 30 June 2021. Table 2.2 outlines the top 10 PBS programs reported based on the associated awards value. Together, they make up 32 per cent by count and 52 per cent by value of all awards. Five are health related and funded through the Department of Health.

Table 2.2: Top 10 PBS programs by value of associated awards

Reported PBS program name	Administering entities	Number of awards	Total awards value (\$million)
2018–19 Aged Care Services	Department of Health	10,694	12,243
Aboriginal and Torres Strait Islander Health	Department of Health	1167	3666
Families and Communities	Department of Social Services	9226	2634
Health and Medical Research	Department of Health; National Health and Medical Research Council	2680	2652
Health Workforce	Department of Health	517	2565

Reported PBS program name	Administering entities	Number of awards	Total awards value (\$million)
Discovery	Australian Research Council	3688	1748
Regional Development	Department of Infrastructure, Transport, Regional Development and Communications	5696	1724
Agency Costs	National Disability Insurance Agency	49	1504
Local Government	Department of Infrastructure, Transport, Regional Development and Communications	1082	1489
Mental Health	Department of Health	352	1161

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021 using reported PBS program name.

2.8 Among the 108,206 awards reported on GrantConnect between 31 December 2017 and 30 June 2021, nearly all specify a corresponding PBS program. However, 335 awards described the PBS outcome as 'Not Applicable', including 291 awards administered by the Department of Defence with a total value of \$54.5 million. Table 2.3 summarises information about the 335 awards without a reported PBS program.

Table 2.3: Awards with 'Not Applicable' recorded for PBS program

Entity	Reported grant program	Number of occurrences	Total value, including variations (\$million)
Department of Defence	Departmental Programs	291	54
Department of Industry, Science, Energy and Resources	Departmental Programs	40	14
Department of The Treasury	Small Business Bushfire Financial Support Line	1	4
Department of Agriculture, Water and the Environment	Departmental Programs	1	1
Department of Industry, Science, Energy and Resources	Departmental Programs	1	0.2
Department of Home Affairs	Departmental Programs	1	0.2

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021 using reported PBS program name.

Top 10 categories of awards

2.9 GrantConnect provides a detailed list of grant categories for entities to choose from when publishing an opportunity or award. Grants were reported for 28 of the 29 available grant categories. Ten categories represented 82 per cent of all reported grants in value. Table 2.4 summarises the number and value of grants awarded to the top 10 categories by total value of

awards between 31 December 2017 and 30 June 2021. Grant funding assistance is highest for ageing (\$11.9 billion, 20 per cent), health, wellbeing and medical research (\$10.4 billion, 18 per cent) and Indigenous (\$8.6 billion, 14 per cent).¹¹

Table 2.4: Top 10 award categories by value between 31 December 2017 and 30 June 2021

Category	Number of awards	Total value (\$million)	Proportion of value of all awards (%)
Ageing	11,323	11,969	20
Health, Wellbeing and Medical Research	5182	10,401	17
Indigenous	7320	8607	14
Disability	3005	4445	7
Transport and Infrastructure	7152	4442	7
Academic Research	4589	2840	5
Child, Youth and Youth at Risk	20,509	1803	3
Employment and Training	222	1638	3
Industry	8542	1611	3
Agriculture	3243	1535	3

Note: Four categories were in the top 10 award categories by number but not in value: 'Disaster Relief' (8692); 'Community Development' (6206); 'Environment energy and resources' (3293); and 'Crime, Justice and Legal Issues' (3047). The categories of 'Ageing', 'Children, Youth and Youth at Risk' and 'Disaster Relief' received the most grants by number.

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021.

Top 10 grant administering entities

2.10 Between 31 December 2017 and 30 June 2021, 10 entities accounted for 93 per cent (\$55.9 billion) of the total value of awards. The Department of Health is the largest grant administering entity by value (\$24.7 billion, or 41 per cent). The Department of Education, Skills and Employment awarded the most grants by number (21,921 awards).

Table 2.5: Top 10 grant administering entities by total awards value

Entity	Total award value (\$million)	Number of awards
Department of Health (Health)	24,708	15,968
Department of Infrastructure, Transport, Regional Development and Communications (DITRDC)	7730	12,705
Department of Education, Skills and Employment (DESE)	4657	21,921

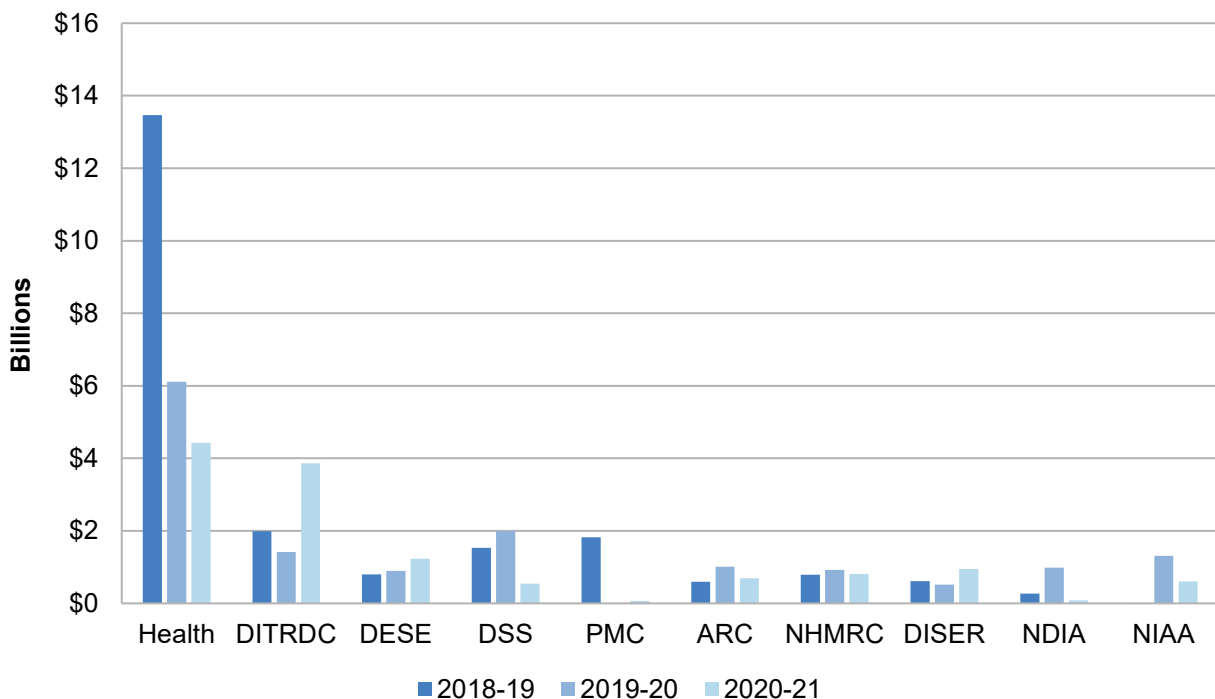
¹¹ No grants were reported for the 'Government and Politics' grant category.

Entity	Total award value (\$million)	Number of awards
Department of Social Services (DSS)	4267	10,756
Department of the Prime Minister and Cabinet (PMC)	2728	3192
Australian Research Council (ARC)	2645	4547
National Health and Medical Research Council (NHMRC)	2614	2657
Department of Industry, Science, Energy and Resources (DISER)	2328	9707
National Disability Insurance Agency (NDIA)	2272	635
National Indigenous Australians Agency (NIAA)	1926	2817

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021.

2.11 The awards from the Department of Health were valued at \$13 billion in 2018-19, \$6 billion in 2019-20 and \$4 billion in 2020–21. The significant amount awarded in 2018–19 was related to the Commonwealth Home Support Programme (\$8.3 billion).

Figure 2.3: Awards value of top 10 grant administering entities by financial year



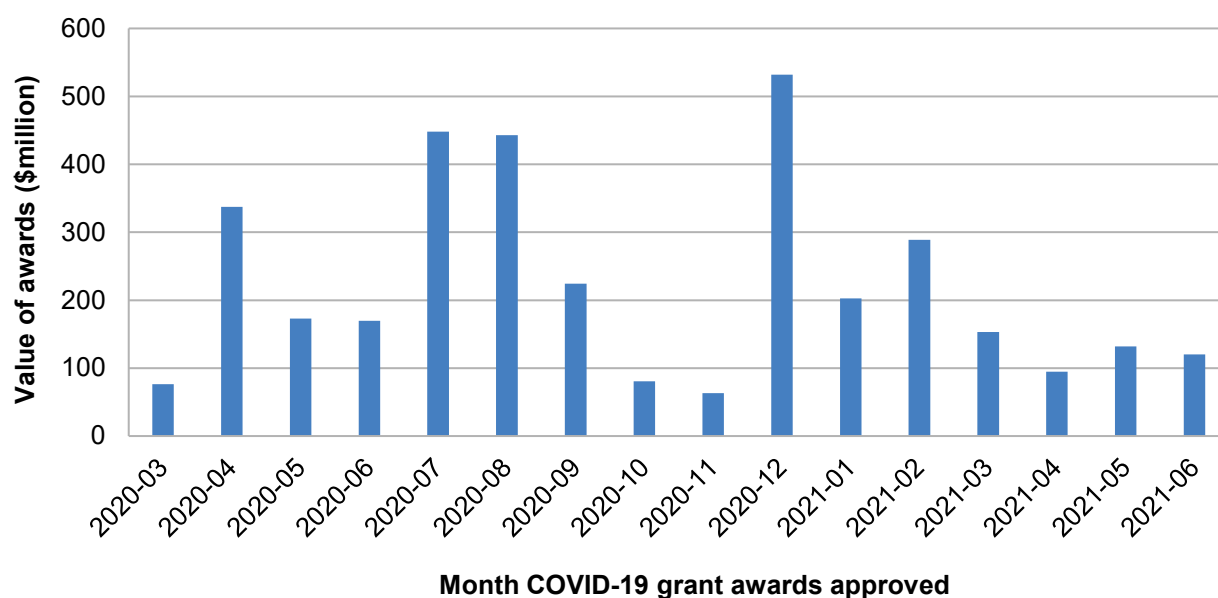
Note: The National Indigenous Australians Agency (NIAA) was established on 29 May 2019. Prior to this, it was part of Department of the Prime Minister and Cabinet.

Source: ANAO analysis of GrantConnect awards data for grants started between 1 July 2017 and 30 June 2021. The partial year data in 2017–18 is excluded from this analysis.

COVID-19 related awards

2.12 To illustrate the impacts of the COVID-19 pandemic on Commonwealth grants expenditure, COVID-19 related awards were identified by selecting those grants containing 'COVID' or 'coronavirus' in their described purpose, activity, or program name. Using this characteristic, 12,646 awards related to COVID-19 were identified, with a combined total value of \$3.7 billion. Grants related to COVID-19 represent 22 per cent of the total value of grants approved between March 2020 and June 2021.¹²

Figure 2.4: Value of COVID-19 related grants approved between March 2020 and June 2021



Source: ANAO analysis of GrantConnect data for awards with approval date between 31 December 2017 and 30 June 2021.

