

s22

From: Patrick Delany s47F @foxtel.com.au>
Sent: Thursday, 16 April 2020 8:40 PM
To: s22
Subject: RE: Letter from Foxtel to the Minister for Communications, Cyber Safety and the Arts [SEC=UNCLASSIFIED]

Thank you.
 Best
 PRD

From: s22 @communications.gov.au>
Sent: Thursday, 16 April 2020 8:14 PM
To: Patrick Delany s47F @foxtel.com.au>
Cc: Paul Edwards s47F @foxtel.com.au>; Lynette Ireland s47F @foxtel.com.au>
Subject: [EXTERNAL] Re: Letter from Foxtel to the Minister for Communications, Cyber Safety and the Arts [SEC=UNCLASSIFIED]

Thanks Patrick.
 I will pass this on to the Minister.

Best

s22

Sent - on the run - from my iPhone

On 16 Apr 2020, at 7:57 pm, Patrick Delany s47F @foxtel.com.au> wrote:

Email to: s22 @communications.gov.au

Subject: Letter from Foxtel to the Minister for Communications, Cyber Safety and the Arts

Dear Minister,

Following your media industry relief package announced yesterday, attached is a letter for your earliest attention concerning these measures together with an Annexure providing initial input to harmonisation and regulatory reform process.

Yours sincerely

Patrick

This e-mail, and any attachment, is confidential. If you are not the intended recipient, please delete it from your system, do not use or disclose the information in any way, and notify the sender immediately.

Any views expressed in this message are those of the individual sender and may not be the views of Foxtel, unless specifically stated. No warranty is made that the e-mail or attachment (s) are free from computer viruses or other defects.

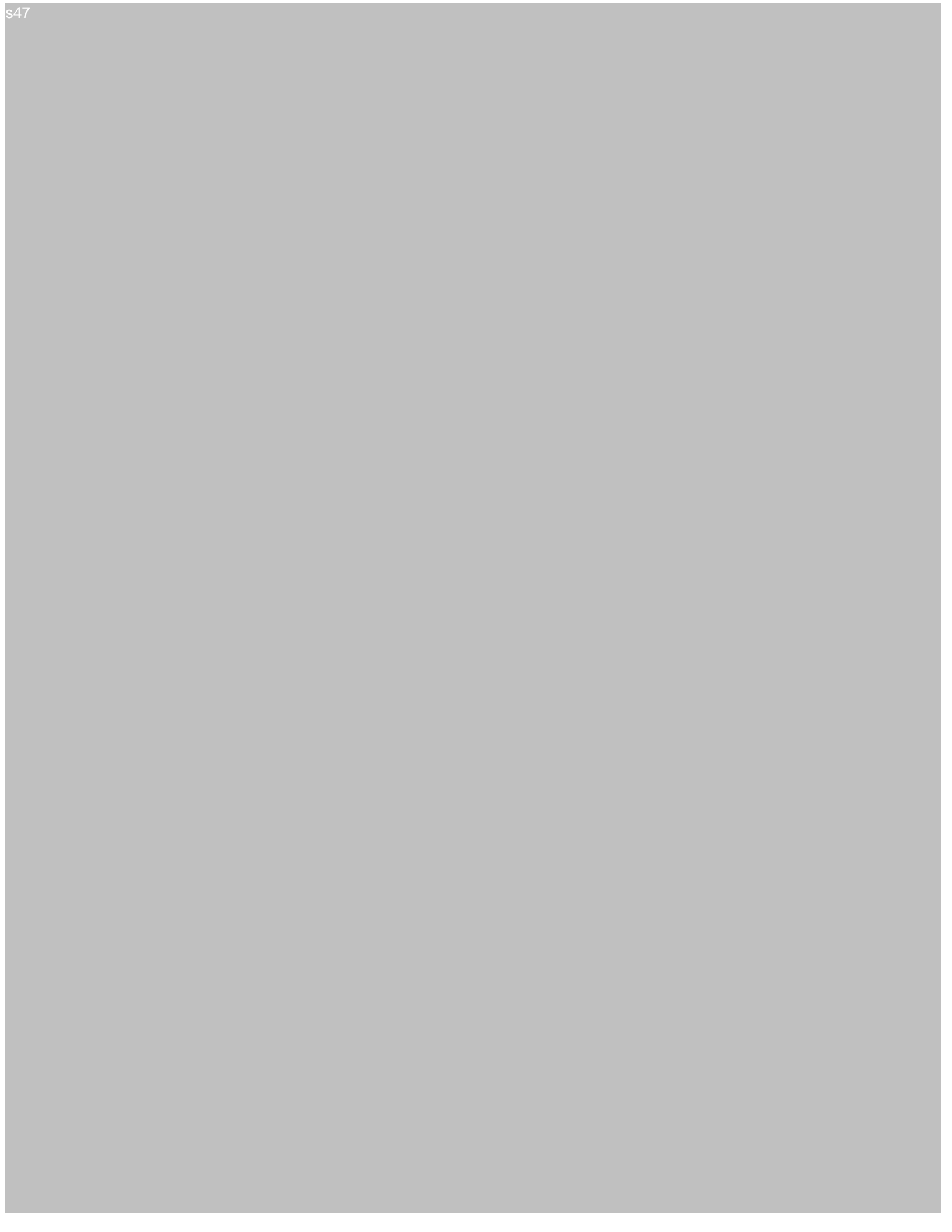
<Foxtel Letter to Minister for Communications, Cyber Safety and the Arts, 16 April 2020.pdf>

<Annexure to Letter to Minister for Communications, Cyber Safety and the Arts, 16 April 2020.pdf>

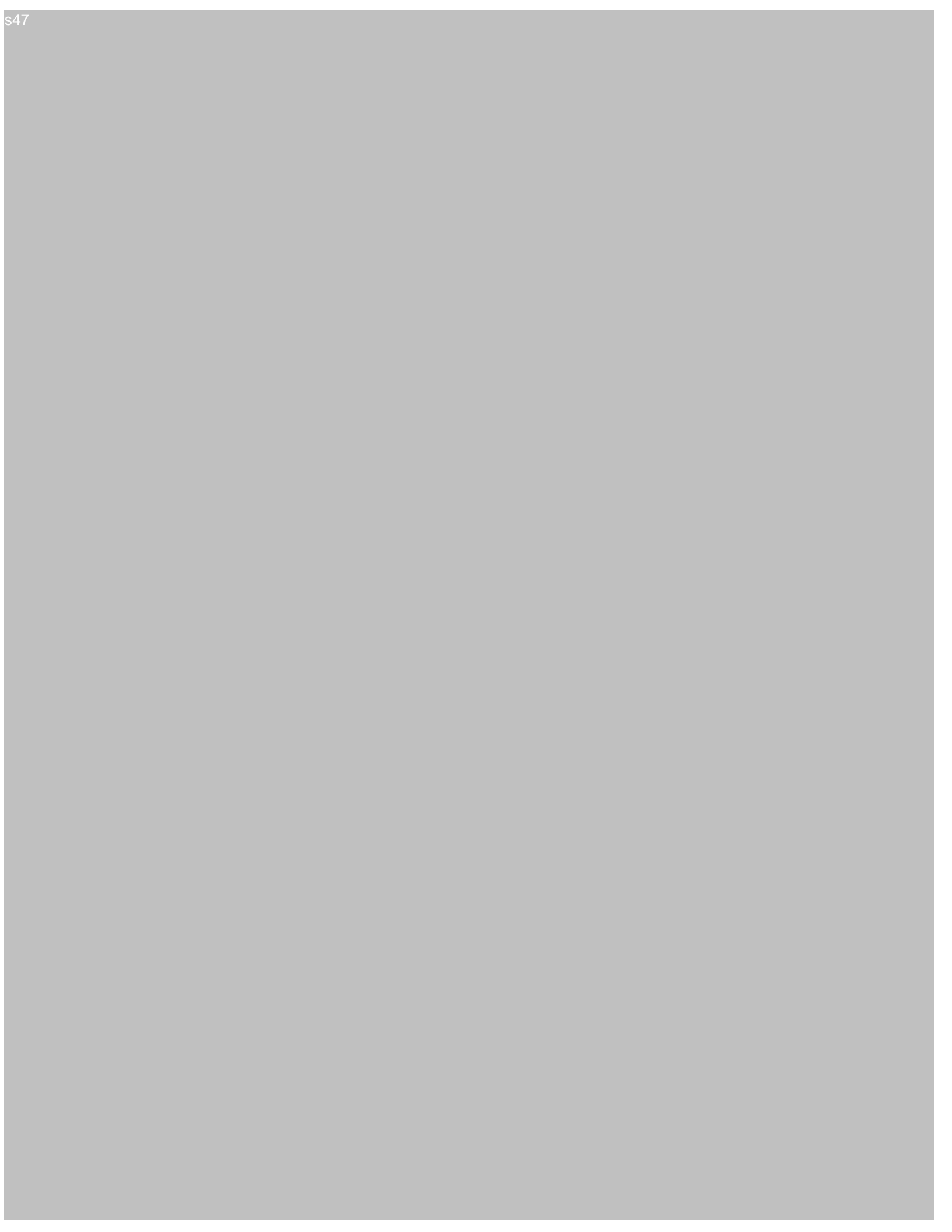
NOTICE: This email message is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply email and destroy all copies of the original message.