2.13 Of the 12,646 COVID-19 related grants, the top 10 of these awards account for 14 per cent of all COVID-19 related grant funding. Seven were funded by the Department of Infrastructure, Transport, Regional Development and Communications, two by the Department of Health and one by the National Indigenous Australians Agency. Six out of the top 10 COVID-19 related grants were awarded through a demand-driven selection process, one was awarded through an ad hoc/one-off process. Two grants were awarded through closed non-competitive processes with the remaining grant awarded through an open competitive process.¹³

12 Other potentially relevant terms (such as 'pandemic') resulted in the inclusion of grants not related to COVID-19 and were therefore excluded.

13 See paragraph 3.2 for definitions of different selection processes.

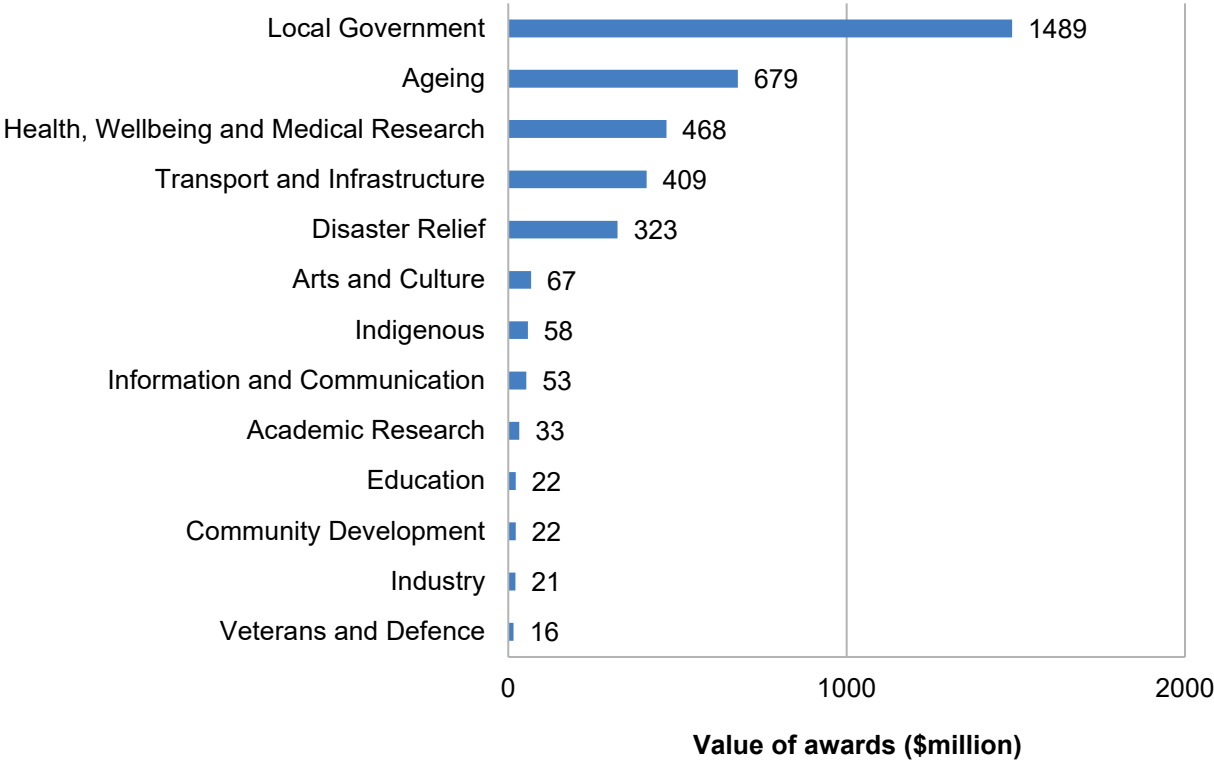
Table 2.6: Top 10 COVID-19 related awards by value

Entity name	Recipient	Selection Process	Initial Value (\$million)	Total value, including variations (\$million)
Department of Health	Healthdirect Australia Ltd	Ad hoc/One-off	51	139
Department of Infrastructure, Transport, Regional Development and Communications	Qantas Airways Limited	Demand Driven	36	70
Department of Infrastructure, Transport, Regional Development and Communications	Regional Express Pty Ltd	Closed Non-Competitive	43	54
Department of Infrastructure, Transport, Regional Development and Communications	Brisbane City Council	Demand Driven	41	41
National Indigenous Australians Agency	Indigenous Land and Sea Corporation	Closed Non-Competitive	19	38
Department of Infrastructure, Transport, Regional Development and Communications	Qantas Airways Limited	Demand Driven	37	35
Department of Infrastructure, Transport, Regional Development and Communications	Virgin Australia Airlines Pty Ltd	Demand Driven	42	35
Department of Health	Australian Lung Health Initiative Pty Ltd	Open Competitive	32	32
Department of Infrastructure, Transport, Regional Development and Communications	Swissport Pty Ltd	Demand Driven	29	29
Department of Infrastructure, Transport, Regional Development and Communications	Virgin Australia Airlines Pty Ltd	Demand Driven	25	25

Source: ANAO analysis of 'COVID-19' related GrantConnect data for grants started between 31 December 2017 and 30 June 2021.

2.14 Since March 2020, 13 grant categories each had over \$10 million in COVID-19 related awards. The top five categories by value comprised over 99.7 per cent of total COVID-19 related grant funding, including 'Local Government' (44 per cent), 'Ageing' (20 per cent) and 'Health, Wellbeing and Medical Research' (14 per cent). 'Disaster Relief' had the largest number of awards (7897) and represented 10 per cent of total COVID-19 related awards value.

Figure 2.5: COVID-19 related awards categories with total COVID-19 related grants value greater than \$10 million



Source: ANAO analysis of 'COVID-19' related GrantConnect data for grants started between 31 December 2017 and 30 June 2021.

3. Entities' administration of grants

3.1 The *Commonwealth Grants Rules and Guidelines* (CGRGs) are principle-based and give entities flexibility in how awards are administered. This chapter uses GrantConnect data to explore the administration of grants by entities, including the method used to select, manage and vary grants.

Use of selection processes

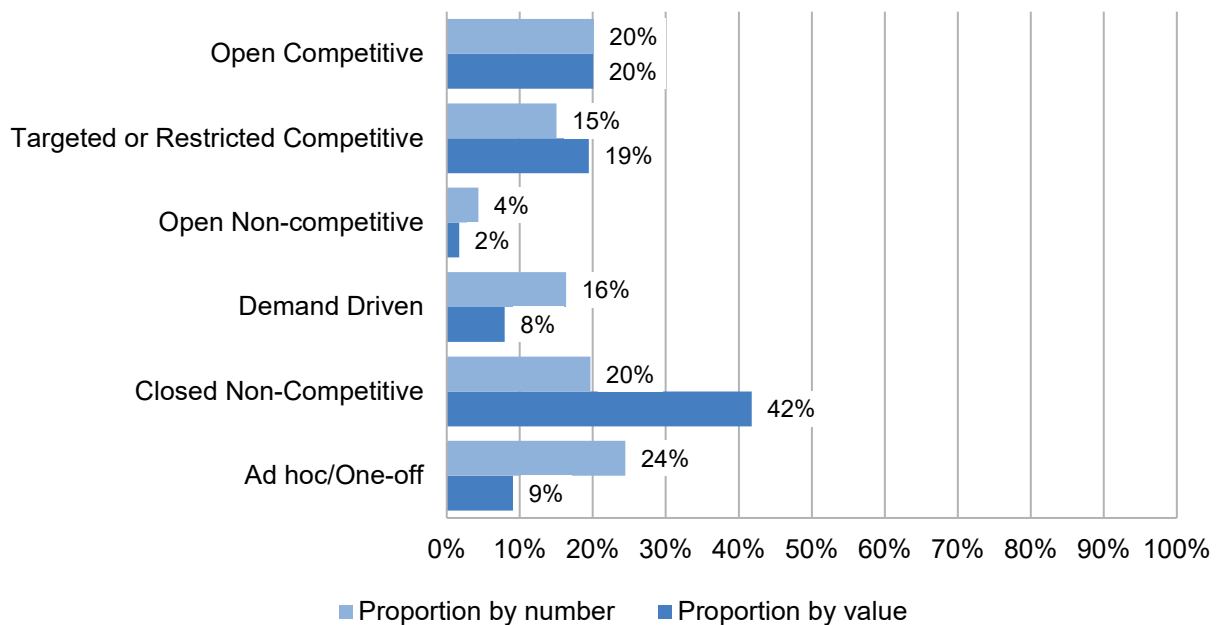
3.2 The CGRGs specify a number of selection processes that an Australian Government entity can use to decide to whom to award a grant. The selection processes are defined as:

- open competitive funding rounds which have open and closed nominated dates, with eligible applications being assessed against the nominated selection criteria;
- targeted or restricted competitive funding rounds, which are open to a small number of potential grantees based on the specialised requirements of the grant activity under consideration;
- non-competitive, open processes, under which applications may be submitted at any time over the life of the grant opportunity and are assessed individually against the selection criteria, with funding decisions in relation to each application being determined without reference to the comparative merits of other applications;
- demand-driven or 'first-in first-served' processes, where applications that satisfy stated eligibility criteria receive funding, up to the limit of available appropriations and subject to revision, suspension or abolition of the grant opportunity;
- closed non-competitive processes, where, for example, applicants are invited by the entity to submit applications for a particular grant and the applications or proposals are not assessed against other applicants' submissions but assessed individually against other criteria; or
- one-off grants, which are determined on an ad hoc basis, usually by Ministerial decision.¹⁴

3.3 Figure 3.1 shows that 42 per cent of awards by value were made through a closed non-competitive selection process. A closed non-competitive process was more likely to be used for high value grants, while an ad hoc/one-off selection process was more likely to be used to award lower value grants to a larger number of recipients.

14 Department of Finance, *Commonwealth Grants Rules and Guidelines 2017*, Finance, 2017, paragraph 13.11.

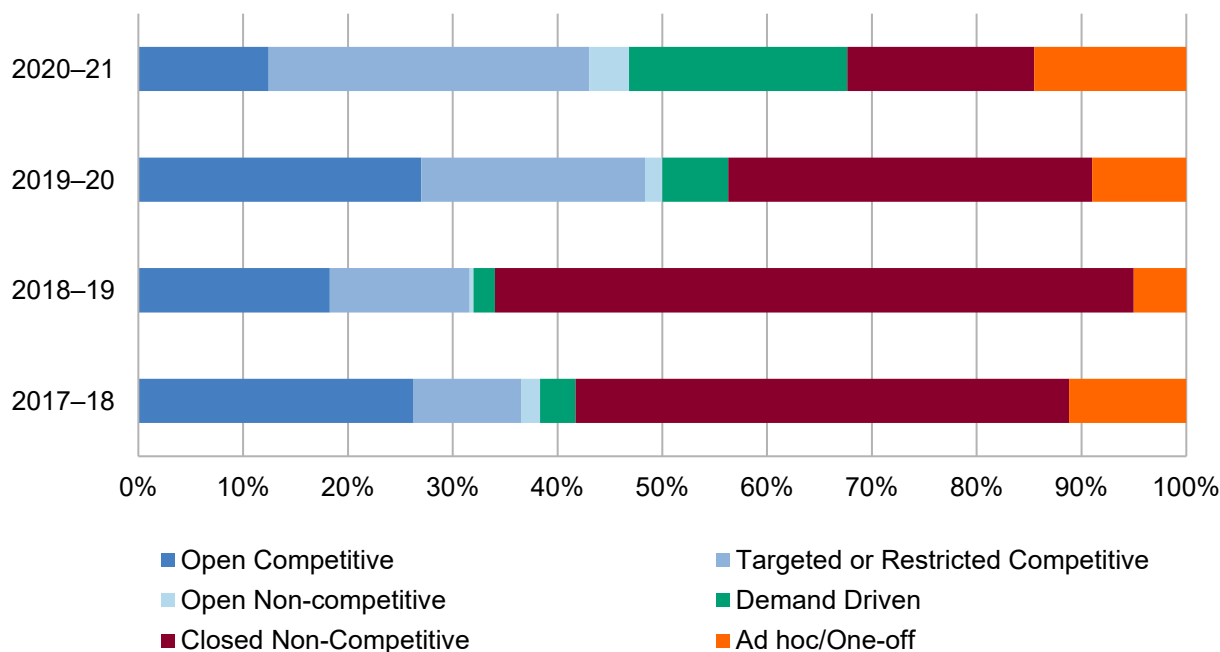
Figure 3.1: Grant selection process



Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021 using reported selection process.