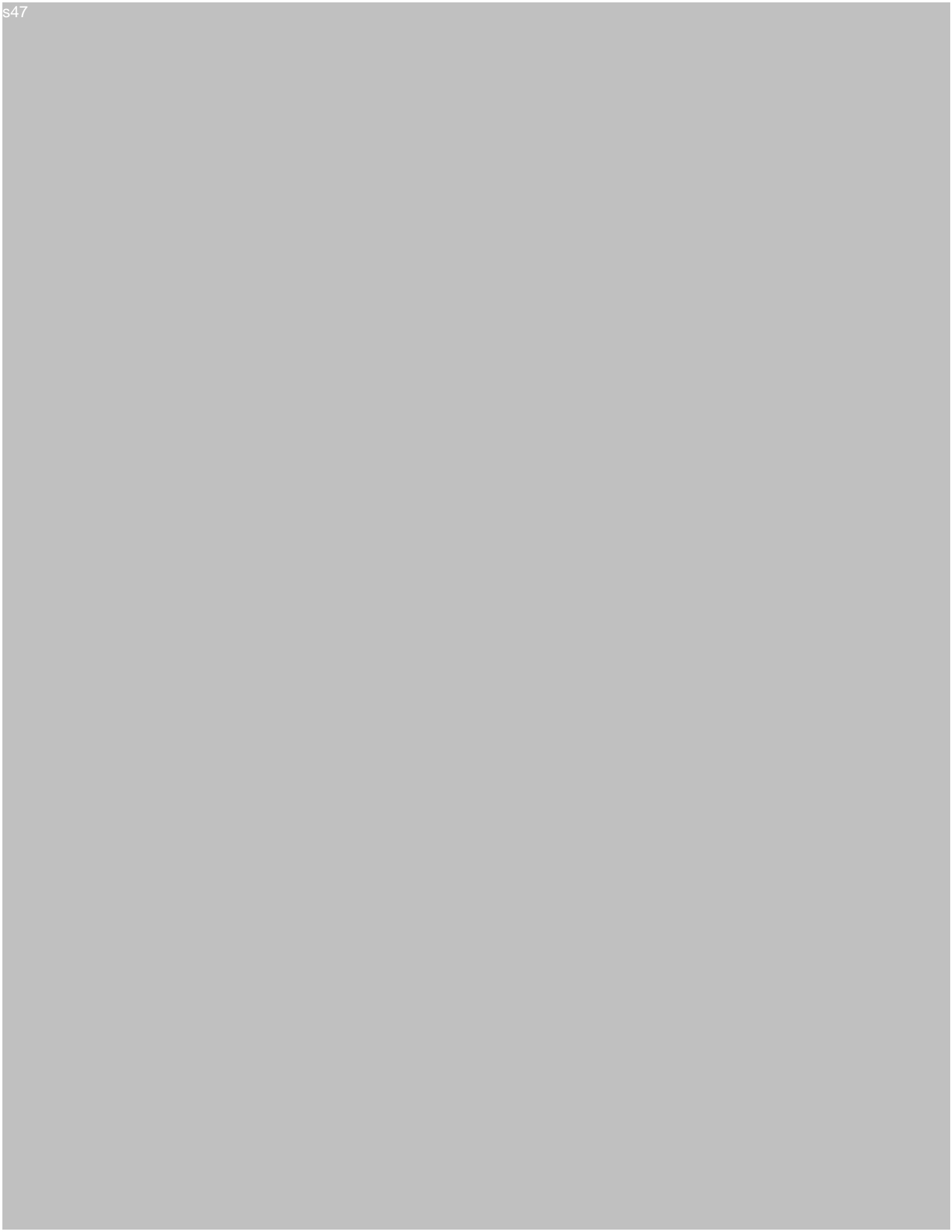
This message has been content scanned by the Axway MailGate.

This e-mail, and any attachment, is confidential. If you are not the intended recipient, please delete it from your system, do not use or disclose the information in any way, and notify the sender immediately. Any views expressed in this message are those of the individual sender and may not be the views of Foxtel, unless specifically stated. No warranty is made that the e-mail or attachment (s) are free from computer viruses or other defects.









s22

From: Paul Edwards s47F @foxtel.com.au>
Sent: Mondav. 20 April 2020 12:24 PM
To: s22
Cc: Schubert, Georgia-Kate
Subject: Follow Up Conversation with Patrick Delany

Afternoon s22

Further to Patrick Delany's letter of Thursday, 16 April, Patrick would be grateful if the Minister had sometime this week to discuss the letter's content.

I am sure you have your hands full today with the ACCC platforms announcement, however if the Minister's office could let us know in due course and what times might work for the Minister's diary.