3.4 Based on the value of awards, closed non-competitive selection process was the primary method used in 2017–18 (47 per cent) and 2018–19 (61 per cent), but used less frequently in 2019–20 (35 per cent) and 2020–21 (18 per cent). The proportion of grants awarded through a targeted or restricted competitive process increased from 10 per cent in 2017–18 to 31 per cent in 2020–21. Demand driven processes also increased in use from three per cent in 2017–18 to 21 per cent in 2020–21.

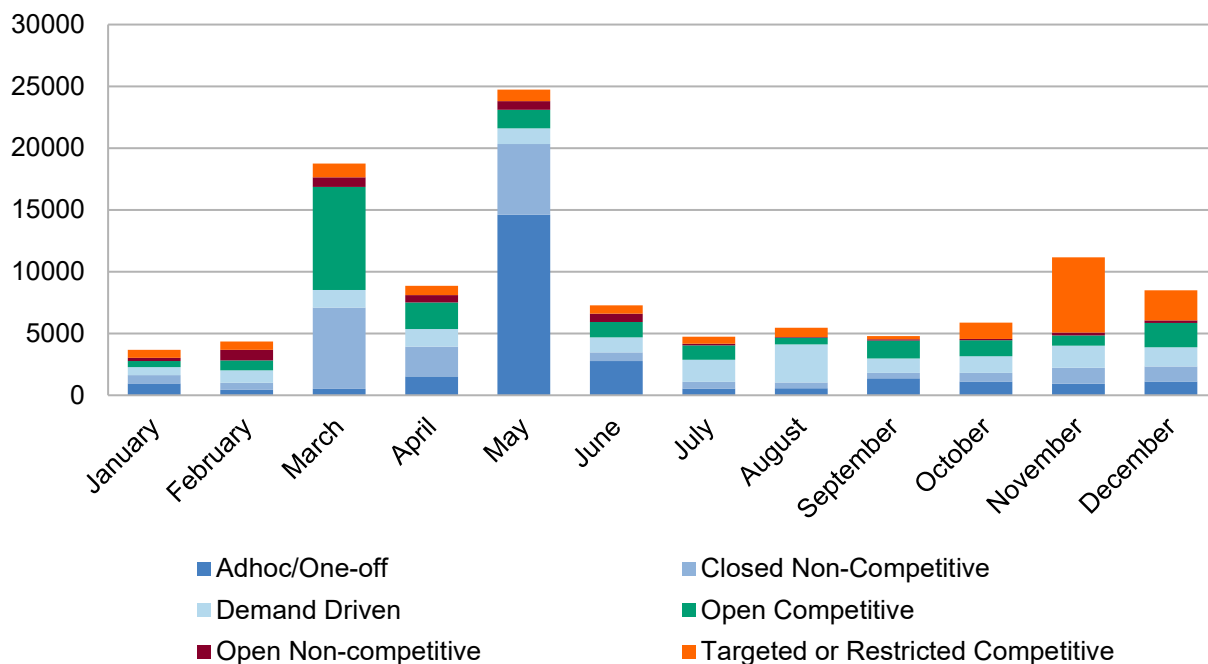
Figure 3.2: Proportion of awards value by selection process and financial year



Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021 using reported selection process.

3.5 Grouping all awards by the approval month, the number of awards approved by ad hoc/one-off selection process is the highest in May (14 per cent). Two-thirds of awards selected using an ad hoc/one-off selection process were approved in May or June.

Figure 3.3: Number of awards approved by selection process and by calendar month



Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021.

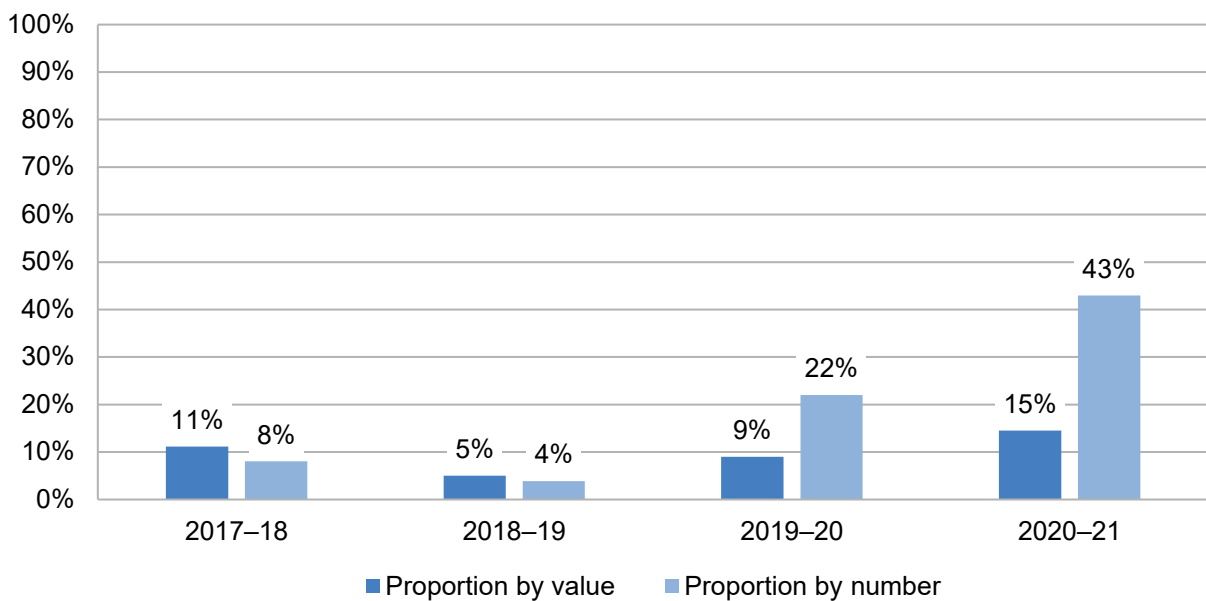
Use of ad hoc/one-off selection process

3.6 The CGRGs specify that ad hoc/one-off grants generally do not involve planned selection processes, but are instead designed to meet a specific need, often due to urgency or other circumstances.¹⁵ These grants are generally not available to a range of grantees or on an ongoing basis. When grants are provided on a one-off or ad hoc basis, entities are also exempted from publishing grant opportunity guidelines on GrantConnect.

3.7 In comparison to grants awarded by other selection processes, ad hoc/one-off grants are more likely to be high volume and have a low average value, accounting for 24 per cent of the total number and nine per cent of the total value of awards.

3.8 Between 2017–18 and 2020–21, the use of ad hoc/one-off processes increased from 11 per cent of to 15 per cent by value and from eight per cent to 43 per cent by number of the total awards.

Figure 3.4: Proportion of awards selected through an ad hoc/one-off process by value and by number



Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021.

3.9 Table 3.1 shows the 10 grant administering entities that have awarded the most grants through an ad hoc/one-off selection process. These entities make up 97 per cent of the total value of ad hoc/one-off grants.

¹⁵ According to paragraph 13.11 of the CGRGs, ad hoc/one-off grants are usually determined by Ministerial decision.

Table 3.1: Top 10 grant administering entities by total value of grants awarded through an ad hoc/one-off selection process

Entity name	Total value awarded through an ad hoc/one-off process (\$million)	Total value awarded by entity (\$million)	Proportion of award value administered through an ad hoc/one-off process (%)
Department of Health	1429	24,708	6
Department of Education, Skills and Employment	864	4657	19
Department of Agriculture, Water and the Environment	852	1644	52
Department of Social Services	665	4267	16
Department of Industry, Science, Energy and Resources	567	2328	24
Department of Infrastructure, Transport, Regional Development and Communications	333	7730	4
Australian Trade and Investment Commission	291	505	58
Department of Home Affairs	179	506	35
Department of Defence	56	585	10
Department of Foreign Affairs and Trade	40	197	20

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021.

3.10 For nine of the 24 entities that administered awards through ad hoc/one-off processes, ad hoc/one-off awards accounted for more than 50 per cent of the total value awarded.

Table 3.2: Entities for which ad hoc/one-off grants accounted for more than 50 per cent of total value awarded

Entity name	Total value awarded through an ad hoc/one-off process (\$million)	Total value awarded by entity (\$million)	Proportion of awards by entity administered through an ad hoc/one-off process (%)
Australian Federal Police	16.3	16.3	100
National Mental Health Commission	6.9	6.9	100
Australian Taxation Office	5.7	5.7	100
Geoscience Australia	0.7	0.8	97

Entity name	Total value awarded through an ad hoc/one-off process (\$million)	Total value awarded by entity (\$million)	Proportion of awards by entity administered through an ad hoc/one-off process (%)
Australian Securities and Investments Commission	23.4	31.1	75
Australian Trade and Investment Commission	291.4	504.9	58
Safe Work Australia	0.4	0.7	56
Department of the Treasury	37.4	68.9	54
Department of Agriculture, Water and the Environment	851.8	1643.9	52

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021.

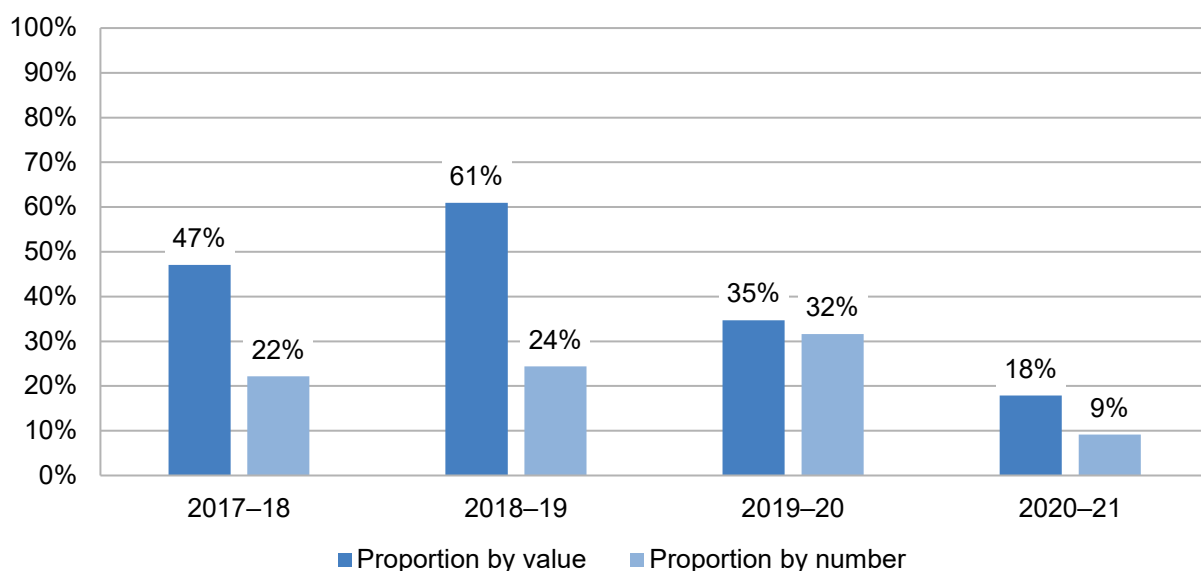
Use of closed non-competitive selection process

3.11 The CGRGs specify that closed non-competitive grants are administered to applicants who have been invited by the entity to submit an application for a particular grant. These grants are not assessed against other applicants' submissions but are assessed individually against other criteria.¹⁶

3.12 The proportion of value awarded via closed non-competitive processes increased from 47 per cent in 2017–18 to 61 per cent in 2018–19, and then decreased to 18 per cent in 2020–21. The proportion of the number of awards via this process declined from 22 per cent in 2017–18 to nine per cent in 2020–21.