Regards Paul

foxtel

Paul Edwards

Chief Communications Officer

T s47F

5 Thomas Holt Drive, North Ryde NSW 2113 foxtel.com.au



This e-mail, and any attachment, is confidential. If you are not the intended recipient, please delete it from your system, do not use or disclose the information in any way, and notify the sender immediately. Any views expressed in this message are those of the individual sender and may not be the views of Foxtel, unless specifically stated. No warranty is made that the e-mail or attachment (s) are free from computer viruses or other defects.

s34(1)(c)



s22

From: Bloxsom, Ryan <Ryan.Bloxsom@communications.gov.au>
Sent: Monday, 27 April 2020 2:45 PM
To: s22
Subject: Letter to Prime Minister - 27 April 2020.docx [SEC=PROTECTED, DLM=Sensitive:Cabinet]
Attachments: Letter to Prime Minister - 27 April 2020.docx

Good letter, it hits the mark

I have suggested some minor changes.

PROTECTED Sensitive: Cabinet

s34(3)



s22

From: Makin, Mike <Mike.Makin@communications.gov.au>
Sent: Friday, 1 May 2020 12:15 PM
To: s22
Subject: FW: Letter from Foxtel to the Minister for Communications, Cyber Safety and the Arts [SEC=UNCLASSIFIED]
Attachments: Foxtel Letter to Minister for Communications, Cyber Safety and the Arts, 16 April 2020.pdf; Annexure to Letter to Minister for Communications, Cyber Safety and the Arts, 16 April 2020.pdf

UNCLASSIFIED

From: s22
Sent: Friday, 17 April 2020 10:14 AM
To: Sullivan, Pauline ; Makin, Mike
Subject: FW: Letter from Foxtel to the Minister for Communications, Cyber Safety and the Arts [SEC=UNCLASSIFIED]

[See attached](#)

s22

Office of the Hon Paul Fletcher MP
 Minister for Communications, Cyber Safety and the Arts

Commonwealth Parliamentary Offices | 1 Bligh Street | Sydney NSW 2000
 Suite MG.48 | Parliament House | Canberra ACT 2600

T: s22

I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respect to Elders past and present and to all Aboriginal and Torres Strait Islanders.

UNCLASSIFIED

From: Patrick Delany s47F <@foxtel.com.au>
Sent: Thursday, 16 April 2020 7:57 PM
To: s22 <@communications.gov.au>
Cc: Paul Edwards s47F <@foxtel.com.au>; Lynette Ireland s47F <@foxtel.com.au>
Subject: Letter from Foxtel to the Minister for Communications, Cyber Safety and the Arts

Email to: s22 <@communications.gov.au>

Subject: Letter from Foxtel to the Minister for Communications, Cyber Safety and the Arts

Dear Minister,

Following your media industry relief package announced yesterday, attached is a letter for your earliest attention concerning these measures together with an Annexure providing initial input to harmonisation and regulatory reform process.

Yours sincerely

Patrick

This e-mail, and any attachment, is confidential. If you are not the intended recipient, please delete it from your system, do not use or disclose the information in any way, and notify the sender immediately.

Any views expressed in this message are those of the individual sender and may not be the views of Foxtel, unless specifically stated. No warranty is made that the e-mail or attachment (s) are free from computer viruses or other defects.

s22

From: Makin, Mike <Mike.Makin@communications.gov.au>
Sent: Friday, 1 May 2020 12:18 PM
To: s22
Subject: s34(3)
Attachments: s34(3)

s22

I will call to discuss – s34(3)
This will hopefully be signed and come through today, as we are working to the specification now in this request, but have a few questions for you.

Mike

PROTECTED Sensitive: Cabinet

s22

From: s22 <DLO@communications.gov.au> on behalf of DLO
Sent: Friday, 1 May 2020 12:54 PM
To: Pauline Sullivan
Cc: Mike Makin; s22
Subject: s34(3)
Attachments: s34(3)

Hi Pauline – s34(3)

s22 and Ryan now have a copy – I'll let you reach out to them as far as next steps.

Will send it down to register.

Let me know if we can assist.

Cheers

s22

PROTECTED, SH_CAVEAT=CABINET

From: s47E(d)
Sent: Friday, 1 May 2020 12:32 PM
To: DLO
Cc: s47E(d) ; DLO ; Tsr DLOs ; 'dlo-finance@finance.gov.au'
Subject: s34(3)

PROTECTED//CABINET

Hi s22

Please see attached s34(3)

This has been copied to the Treasurer and the Minister for Finance.