¹⁶ Department of Finance, *Commonwealth Grants Rules and Guidelines 2017*, Finance, 2017, p. 37.

Figure 3.5: Proportion of awards selected through a closed non-competitive process by value and by number



Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021.

3.13 Table 3.3 shows the 10 entities that have awarded the most grants through a closed non-competitive selection process. These entities make up over 99 per cent of the total value of closed non-competitive grant awards.

Table 3.3: Top 10 grant administering entities by total value of grants awarded through a closed non-competitive selection process

Entity name	Total value awarded through a closed non-competitive process (\$million)	Total value awarded by entity (\$million)	Proportion of awards by entity administered through a closed non-competitive process (%)
Department of Health	14,757	24,708	60
Department of Infrastructure, Transport, Regional Development and Communications	3336	7730	43
Department of The Prime Minister and Cabinet	2461	2728	90
Department of Education, Skills and Employment	1831	4657	39
National Indigenous Australians Agency	1144	1926	59
Department of Social Services	994	4267	23

Entity name	Total value awarded through a closed non-competitive process (\$million)	Total value awarded by entity (\$million)	Proportion of awards by entity administered through a closed non-competitive process (%)
Organ and Tissue Authority	199	216	92
Department of Industry, Science, Energy and Resources	170	2328	7
Department of Agriculture, Water and The Environment	69	1644	4
Department of Defence	65	585	11

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021

3.14 For five of the 22 entities that administered awards through closed non-competitive processes, closed non-competitive awards accounted for more than 50 per cent of the total value awarded.

Table 3.4: Entities for which closed non-competitive grants accounted for more than 50 per cent of total value awarded

Entity name	Total value awarded through a closed non-competitive (\$million)	Total value awarded by entity (\$million)	Proportion of award value administered through a closed non-competitive process (%)
Department of Finance	5	5	100
Organ and Tissue Authority	199	216	92
Department of The Prime Minister and Cabinet	2461	2728	90
Department of Health	14,757	24,708	60
National Indigenous Australians Agency	1144	1926	59

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021.

Variations to awards

3.15 Variations to grant awards represented 19 per cent of the total value of awards reported on GrantConnect. Of the \$60.2 billion awarded between 31 December 2017 and 30 June 2021, \$48.9 billion were awarded in initial grant agreements and \$11.3 billion (19 per cent) were added through variations.

3.16 A grant awarded to Ku Children’s Services by the Department of Education, Skills and Employment through a closed non-competitive process had the largest absolute variation. The variation increased the award value from \$93.6 million to \$468.1 million.

3.17 The largest variation, as a proportion of the original award value, was for a grant awarded to Active Foundation Incorporated by the Department of Social Services (DSS), which increased from an initial value of \$1.10 to a final value of \$834,569. This was one of 180 awards published by DSS with initial values between \$1.10 and \$3.30 that were subsequently varied between \$0.01 and \$1.8 million.¹⁷

3.18 The *Public Governance, Performance and Accountability Act 2013* (PGPA Act), *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) and CGRGs do not limit the number of variations. One grant administered by the Department of Health for aged care services was varied 65 times, the highest number of variations for any grant award. A reason for the variation was reported for only the first four variations, including increases to the value of the grant and extension of the award end date by two years.

Confidential awards

3.19 The CGRGs state that ‘*Officials must identify whether a grant agreement contains confidentiality provisions*’. GrantConnect data captures several types of information relating to confidentiality, comprising:

- whether a grant agreement is confidential (e.g. if the agreement contains any confidentiality clauses) and, if yes, the reason; and
- whether an award’s output is confidential (e.g. if information obtained in carrying out the agreement is confidential) and, if yes, the reason.

3.20 Between 31 December 2017 and 30 June 2021, 6193 awards (six per cent of all awards) reported a confidential contract clause or output. Awards with a confidentiality provision or output were valued at \$5.2 billion, representing nine per cent of total value.

Table 3.5: Value and number of confidential awards by financial year

Financial year	Total value of confidential awards (\$million)	Proportion of total awards value (%)	Total number of confidential awards	Proportion of total awards number (%)
31 December 2017–30 June 2018	885	14	524	7
2018–19	999	4	1825	6

17 The Department of Social Services (DSS) advised the ANAO: “The 180 awards are programs funded on a ‘pay for services provided’ basis. ‘Pay for services provided’ programs are treated differently to other grants that receive their funding up-front in the department’s Grant Payment System (GPS). These programs have a nominal agreement value of \$1 or \$3 (\$1.10 or \$3.30 GST inclusive) entered into the GPS when the agreements are established. This process of applying a nominal agreement value of \$1 or \$3 is in place as an agreement value in GPS cannot be a nil value. At the end of the financial year and/or acquittal period, the agreement value for these providers is updated based on the amount of funding they have received based on services provided. The updating of the figures in GPS constitutes a variation to the activity, however a formal variation to the grant agreement is not required. For reporting purposes in GrantConnect, the amount is then uploaded as a variation to the original Grant Award.”

Financial year	Total value of confidential awards (\$million)	Proportion of total awards value (%)	Total number of confidential awards	Proportion of total awards number (%)
2019–20	1724	10	1877	7
2020–21	1557	11	1967	4

Source: ANAO analysis of GrantConnect awards reported as confidential started between 31 December 2019 and 30 June 2021.

3.21 Fifty-one per cent of confidential awards were selected through a targeted or restricted competitive process.

Table 3.6: Confidential awards by selection process

Selection process	Value of confidential awards (\$million)	Number of confidential awards	Proportion of total by number (%)
Open competitive	23	210	3
Targeted or restricted competitive	3535	3151	51
Open non-competitive	248	272	4
Demand driven	321	1690	27
Closed non-competitive	434	95	2
Ad hoc/one-off	602	775	13
Total	5164	6193	100

Source: ANAO analysis of GrantConnect awards reported as confidential started between 31 December 2017 and 30 June 2021.

3.22 Seventeen grants administering entities reported confidential awards at least once between 31 December 2017 and 30 June 2021. The entity reporting the highest number of confidential awards was the National Health and Medical Research Council, which reported all of its grants (2657) as having both confidential agreements and outputs.¹⁸

Table 3.7: Top 10 entities that administered confidential awards by number of awards

Entity	Value of confidential awards (\$million)	Number of confidential awards
National Health and Medical Research Council	2614	2657
Attorney-General's Department	15	1483
Australian Securities and Investments Commission	20	1002
Department of Education, Skills and Employment	195	375

¹⁸ The National Health and Medical Research Council (NHMRC) advised the ANAO that the terms of NHMRC's funding agreement and grant award data are public but the full applications for funding, which are schedules to the funding agreement, contain confidential information, such as intellectual property.

Entity	Value of confidential awards (\$million)	Number of confidential awards
Department of Health	635	359
Department of Foreign Affairs and Trade	10	115
Organ and Tissue Authority	193	61
Department of Infrastructure, Transport, Regional Development and Communications	607	48
Department of Agriculture, Water and the Environment	525	39
Australian Communications and Media Authority	4	27

Source: ANAO analysis of GrantConnect awards reported as confidential started between 31 December 2017 and 30 June 2021.

Administrative process used by the top 10 awards

3.23 The top 10 awards reported on GrantConnect between 31 December 2017 and 30 June 2021 represent about six per cent of total value reported during this period.¹⁹

- Of these top 10 awards, eight were selected using a closed non-competitive process.
- Six had at least one variation to increase the funding commitment.
- The highest-value award was funded via an ad hoc/one-off selection process to the Great Barrier Reef Foundation by the Department of Agriculture, Water and the Environment in 2018. The grant administration and implementation processes regarding this award were audited by the ANAO in 2018–19 and 2020–21.²⁰

Table 3.8: Top 10 awards by value

Entity	Initial value (\$million)	Total value, including variations (\$million)	Selection process	Recipient
Department of Agriculture, Water and the Environment	488	488	Ad hoc/One-off	Great Barrier Reef Foundation
Department of Education, Skills and Employment	94	468	Closed Non-Competitive	Ku Children's Services

¹⁹ The analysis in this section excludes aggregate grant awards. See 01 for definition of aggregate grants.

²⁰ Auditor-General Report No.35 2020–21 *Implementation of the Great Barrier Reef Foundation Partnership* and Auditor-General Report No.22 2018–19 *Award of a \$443.3 Million Grant to the Great Barrier Reef Foundation*.

Entity	Initial value (\$million)	Total value, including variations (\$million)	Selection process	Recipient
Department of Infrastructure, Transport, Regional Development and Communications	30	400	Closed Non-Competitive	Australian Rail Track Corporation Limited
Department of Defence	112	332	Targeted or Restricted Competitive	Nato-Afghan National Army Trust Fund
Department of Health	136	311	Closed Non-Competitive	Australian Unity Home Care Service Pty Ltd
Department of Health	127	289	Closed Non-Competitive	Transport For NSW
Department of Infrastructure, Transport, Regional Development and Communications	282	282	Closed Non-Competitive	Screen Australia
Department of Health	77	242	Closed Non-Competitive	Royal District Nursing Service Limited
Department of Infrastructure, Transport, Regional Development and Communications	235	235	Closed Non-Competitive	Australian Rail Track Corporation Limited
Department of Infrastructure, Transport, Regional Development and Communications	220	220	Closed Non-Competitive	Australian Rail Track Corporation Limited

Note: This analysis excludes aggregated awards.

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021.

4. Entities' self-reporting on GrantConnect

4.1 The Commonwealth grants framework specifies reporting requirements for entities awarding grants. The requirement for grant awards to be reported on GrantConnect was mandated from 31 December 2017. The requirement for grant opportunities to be published on GrantConnect was mandated from August 2017, although was optional from April 2017. This chapter uses GrantConnect data to provide information on entities self-reporting on GrantConnect based on reporting requirements (refer Table 1.1).

Entities reporting awards on GrantConnect

4.2 Between 2017–18 and 2019–20, 58 Australian Government entities reported grants expense in their annual reports and financial statements. Between 31 December 2017 and 30 June 2021, 31 non-corporate Commonwealth entities and two corporate Commonwealth entities (Wine Australia and the National Disability Insurance Agency) reported awards on GrantConnect. No Commonwealth company reported grants on GrantConnect during this period.²¹

Table 4.1: Number of entities reporting grants expense in annual reports and awards on GrantConnect

Entity type	Number of entities reporting grants expense in annual reports (2017–18 to 2019–20)	Number of entities reporting awards on GrantConnect (31 Dec 2017–30 Jun 2021)
Non-corporate Commonwealth entities	33	31
Corporate Commonwealth entities	22	2
Commonwealth Companies	3 ^a	0
Total	58	33

Note a: The three Commonwealth Companies are: Australian Sports Foundation Limited, Creative Partnerships Australia Ltd, and Outback Stores Pty Ltd.

Note: Four non-corporate Commonwealth entities reported grant expense in their annual reports but did not report awards on GrantConnect. Two non-corporate Commonwealth entities reported awards on GrantConnect but did not report grants expense in their annual reports.

Source: ANAO analysis of GrantConnect data for grants started between 31 December 2017 to 30 June 2021 and annual report data of Commonwealth entities and companies.

4.3 Entities are exempted from reporting grant opportunities where there is a specific policy reason to not publicise the grant opportunity guidelines, or where grants are provided on a one-off or ad hoc basis. Additionally, where officials assess that publishing grant information in accordance with the CGRGs could adversely affect the achievement of policy outcomes, the responsible Minister may seek an exemption from the Finance Minister.²² Unless an exemption is obtained, reporting of awards is mandated for all non-corporate Commonwealth entities, and for relevant corporate Commonwealth entities when a Minister is involved in the decision making. The non-

21 Awarding a grant and payments made under an awarded grant can occur in different financial years.

22 Department of Finance, *Commonwealth Grants Rules and Guidelines 2017*, Finance, 2017, page 14.

corporate Commonwealth entities that reported grants expense in their financial statements but did not report a corresponding grant award on GrantConnect are shown in Table 4.2.

Table 4.2: Non-corporate Commonwealth entities that reported grants expense in annual reports but did not report awards on GrantConnect (2017–18 to 2019–20)

Entity name	Grants expense reported in annual reports (\$000s)		
	2017–18	2018–19	2019–20
Australian Institute of Criminology ^a	488	328	180
Australian Prudential Regulation Authority ^b	129	119	103
Australian Transaction Reports and Analysis Centre ^c	–	40	10
National Archives of Australia	20	20	34

Note a: The Australian Institute of Criminology reported grants activities in its annual reports, but advised the ANAO that these activities were procurements and not classified as grants in its financial statements.

Note b: The Australian Prudential Regulation Authority advised the ANAO that this expenditure, while reported as 'Grants and Scholarships', consists only of scholarships during these periods.

Note c: The Australian Transaction Reports and Analysis Centre advised the ANAO that the above grants were reported on its website and annual reports. The above grants, and future grants, will be reported on GrantConnect.

Source: ANAO analysis of non-corporate Commonwealth entities annual reports and GrantConnect data between 31 December 2017 and 30 June 2021.

Linkage between grant opportunities and awards

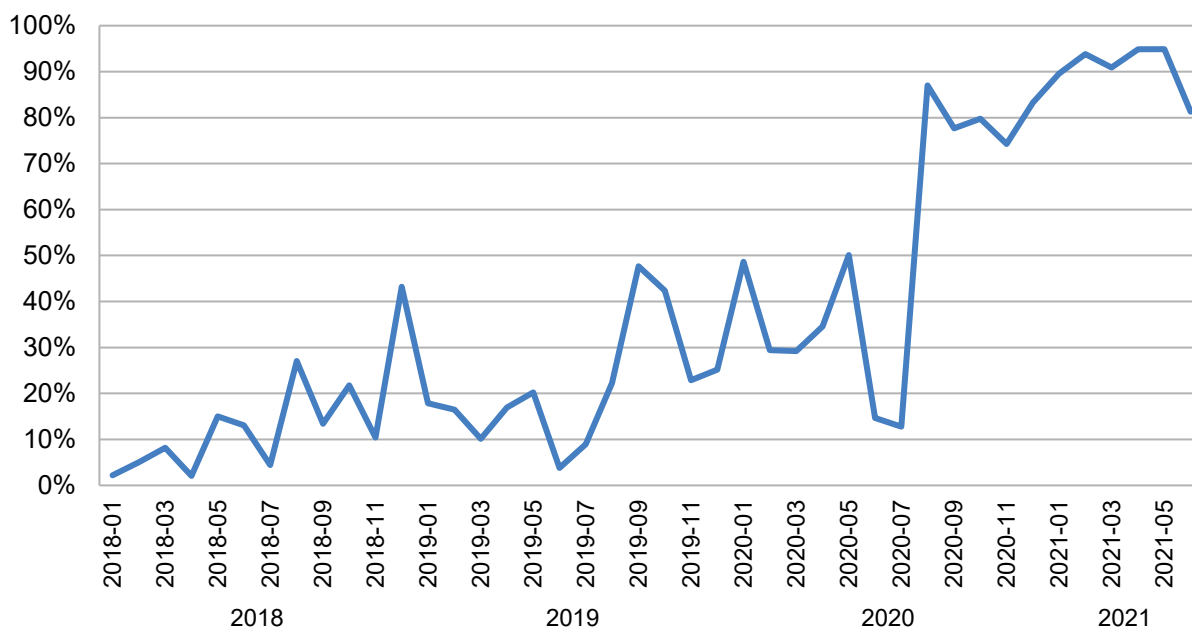
4.4 Multiple awards can be linked to a single opportunity. When reporting awards, GrantConnect allows entities to record the related grant opportunity identification number (GO ID). Between 31 December 2017 and 30 June 2021, 36 per cent of awards (39,127 awards) included a GO ID that enabled linkage to a published opportunity.

4.5 From 1 July 2020 the Department of Finance (Finance) required all awards to be linked to the relevant opportunity. In April 2021, Finance implemented a system control that requires entities to link new awards to existing opportunities.²³ Figure 4.1 indicates that after this control was implemented, 95 per cent of awards were published with a GO ID in April and May 2021 but this dropped to 81 per cent in June 2021.²⁴

23 Department of Finance, Australian Government Grant News – September 2020 Edition [Internet], available from <https://www.finance.gov.au/about-us/newsletters/2020/australian-government-grant-news-september-2020-edition> [accessed 15 June 2021].

24 Finance advised the ANAO that entities are only required to link an award to an opportunity GO ID if at the time of publishing the award the entity responds 'Yes' to 'Was the Grant Opportunity published on GrantConnect'. Entities can publish grant awards where the opportunity may have been exempt from publishing as per the exemptions listed in RMG 421.

Figure 4.1: Proportion of awards with a linked opportunity by month



Source: ANAO analysis of GrantConnect data for awards published between 1 January 2018 and 30 June 2021.

4.6 There were 707 opportunities with at least one linked award. For 51 opportunities (seven per cent), awards linked to the same opportunity were reported to have been selected through multiple selection processes, including selection processes different from what was originally published in the grant opportunity. For example, the selection process for a ‘Business Improvement Fund’ grant administered by the Department of Health under the Aged Care Quality PBS Program was published as ‘Targeted or Restricted Competitive’ in its opportunity but its awards were selected through five separate processes.

Timeliness of reporting

4.7 GrantConnect records six dates associated with the grant administration process. These are:

- opportunity publishing date;
- opportunity closing date;
- award approval date;
- award start date, which can be the date on which a grant agreement is signed or a specified starting date;
- award publishing date; and
- expected award end date.

4.8 For 39,127 awards that have a linked opportunity, the ANAO analysed the difference between the:

- opportunity publishing and award start date;
- opportunity closing and award approval date;
- award approval and start date; and

- award start and publishing date.²⁵

Difference between opportunity publishing and award start date

4.9 Of the 39,127 grant awards that were linked to an opportunity, 1930 (five per cent) had an award start date prior to the related opportunity publishing date. Table 4.3 shows that the majority of these awards were reported by Australian Trade and Investment Commission.

Table 4.3: Entities that reported awards with a start date prior to the publishing of their related opportunities

Entity name	Number of awards
Australian Trade and Investment Commission	1454
Department of Health	221
Department of Education, Skills and Employment	99
Department of Infrastructure, Transport, Regional Development and Communications	66
Department of Defence	44
Department of Industry, Science, Energy and Resources	36
Department of Agriculture, Water and the Environment	6
Department of Veterans' Affairs	2
Attorney-General's Department	1
National Health and Medical Research Council	1

Source: ANAO analysis of GrantConnect data for awards started between 31 December 2017 and 30 June 2021 that are linked to an opportunity.

Difference between opportunity closing and award approval date

4.10 15,810 awards with a total value of \$7.5 billion were approved prior to their related opportunity closing date.²⁶ Grants awarded through an ad hoc/one-off, demand driven, closed non-competitive or open non-competitive selection process may be approved prior to the opportunity closing date because an application can be assessed without reference to the comparative merits of other applications. Of the grants awarded prior to their related opportunity closing date, 14,498 (\$6.5 billion) were of these types.

4.11 Open competitive selection processes involve the assessment of applications against the nominated selection criteria. Twelve per cent of grants selected through open competitive processes, and nine per cent of grants selected through targeted or restricted competitive processes, were approved before the opportunity closing date.²⁷

25 Where the ANAO is referring to time difference between two dates, the arithmetic calculation is based on the second date minus the first date. The result is expressed in days. Where the result is a negative number, the second date occurred prior to the first.

26 Out of 30,297 grant awards with a linked grant opportunity. Note 5062 were excluded from analysis as they did not have an opportunity closing date.

27 Finance advised the ANAO that there are some competitive processes that are 'batched' for assessment at set periods, and thus have competitive applications assessed and awarded prior to the closing date.

Table 4.4: Grants with competitive selection processes approved prior to the opportunity closing date by selection process

Selection process	Number of awards approved prior to the opportunity closing date	Total number of awards with a linked opportunity	Proportion of total number (%)
Open competitive	582	4930	12
Targeted or restricted competitive	730	8512	9

Source: ANAO analysis of GrantConnect linked opportunities and awards data that has reported award approval date and opportunity closing date.

Difference between award start and approval date

4.12 Eighty-one grant awards (0.07 per cent) with a total reported value of \$177.5 million had a start date prior to their approval date (Table 4.5).