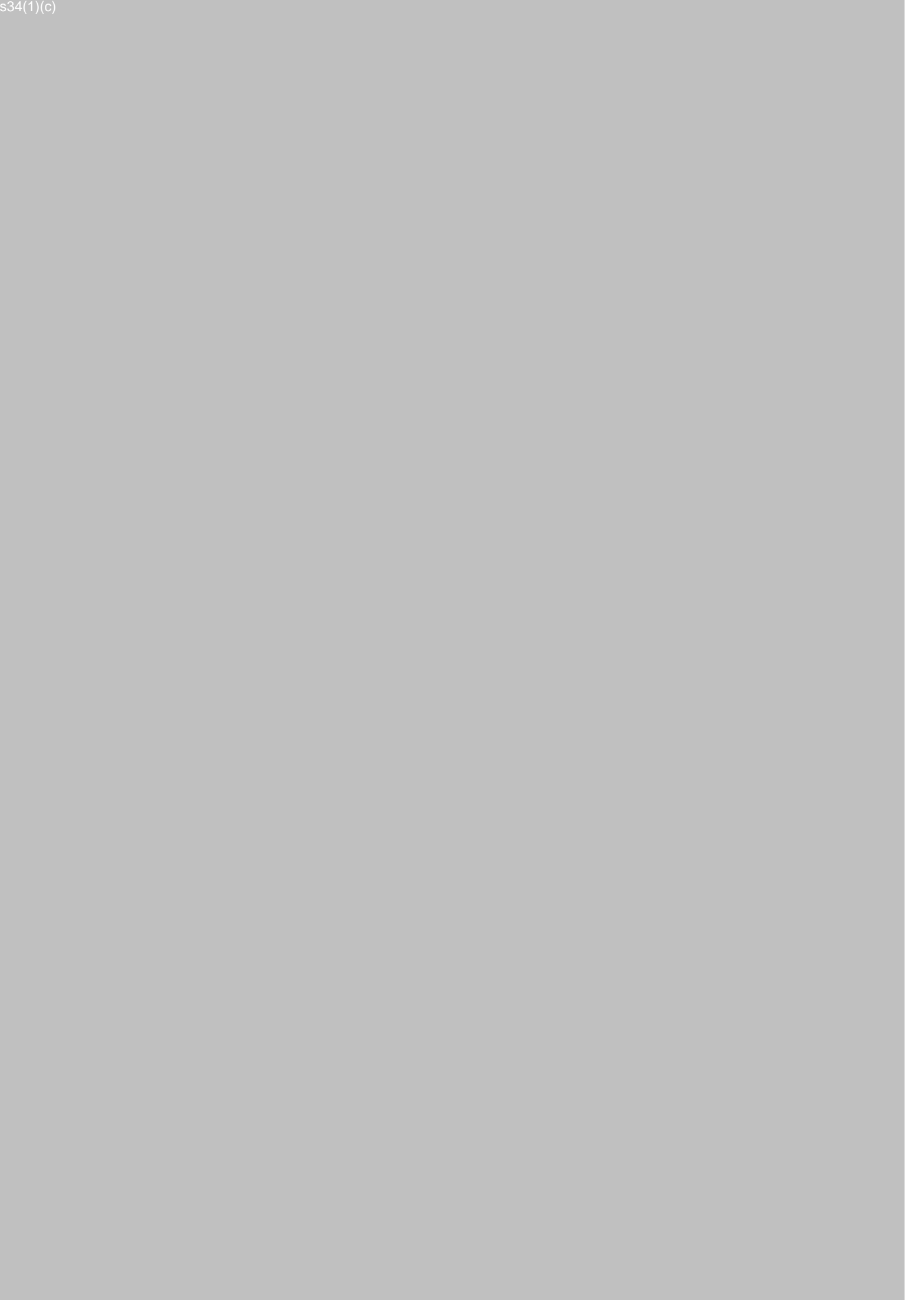
Regards,

s22

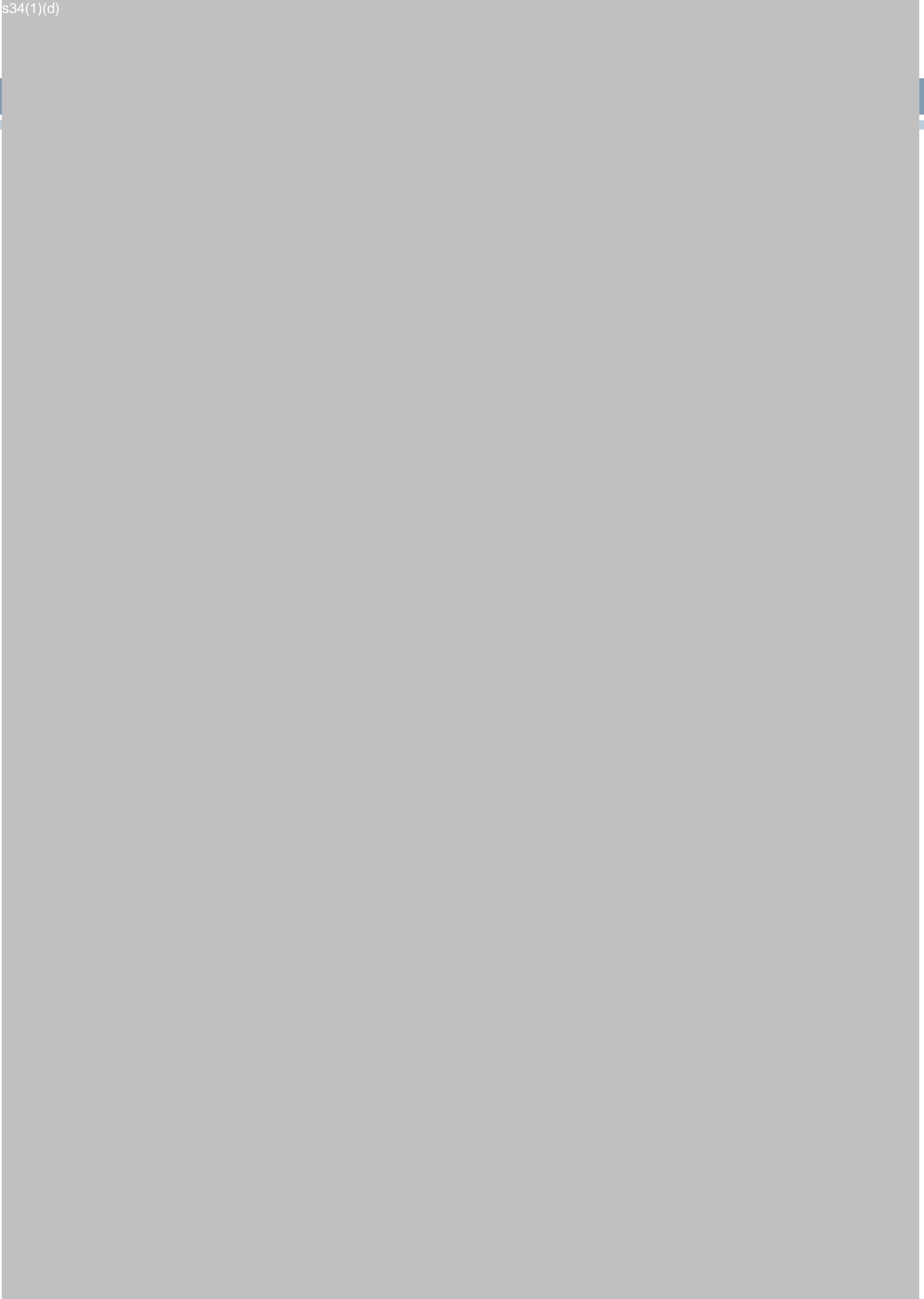
| Cabinet Liaison Officer
Office of the Prime Minister, the Hon Scott Morrison MP
Cabinet Suite (MG.10), Parliament House
 p. s22
s22@pmc.gov.au | s47E(d)

IMPORTANT: This message, and any attachments to it, contains information that is confidential and may also be the subject of legal professional or

other privilege. If you are not the intended recipient of this message, you must not review, copy, disseminate or disclose its contents to any other party or take action in reliance of any material contained within it. If you have received this message in error, please notify the sender immediately by return email informing them of the mistake and delete all copies of the message from your computer system.









s22

From: Bloxsom, Ryan <Ryan.Bloxsom@communications.gov.au>
Sent: Monday, 4 May 2020 4:17 PM
To: Mike Makin
Cc: s22; Pauline Sullivan
Subject: RE: Approval to break 10 day rule [SEC=PROTECTED, DLM=Sensitive:Cabinet]

Approved

PROTECTED Sensitive: Cabinet

From: Makin, Mike
Sent: Monday, 4 May 2020 3:57 PM
To: Bloxsom, Ryan
Cc: s22; Sullivan, Pauline
Subject: Approval to break 10 day rule [SEC=PROTECTED, DLM=Sensitive:Cabinet]

Hi Ryan,

s34(3)

Happy to discuss

Mike

Mike Makin

Assistant Secretary / News & Media Industry
 Department of Infrastructure, Transport, Regional Development and Communications

P +61 2 6271 1031

M s47F

mike.makin@communications.gov.au

2 Phillip Law Street, Canberra ACT 2601
 GPO Box 594 Canberra, ACT 2601

communications.gov.au / @CommsAu

arts.gov.au / @artsculturegov

infrastructure.gov.au / @infra_regional

I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respect to Elders past and present and to all Aboriginal and Torres Strait Islanders.