Table 4.5: Entities reporting awards with start dates preceding approval dates

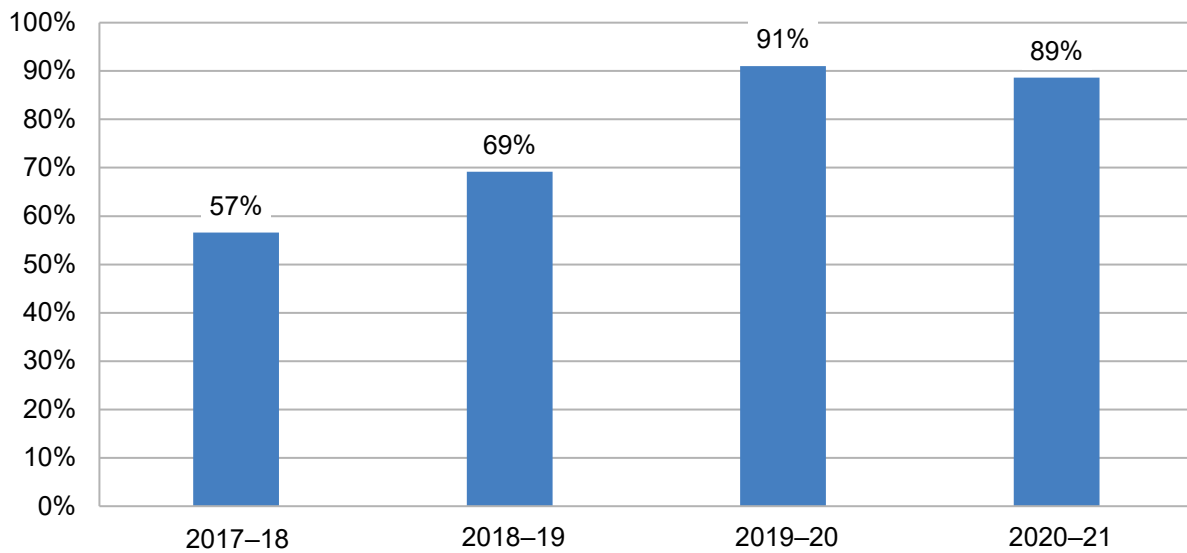
Entity name	Number of awards with start dates preceding approval dates	Total value associated with these awards (\$million)
Department of Infrastructure, Transport, Regional Development and Communications	3	68.0
Australian Research Council	49	61.2
Department of Defence	7	25.3
Department of the Prime Minister and Cabinet	3	20.7
Australian Trade and Investment Commission	3	1.7
National Indigenous Australians Agency	4	0.3
Australian Securities and Investments Commission	1	0.2
Department of Education, Skills and Employment	11	0.1
Total	81	177.5

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021.

Difference between award start and publishing date

4.13 The CGRGs and PGPA Rules require relevant entities to report awards on GrantConnect within 21 days of executing an agreement. Between 31 December 2017 and 30 June 2021, 81 per cent of the 108,206 awards reported on GrantConnect were published within 21 days of the award start date. Timely reporting of awards increased from 57 per cent in 2017-18 to 89 per cent in 2020-21.

Figure 4.2: Proportion of awards published within 21 days of award start date



Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021 using reported award start and publish dates.

4.14 Reporting of awards has become more timely over the last three years. The average duration between start and publishing date decreased from 48 days in 2017-18 to 10 days in 2020-21, with half of awards reported within eight days of their start dates in 2020-21.

Table 4.6: Difference between award start and publishing dates

Financial year	Number of awards	Average (days)	Median (days)
2017-18	7,695	48	18
2018-19	30,605	25	14
2019-20	25,555	15	5
2020-21	44,351	10	8

Source: ANAO analysis of GrantConnect awards data between 31 December 2017 to 30 June 2021 using reported award start and approval dates.

Consistency between opportunity and award

Difference in reported selection process between opportunity and award

4.15 Of the 39,127 awards linked to an opportunity, 7,705 (20 per cent) had a reported selection process that was different to what was reported for their related opportunities. The most common difference was opportunities reported to be 'open non-competitive', but later reported as a 'ad hoc/one-off' grant awards (3,849). There were also 852 grants awarded through 'targeted or restricted competitive' process but with opportunities describing the selection process as 'open competitive'.

Table 4.7: Number of grants where reported selection process varied between opportunity and award

Reported award selection process							
Reported opportunity selection process	Ad hoc /one-off	Closed non-competitive	Demand driven	Open competitive	Open non-competitive	Targeted or restricted competitive	Total
Ad hoc/One-off	0	5	1	1	0	127	134
Closed non-competitive	61	0	2	35	6	407	511
Demand driven	0	0	0	377	5	2	384
Open competitive	23	16	0	0	45	852	936
Open non-competitive	3849	0	22	68	0	88	4027
Targeted or restricted competitive	195	920	8	275	315	0	1713
Total	4128	941	33	756	371	1476	7705

Source: ANAO analysis of GrantConnect data for awards started between 31 December 2017 and 30 June 2021 and their linked opportunities using reported selection processes.

Difference in total value between opportunity and award

4.16 When an opportunity is reported on GrantConnect, an entity can specify an estimated total award value. Of 707 opportunities with linked awards, 494 recorded a value. Of these, 261 (53 per cent) were linked to awards with a total value that was higher than the estimated opportunity value. One grant administered by the Department of Health had a reported opportunity value of \$1.3 million and a reported total awards value of \$1.4 billion, representing the largest proportional difference.²⁸

4.17 Among the 29 entities that reported opportunities with at least one linked award, 19 (66 per cent) reported total award value exceeding the linked opportunity value at least once.

Table 4.8: Entities reporting total award value exceeding the linked opportunity value

Entity	Number of opportunities where the total award value exceeded the opportunity value
Department of Health	131
National Health and Medical Research Council	47
Department of Infrastructure, Transport, Regional Development and Communications	17

28 The Indigenous Australians' Health Programme - Primary Health Care Program (PHC Funding Model).

Entity	Number of opportunities where the total award value exceeded the opportunity value
Department of Industry, Science, Energy and Resources	12
Department of Agriculture, Water and the Environment	11
Department of Foreign Affairs and Trade	8
NDIS Quality and Safeguards Commission	8
Department of Defence	5
Department of Home Affairs	5
Attorney-General's Department	4
Australian Trade and Investment Commission	3
Wine Australia	2
National Blood Authority	2
Department of Education, Skills and Employment	1
Cancer Australia	1
Australian Taxation Office	1
Australian Securities and Investments Commission	1
Australian Communications and Media Authority	1
Department of Finance	1
Total	261

Note: This analysis excludes three linked opportunities with a reported value of zero.

Source: ANAO analysis of GrantConnect data for grant awards started from 31 December to 30 June 2021 and their related opportunities.

5. Grant award recipients

5.1 This chapter examines the characteristics of award recipients. Recipient characteristics have been taken from the Australian Business Register, using the Australian Business Number (ABN) reported on GrantConnect. Between 31 December 2017 and 30 June 2021, 103,561 awards were made with a recorded ABN. This chapter does not examine the 149 aggregate grant awards (totalling \$2.1 billion) that do not identify individual recipients, or the 4496 awards made to single recipients without an ABN (totalling \$0.6 billion). The 103,561 awards (\$57.5 billion) with an ABN recorded forms the basis of the analysis undertaken in this Chapter.²⁹

Types of award recipients

5.2 For awards started between 31 December 2017 and 30 June 2021, there are 34 unique recipient types that make up all recipients with an identifiable ABN.³⁰ Of these, recipients classified as 'Australian Public Company' made up the highest total award value while 'Other Incorporated Entity' had the highest number of awards.

5.3 Table 5.1 presents the top ten recipient types by value. Together, they make up 92 per cent of the total awards value. Of these ten, three relate to State Governments accounting for five per cent of the total value of awards reported between 31 December 2017 and 30 June 2021.

Table 5.1: Top ten recipient types by awards value

Recipient type	Number of awards	Total value (\$million)
Australian Public Company	13,906	20,530
Other Incorporated Entity	38,944	18,547
Australian Private Company	25,471	4972
Local Government Entity	6858	4215
Other Unincorporated Entity	5328	3507
State Government Entity	3135	1692
State Government Statutory Authority	530	560
State Government Other Incorporated Entity	218	519
Commonwealth Government Entity	331	489
Territory Government Entity	283	386

Note: Definitions of recipient types are available from: <https://abr.business.gov.au/Help/EntityTypeList>.

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021 with an ABN recorded.

29 It is possible for one organisation to have multiple ABNs (e.g. subsidiaries), or one ABN can be used for multiple organisations with different trading names. Analysis in this chapter will not account for these instances.

30 For each ABN, the Australian Business Register records the type of associated entity (grant recipient). The type describes: 'The legal or business structure of an organisation. It determines the nature of the organisation's business as described by the Australian Standard 4590'. Available from: <https://www.abr.gov.au/government-agencies/accessing-abr-data/abr-data-dictionary/agency-file> [accessed 12 August 2021].

Top 10 recipients

5.4 Five universities make up half of the top 10 recipients of awards by value (Table 5.2). The University of Melbourne and Australian Rail Track Corporation Limited, a Commonwealth company, are the top two recipients by total value received.

Table 5.2: Top 10 recipients by total value of awards

Recipient name ^a	Total awards value (\$million)	Number of awards
University of Melbourne	1035	1009
Australian Rail Track Corporation Limited	941	5
Monash University	884	996
The University of Queensland	809	830
University of New South Wales	802	880
The Uniting Church in Australia Property Trust (Q.)	729	106
University of Sydney	722	787
Australian Unity Home Care Service Pty Ltd	605	25
Qantas Airways Limited	510	7
Great Barrier Reef Foundation	493	2

Note a: Recipient name is the name as it appears in the Australian Business Register.

Source: ANAO analysis of GrantConnect data between 31 December 2017 and 30 June 2021.

5.5 Seafrigo Australia Pty Ltd received the largest number of grants (2003) totalling \$10 million. Seafrigo Australia Pty Ltd grants were awarded by the Australian Trade and Investment Commission with the description: 'Respond to the collapse of international airfreight capacity in and out of Australia as a result of COVID-19'. Five universities make up half of the top 10 recipients of awards by the number of awards received (Table 5.3).

Table 5.3: Top 10 recipients by number of awards

Recipient name	Total awards value (\$million)	Number of awards
Seafrigo Australia Pty Ltd	10	2003
CT Freight Pty Ltd	68	1712
DHL Global Forwarding (Australia) Pty Ltd	78	1133
Camp Australia Pty Ltd	16	1071
University of Melbourne	1035	1009
Monash University	884	996
The trustee for Seaway Logistics Unit Trust	25	902
University of New South Wales	802	880

Recipient name	Total awards value (\$million)	Number of awards
The University of Queensland	809	830
University of Sydney	722	787

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021.

5.6 Grants were reported for 28 of the 29 available grant categories (refer paragraph 2.9). Table 5.4 shows the top awards recipient by total value within each of the reported 28 grant categories.

Table 5.4: Top recipient by awards value for each grant category

Category	Recipient name	Total award value to top recipient (\$million)	Number of awards to top recipient	Proportion of category value represented by top recipient (%)
Academic Research	University of Melbourne	353	482	12
Ageing	The Uniting Church in Australian Property Trust (Q.)	692	24	6
Agriculture	The Trustee for The Salvation Army (VICTORIA) Property Trust	91	1	6
Arts and Culture	Screen Australia	282	1	29
Child, Youth and Youth at Risk	Ku Children's Services	472	61	26
Community Development	Brotherhood of Saint Laurence	92	3	6
Crime, Justice and Legal Issues	Relationships Australia (QLD)	123	21	8
Cultural and Linguistic Diversity	Settlement Services International Limited	47	2	17
Diplomacy Services	New South Wales Rugby League	2	1	1
Disability	The Uniting Church in Australia Property Trust (NSW)	412	3	9
Disaster Relief	National Aerial Firefighting Centre	108	1	18
Education	Australian National University	141	8	10
Employment and Training	WorldSkills Australia	8	2	0

Category	Recipient name	Total award value to top recipient (\$million)	Number of awards to top recipient	Proportion of category value represented by top recipient (%)
Environment, Energy and Resources	Great Barrier Reef Foundation	493	2	38
Health, Wellbeing and Medical Research	University of Melbourne	579	444	6
Housing and Homelessness	Catholiccare Australia	18	1	43
Indigenous	Northern Territory of Australia	211	42	2
Industry	Bushfire and Natural Hazards CRC Limited	94	1	6
Information and Communication	Telstra Corporation Limited	67	6	28
International Aid and Development ^a	The Australian Labor Party National Secretariat	1	1	25
	The Liberal Party of Australia – Federal Secretariat	1	1	25
Local Government	Brisbane City Council	52	2	4
Philanthropy, Voluntarism and Not-for-Profits Infrastructure	The Centre for Volunteering	0.9	1	7
Recreation and Sport	City of Swan	26	3	9
Science and Technology	Curtin University	75	4	33
Social Inclusion and Social Justice	Australian Red Cross Society	14	3	13
Trade and Tourism	Rottnest Island Authority	17	1	32
Transport and Infrastructure	Australian Rail Track Corporation Limited	941	5	21
Veterans and Defence	Defence CRC Tas Limited	55	1	8

Note a: Two recipients received the same total award value for this category.