PROTECTED Sensitive: Cabinet

s22

s22

From: @communications.gov.au>

Sent: Monday, 4 May 2020 4:53 PM

To: Pauline Sullivan; Mike Makin

Cc: Bloxsom, Ryan

Subject: s34(3)

Attachments:

s34(3)

Thanks

s22

PROTECTED Sensitive: Cabinet



s34(3)



s22

From: Makin, Mike <Mike.Makin@communications.gov.au>
Sent: Tuesday, 5 May 2020 12:54 PM
To: Bloxsom, Ryan; s22; Pauline Sullivan
Cc: s22
Subject: s34(3)

Hi Ryan,

s34(3)

Cheers,

Mike

PROTECTED Sensitive: Cabinet

From: Bloxsom, Ryan
Sent: Tuesday, 5 May 2020 12:14 PM
To: s22; Sullivan, Pauline
Cc: Makin, Mike s22
Subject: s34(3)

Pauline – please confirm when these have been provided to CabSec

Thanks

PROTECTED Sensitive: Cabinet

From: s22 <s22@communications.gov.au>
Sent: Tuesday, 5 May 2020 12:13 PM
To: Sullivan, Pauline <Pauline.Sullivan@communications.gov.au>; Bloxsom, Ryan <Ryan.Bloxsom@communications.gov.au>
Cc: Makin, Mike <Mike.Makin@communications.gov.au>; s22 <s22@communications.gov.au>
Subject: s34(3)

OK to go – with one minor change in the attached version.

s22

Office of the Hon Paul Fletcher MP
 Minister for Communications, Cyber Safety and the Arts

Commonwealth Parliamentary Offices | 1 Bligh Street | Sydney NSW 2000
 Suite MG.48 | Parliament House | Canberra ACT 2600

I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respect to Elders past and present and to all Aboriginal and Torres Strait Islanders.

PROTECTED Sensitive: Cabinet

From: Sullivan, Pauline <Pauline.Sullivan@communications.gov.au>
Sent: Tuesday, 5 May 2020 12:00 PM
To: s22 <s22@communications.gov.au>; Bloxsom, Ryan

<Ryan.Bloxsom@communications.gov.au>

Cc: Makin, Mike <Mike.Makin@communications.gov.au>; s22

[@communications.gov.au](mailto:s22@communications.gov.au)

Subject: s34(3)

s34(3)

P

PROTECTED Sensitive: Cabinet

From: s22 [@communications.gov.au](mailto:s22@communications.gov.au)

Sent: Tuesday, 5 May 2020 11:57 AM

To: Bloxsom, Ryan <Ryan.Bloxsom@communications.gov.au>; Sullivan, Pauline

<Pauline.Sullivan@communications.gov.au>

Cc: Makin, Mike <Mike.Makin@communications.gov.au>; s22

[@communications.gov.au](mailto:s22@communications.gov.au)

Subject: s34(3)

This one looks good to go

s22

Office of the Hon Paul Fletcher MP

Minister for Communications, Cyber Safety and the Arts

Commonwealth Parliamentary Offices | 1 Bligh Street | Sydney NSW 2000

Suite MG.48 | Parliament House | Canberra ACT 2600

I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respect to Elders past and present and to all Aboriginal and Torres Strait Islanders.

PROTECTED Sensitive: Cabinet

From: Bloxsom, Ryan <Ryan.Bloxsom@communications.gov.au>

Sent: Tuesday, 5 May 2020 11:56 AM

To: Sullivan, Pauline <Pauline.Sullivan@communications.gov.au>

Cc: s22 [@communications.gov.au](mailto:s22@communications.gov.au); Makin, Mike

<Mike.Makin@communications.gov.au>; s22 [@communications.gov.au](mailto:s22@communications.gov.au)

Subject: s34(3)

s22 let me know when ready to go to Steph?

Sent from my iPhone

On 5 May 2020, at 10:46 am, Sullivan, Pauline <Pauline.Sullivan@communications.gov.au> wrote:

s22 and Ryan

s34(3)

Kind regards

Pauline

Pauline Sullivan

First Assistant Secretary

Content Division

Department of Infrastructure, Transport, Regional Development and Communications

P +61 2 6271 1913

M +61 2 6271 1913

Email.pauline.sullivan@communications.gov.au

2 Phillip Law Street, Canberra ACT 2601

GPO Box 594 Canberra, ACT 2601

communications.gov.au / @CommsAu

arts.gov.au / @artsculturegov

infrastructure.gov.au / @infra_regional

I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respect to Elders past and present and to all Aboriginal and Torres Strait Islanders.

PROTECTED Sensitive: Cabinet

s22

From: s22 @communications.gov.au>
Sent: Wednesday, 6 May 2020 3:50 PM
To: s22
Cc: Mike Makin; Pauline Sullivan
Subject: s34(3)
Attachments: s34(3)
Follow Up Flag: Follow up
Flag Status: Flagged

s22

s34(3)

s22

PROTECTED Sensitive: Cabinet

From: Makin, Mike
Sent: Tuesday, 5 May 2020 8:23 PM
To: s22
Subject: s34(3)

Hi s22

This is still in clearance processes – noting its already late, what is the deadline for this now?