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021 using reported categories.

University recipients

5.7 Universities were identified by matching recipient's ABN to a provider dataset published by the Tertiary Education Quality and Standards Agency (TEQSA). The 60 university recipients identified were awarded 9057 grants totalling \$8.3 billion between 31 December 2017 and 30 June 2021, with 32 per cent by value awarded by the Australian Research Council (ARC).³¹

5.8 More than 83 per cent of grants (valued at \$6.8 billion) awarded to university recipients were categorised as 'health, wellbeing and medical research' or 'academic research' grants.

Table 5.5: Grant categories each accounting for more than \$100 million of grants to universities

Category	Total awards value to universities (\$million)	Number of awards
Health, Wellbeing and Medical Research	4095	2765
Academic Research	2745	4571
Education	647	154
Science and Technology	161	138
Environment, Energy and Resources	156	121
Agriculture	100	96

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021 and awarded to recipients identified as 'Universities' by TEQSA.

Local Government recipients

5.9 There are 589 grant recipients that are classified as 'Local Government Entity' according to the Australian Business Register. In total, this group received \$4.8 billion through 7344 awards between 31 December 2017 and 30 June 2021. The top 10 'Local Government Entity' recipients account for 12 per cent by value of all grants awarded to this group.

Table 5.6: Top 10 'Local Government Entity' recipients by value

Recipient name	State/Territory	Total award value (\$million)	Number of awards
MacDonnell Regional Council	Northern Territory	63	46
Central Desert Regional Council	Northern Territory	60	32
Moreton Bay Regional Council	Queensland	60	20
Roper Gulf Regional Council	Northern Territory	60	31
City of Swan	Western Australia	59	22
Brisbane City Council	Queensland	57	10
Northern Land Council	Northern Territory	55	13

31 Because universities also receive grants through other Australian Government entities, four universities are still within the top 10 recipients by value after ARC grants are excluded.

Recipient name	State/Territory	Total award value (\$million)	Number of awards
City of Greater Geelong	Victoria	52	35
East Arnhem Regional Council	Northern Territory	48	41
Norfolk Island Regional Council	New South Wales	47	6

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021 and awarded to recipients identified as 'Local Government Entity' on the ABR.

5.10 Table 5.7 shows the seven grant categories that each has over \$100 million awarded to the 'Local Government Entity' recipients.

Table 5.7: Grant categories with more than \$100 million of awards to 'Local Government Entity' recipients

Category	Total awards value (\$million)	Number of awards
Local Government	1442	1062
Transport and Infrastructure	1174	1324
Ageing	960	1854
Indigenous	438	449
Agriculture	352	689
Recreation and Sport	155	80
Child, Youth and Youth at Risk	136	894

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021 using categories of awards for recipients identified as Local Government Entities on the ABR.

Recipients of grants across multiple categories

5.11 Based on entities' self-reported grant categories, 38 recipients received grants across ten or more categories.³² The majority of these recipients are universities, with the remaining being some local government entities, the Australian Red Cross Society, and the Commonwealth Scientific and Industrial Research Organisation (CSIRO). An additional 388 recipients received grants across between five and nine categories. The recipients with most categories are indicated in Table 5.8.

Table 5.8: Top ten recipients with most categories

Recipient name	Number of grant categories
University of Melbourne	19
Curtin University	17
Griffith University	16
University of Sydney	15
The University of Adelaide	15
Royal Melbourne Institute of Technology	15

³² See paragraph 2.9 for a description of 'grant category'.

Recipient name	Number of grant categories
Deakin University	15
University of New South Wales	14
Macquarie University	14
La Trobe University	14

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021, where an ABN has received grants across 5 or more categories.

Regional and rural development grants

5.12 Expanding on the 29 high level grant categories, two grant subcategories allow location analysis to be undertaken for regional and rural development grants.³³

5.13 Between 31 December 2017 and 30 June 2021, 6668 regional and 433 rural development grants totalling \$2.6 billion were awarded.³⁴

Table 5.9: Value and number of regional and rural development awards

Category name	Total awards value (\$million)	Number of awards
Regional Development	2310	6668
Rural Development	322	433
Total	2632	7101

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021 using reported categories.

Regional development grants

5.14 Of 5005 regional development grant recipients, seven of the top ten recipients by value were local councils.

Table 5.10: Top 10 recipients by value of regional development grants

Recipient name	Total award value (\$million)	Number of awards
Moreton Bay Regional Council (Queensland)	38	5
The University of Newcastle	33	1
NIOA Nominees Pty Ltd T/F Bill Nioa Family Trust	31	1
Eurobodalla Shire Council (New South Wales)	29	10
Greater Shepparton City Council (Victoria)	27	7
Shire of Murray (Western Australia)	25	5

33 For location analysis, the ANAO used the postcode where the outcomes were delivered, as recorded in GrantConnect. Data from the ABS Remoteness Structure 2016 was used to inform the mapping of postcodes to remoteness area.

34 The analysis for this section is based on 53,522 grant awards that have a post code mapped to the ABS Remoteness Structure 2016. Of the 108,206 awards that started between 31 December 2017 and 30 June 2021, 54,314 (50 per cent) had no recorded postcode.

Recipient name	Total award value (\$million)	Number of awards
Health Administration Corporation	25	1
Latrobe City Council (Victoria)	23	18
Whitsunday Regional Council (Queensland)	22	7
Yarra Ranges Shire Council (Victoria)	21	22

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021.

5.15 By value, 60 per cent of regional development grants were awarded to recipients associated with postcodes classified as 'Inner regional' or 'Outer regional' and eight per cent to 'Remote' or 'Very remote'. Twenty-seven per cent was awarded to postcodes classified as 'Major cities'.³⁵

Table 5.11: Remoteness of postcodes associated with regional development grants

Remoteness area	Total awards value (\$million)	Number of awards	Proportion of regional development grants value (%)
Inner regional	860	1664	37
Major cities	624	3682	27
Outer regional	521	937	23
Remote	93	155	4
Very remote	88	154	4
Postcode not specified	125	76	5
Total	2310	6668	100

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021, and ABS Remoteness Structure 2016.

Rural development grants

5.16 Wine Australia received the largest rural development award at \$33 million, accounting for 15 per cent of the total value of this category.

Table 5.12: Recipients that received \$10 million or more of rural development grants

Recipient Name	Total award value (\$million)	Number of awards
Wine Australia	33	1
Invasive Animals Ltd	17	3
Rural Financial Counselling Service NSW South Region Incorporated	15	5
Rural Industries Research & Development Corporation	12	3

³⁵ This analysis has used postcodes where the associated grant outcomes are delivered as recorded by the reporting entity.

Recipient Name	Total award value (\$million)	Number of awards
Department of Agriculture and Fisheries (Queensland)	11	6
iFarm Australia Pty Ltd	11	2
Horticulture Innovation Australia Limited	10	3

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021 using reported categories.

5.17 A large majority (76 per cent by number or 96 per cent by value) of rural development grants did not specify a postcode of where the grant outcomes were to be delivered. For this reason, the ANAO did not undertake further analysis of the location of rural development grants. Finance advised the ANAO that where grants may be delivered across a State or Territory, the State or Territory may be specified instead of a postcode.

Validity of recipients' Australian Business Number

5.18 The ANAO identified 100 awards published on GrantConnect after recipients' Australian Business Numbers (ABNs) were cancelled.³⁶ Of these:

- 85 awards reported an approval date on GrantConnect that was after the ABN cancellation date of the recipient; and
- 92 awards reported a start date on GrantConnect that was after the ABN cancellation date of the recipient.

5.19 Table 5.13 shows for the 85 awards that were approved after the recipient's ABN was cancelled, half were approved at least 809 days after their ABN cancellation dates.

Table 5.13: Difference between 'Approval Date' and 'ABN Cancellation Date' for awards approved after recipients' ABNs were cancelled

Statistical measure	Difference between 'Approval Date' and 'ABN Cancellation Date' (days)
Minimum	5
Maximum	7861
Median	809

Source: ANAO analysis of GrantConnect awards data for grants started between 31 December 2017 and 30 June 2021 using award approval date and ABN cancellation date.

5.20 The ANAO did not confirm if the grant opportunity guidelines of specific grant awards required a valid ABN.

³⁶ Some awards have their recipients' ABNs updated after their award publish date.

6. Whole of Government grants expense

6.1 A grant award is a commitment of expenditure. This chapter describes Commonwealth entities' grants expense, which is the actual expenditure against these commitments. The ANAO analysed the annual Consolidated Financial Statements (CFS) between 2017–18 and 2019–20, as well as financial statements within annual reports published by Commonwealth entities and Commonwealth companies subject to the *Public Governance, Performance and Accountability Act 2013*.

6.2 As discussed in Chapter 2, some grants expense reported in the CFS may not be considered a grant for the purposes of the *Commonwealth Grants Rules and Guidelines* (CGRGs). As such, this chapter does not directly compare financial statements and GrantConnect reporting. Entities report grants expense at different levels of aggregation depending on relevant financial reporting requirements. From public reporting it is not always possible to identify if reported grants expense meets the CGRGs definition.³⁷ The ANAO has excluded the grants expense not within the scope of the CGRGs definition from the analysis where possible.

Grants expense reported in CFS

6.3 Between 2017–18 and 2019–20, the Australian Government spent \$50.4 billion on grants. Total grants expense increased from \$15.4 billion in 2017–18 to \$18.1 billion in 2019–20. Annual grants expense was three per cent of total Australian Government expenses in each year.

Table 6.1: Australian Government grants expense from 2017–18 to 2019–20

Expense types	Recipient types	2017–18 (\$million)	2018–19 (\$million)	2019–20 (\$million)	Total (\$million)
Current grant expense	Private sector	8319	9857	10,500	28,676
	Non-profit organisations	4744	5330	5652	15,726
	Other	1266	1019	1214	3499
Capital grant expense	Private sector	190	85	52	327
	Non-profit organisations	674	550	627	1851
	Other	245	9	32	286
Total grants expense		15,438	16,850	18,077	50,365

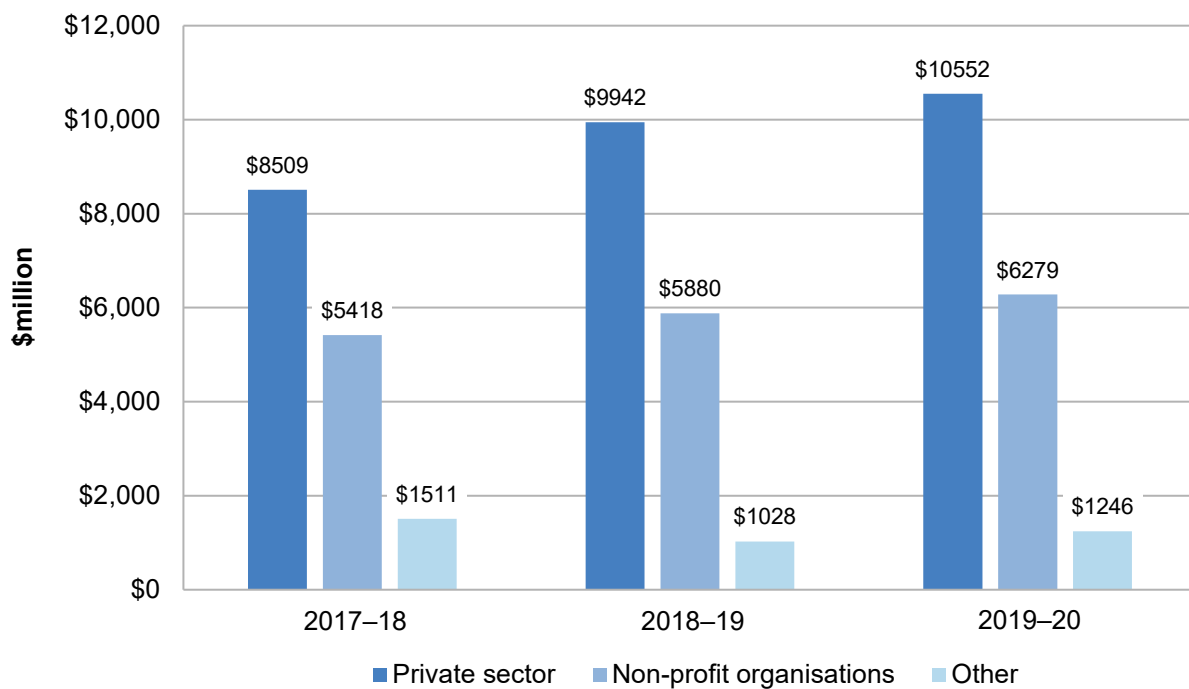
Note: Grants expense to 'states and territories', 'multi-jurisdictional sector' and 'overseas aid' in the CFS reports are excluded. These expenses are not considered as grants under the definition of CGRGs. 'Other' includes grants not covered by other categories such as payments to individuals.

Source: The 2018–19, and 2019–20 Consolidated Financial Statements, Note 3E.

6.4 Between 2017–18 and 2019–20 the proportion of grants expense paid to private sector organisations increased from 55 per cent to 58 per cent, while the proportion paid to non-profit organisations remained consistent at 35 per cent. In absolute terms, grants expense to private sector and non-profit organisations increased by 24 per cent and 16 per cent, respectively, between 2017–18 and 2019–20.

37 See Chapter 2 for the definition of a grant according to the CGRGs.

Figure 6.1: Grants expense to different sectors, 2017–18 to 2019–20



Source: The 2017–18, 2018–19, and 2019–20 Consolidated Financial Statements, Note 3E.

Grants expense by selected entities

Non-corporate Commonwealth entities

6.5 Thirty-two NCEs reported grant expense in their financial statements between 2017–18 and 2019–20. Five NCEs accounted for 84 per cent of all NCE grants expense.

Table 6.2: Top five NCEs reporting grants expense, 2017–2018 to 2019–20

Non-corporate Commonwealth entity	Total grants expense (\$million)	Proportion of all NCEs grants expense (%)
Department of Health	23,842	54
Department of Social Services	5,864	13
Department of Infrastructure, Transport, Regional Development and Communications	4,069	9
Department of the Prime Minister and Cabinet	2,320	5
Department of Agriculture, Water and the Environment	1,307	3
Total	37,402	84^a

Note a: Totals may not add up due to rounding.

Source: ANAO analysis of NCEs' financial statements between 2017–18 and 2019–20.

Corporate Commonwealth entities

6.6 Of the 22 CCEs reporting grants expense in their financial statements, four accounted for 81 per cent of all CCE grants expense.

Table 6.3: Top four CCEs reporting grants expense, 2017–18 to 2019–20

Corporate Commonwealth Entity	Total grants expense (\$million)	Proportion of all CCEs grants expense (%)
Australian Sports Commission	682	29
Australia Council	562	24
Australian Renewable Energy Agency	484	20
National Disability Insurance Agency	210	9
Total	1938	81

Source: ANAO analysis of CCEs' financial statements between 2017–18 and 2019–20.

6.7 For some CCEs, grants expense is a significant proportion of their annual total expenses. Table 6.4 shows the relative contribution of grants expense to total expenses for each of these entities, based on analysis of their 2019–20 financial statements.

Table 6.4: Grants expense versus total expenses by top four CCEs 2019–20

Corporate Commonwealth entity	Total grants expense (\$million)	Total entity expenses (\$million)	Grants expense as a proportion of total entity expenses (%)
Australia Council	187	211	89
Australian Renewable Energy Agency	184	223	83
Australian Sports Commission	233	381	61
National Disability Insurance Agency	124	19,266	1

Source: ANAO analysis of selected CCEs' financial statements between 2017–18 and 2019–20.

Commonwealth companies

6.8 Of the three Commonwealth companies that reported grants expense in their financial statements, the Australian Sports Foundation Limited (ASF) accounted for 84 per cent. In 2019–20, ASF's grants expense (\$43.3 million) accounted for 93 per cent of its total expenses.

Table 6.5: Grants expense for all Commonwealth companies that reported a grant expense from 2017–18 to 2019–20

Commonwealth Company	Total grants expense (\$million)	Proportion of all Commonwealth companies' grants expense (%)
Australian Sports Foundation Limited	125	84
Creative Partnerships Australia Ltd	18	12
Outback Stores Pty Ltd	6	4
Total	149	100

Source: ANAO analysis of Commonwealth companies' annual reports.



Grant Hehir
Auditor-General

Canberra ACT
19 October 2021

Appendices

Appendix 1 Glossary

Aggregate award	A grant award (see 'Grant Award' below) that relates to more than one recipient. GrantConnect does not identify all recipients for an aggregate grant award.
Approval date	The reported date that the decision-maker makes a decision to award a grant. The date is self-reported by entities on GrantConnect.
Grant	An arrangement for the provision of financial assistance by the Commonwealth, or on behalf of the Commonwealth: <ul style="list-style-type: none">• under which relevant money or other Consolidated Revenue Fund (CRF) money is to be paid to a grantee other than the Commonwealth; and• which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee to achieve its objectives.^a
Grant agreement	A grant agreement sets out the relationship between the parties to the agreement, and specifies the details of the grant.
Grant category	A list of grant categories is available in GrantConnect and is customised and maintained by the Department of Finance. Entities select the most appropriate category for each grant award reported.
GrantConnect	The Australian whole-of-government grants information system.
Grant award	Grant Awards (GA) are reported on GrantConnect as the result of a grant being awarded by an Australian Government entity. GA must be published on GrantConnect within 21 days of a grant agreement taking effect.
Grant award start date	A field reported on GrantConnect. The grant award start date is generally taken to be the date the grant agreement is executed. However, if the grant agreement contains a post-execution start date, this may be considered the start date.
Grant award end date	A field reported on GrantConnect. The date that the activity for which a grant was received is expected to be completed. It does not take into account any options, extensions, renewals, or other mechanisms that may be exercised to extend the period of the agreement.
Grant award value	A field reported on GrantConnect. The value in Australian dollars of the grant agreement including GST where applicable.
Grant opportunity	Grant Opportunity (GO) is a collective term to describe any notice published on GrantConnect inviting potential recipients to apply for an Australian government grant. Grant Opportunities may be open or restricted and will reflect the relevant grant selection process specified in the Commonwealth Grants Rules and Guidelines (CGRGs).
Grant opportunity identifier (GO ID)	Every grant opportunity is assigned a unique identification number, which can be linked to a grant award.
Publish Date	A field on GrantConnect. The date a grant opportunity or award was published on GrantConnect by the entity responsible for the opportunity or award. For a grant opportunity, this is the date when the opportunity became publicly available.
Opportunity close date	The deadline (date) for submission of a grant application.

Note a: Department of Finance, *Commonwealth Grants Rules and Guidelines 2017*, Finance, 2017, page 6. Other CRF money is defined in the *Public Governance, Performance and Accountability Act 2013*.

Appendix 2 Observations about GrantConnect data

1. Although the ANAO did not verify the completeness and accuracy of GrantConnect data, which is self-reported by entities, the ANAO undertook a general examination of data prior to the analysis. Table A.1 summarises some observations that may be relevant in understanding the extent of analysis that is possible using GrantConnect data.

Table A.1: Data observations

Observation	Description	Approach to data quality issue
One cent grant awards	One grant award published a value of one cent. ^a No grant awards published a value of zero.	The ANAO analysed grant awards as they are reported in GrantConnect.
Variation to reporting of recipient's name	As an illustrative example, the Australian Business Number (ABN) '57195873179' received 599 grant awards with 13 variations of recipient's name reported in GrantConnect: <ul style="list-style-type: none"> • 'UNIVERSITY OF NEW SOUTH WALES'; • 'The University of New South Wales'; • 'University of New South Wales'; • 'University Of New South Wales'; • 'University of New South Wales (UNSW) McLaughlin'; • 'University of New South Wales (UNSW) Baker'; • 'University of New South Wales (UNSW) - Tristan Moss'; • 'University of NSW'; • 'University of New South Wales (UNSW) - Dr Jai Galliot'; • 'University of New South Wales (UNSW) - The Boxwood Scenarios - David Heslop'; • 'House At Pooh Corner^b; • 'Kanga's House Child Care Centre^c; and • 'Tigger's Honeypot.^d 	The ANAO used the ABN as a unique identifier of a recipient (where available) instead of recipient's name. Recipients' names presented in this Information Report correspond to the Australian Business Register.
Blank (or 'NULL', or 'N/A') values reported	The following GrantConnect data fields had at least one blank, null or 'N/A' value: <ul style="list-style-type: none"> • Grant programs (8 awards); • Recipient's ABN (4645 awards)^e; • Delivery Location Postcode (54314 awards)^f; • Opportunity Close Date (34 opportunities).^g 	Where relevant, blank values are counted and noted against the relevant analysis.

Observation	Description	Approach to data quality issue
Variation to Start date	4848 grant awards in the unfiltered GrantConnect extract recorded one or more variations to the Start Date field.	Grant awards were filtered based on the Start Date field, before variations.

Note a: 180 awards were published with a value of \$1.10 onto GrantConnect. See paragraph 3.17 for further details.

Note b: A day care centre located on the University of New South Wales campus.

Note c: A day care centre located on the University of New South Wales campus.

Note d: A day care centre located on the University of New South Wales campus.

Note e: 4645 awards did not report a recipient's ABN onto GrantConnect. 4496 of which had reported 'Yes' in the data field 'ABN Exempt'. The remaining 149 awards are aggregate grants.

Note f: Finance advised the ANAO that where grants may be delivered across a State or Territory, the State or Territory may be specified instead of a postcode.

Note g: 5062 awards were linked to these opportunities.

Source: ANAO analysis of GrantConnect award data.