Mike

PROTECTED Sensitive: Cabinet

From: s22 @communications.gov.au> On Behalf Of DLO
Sent: Tuesday, 5 May 2020 7:15 PM
To: Makin, Mike <Mike.Makin@communications.gov.au>; s22 @communications.gov.au>
Cc: DLO <DLO@communications.gov.au>
Subject: s34(3)

No worries. Thanks Mike.

s22

PROTECTED Sensitive: Cabinet

From: Makin, Mike <Mike.Makin@communications.gov.au>
Sent: Tuesday, 5 May 2020 3:42 PM
To: s22 @communications.gov.au>; s22 @communications.gov.au>
Cc: DLO <DLO@communications.gov.au>
Subject: s34(3)

Hi s22

Yep – I am expecting to get it from s22 soon, and we'll get it through Pauline and up as soon as we can.

Mike

PROTECTED Sensitive: Cabinet

From: s22 <s22@communications.gov.au>

Sent: Tuesday, 5 May 2020 3:41 PM

To: Makin, Mike <Mike.Makin@communications.gov.au>

Cc: DLO <DLO@communications.gov.au>

Subject: s34(3)

Hi Mike

s34(3)

Cheers

s22

Departmental Liaison Officer
Office of The Hon Paul Fletcher MP
Minister for Communications, Cyber Safety and the Arts
P s22 M s22
dlo@communications.gov.au

PROTECTED Sensitive: Cabinet



s22

From: s22@communications.gov.au>
Sent: Thursday, 4 June 2020 7:12 PM
To: s22 Pauline Sullivan; Mike Makin
Cc: DLO
Subject: RE: MS20-000385 - Support for Foxtel - Final Signed including letter .pdf [SEC=PROTECTED]

Will do.

s22

PROTECTED

From: s22
Sent: Thursday, 4 June 2020 7:06 PM
To: s22 Sullivan, Pauline ; Makin, Mike
Cc: DLO
Subject: RE: MS20-000385 - Support for Foxtel - Final Signed including letter .pdf [SEC=PROTECTED]

You could send to

s47F@foxtel.com.au and

cc s47F@foxtel.com.au>

s22

Office of the Hon Paul Fletcher MP
 Minister for Communications, Cyber Safety and the Arts

Commonwealth Parliamentary Offices | 1 Bligh Street | Sydney NSW 2000
 Suite MG.48 | Parliament House | Canberra ACT 2600

I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respect to Elders past and present and to all Aboriginal and Torres Strait Islanders.

PROTECTED

From: s22@communications.gov.au>
Sent: Thursday, 4 June 2020 6:04 PM
To: Sullivan, Pauline <Pauline.Sullivan@communications.gov.au>; Makin, Mike
 <Mike.Makin@communications.gov.au>
Cc: s22@communications.gov.au>; DLO <DLO@communications.gov.au>
Subject: MS20-000385 - Support for Foxtel - Final Signed including letter .pdf [SEC=PROTECTED]

Hi Mike and Pauline

Minister has signed MS20-000385 and the attached letter.

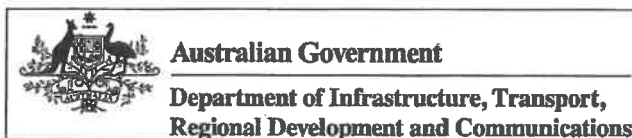
Can I seek your assistance (or yours s22) for email dispatch as we don't have a POC – and I note the urgent timing.

We will dispatch the hard copy when it returns.

Cheer s

PROTECTED

PROTECTED



Dispatched to MO

02 JUN 2020

Ministerial Submission
MS20-000385

RECEIVED

4 JUN 2020

BY: CPB

RECEIVED

3 JUN 2020

Office of the Minister for Communications
and the Arts

To: Minister for Communications, Cyber Safety and the Arts, the Hon Paul Fletcher MP
(for decision)

Subject: Additional support for Foxtel

Critical Date: Please action by 5 June in order to allow three weeks for the grant agreement to be revised and the funding to be allocated.

Recommendations for Minister Fletcher: That you

1. Note the information provided in this brief and sign the attached letter	Noted and Signed / Please discuss
Minister's Comments	Quality Rating
	1. Very Poor 2. Poor 3. Satisfactory 4. Good 5. Excellent

Purpose:

1. s34(3) Foxtel needs to be notified of the Government's decision to enable the Department to commence negotiating a new funding agreement for the expanded program. A proposed response to Foxtel is provided at Attachment A.

Key Issues:

2. Following the release of the COVID-19 media assistance package (15 April 2020), Mr Patrick Delany, the Chief Executive of the Foxtel Group (Foxtel) wrote to you (16 April 2020) requesting further assistance. In his letter at Attachment B, s34(3)

3. The Government is currently providing \$33 million to Foxtel from 2017–18 to 2020–21 to support television and online coverage of sports that receive low or no broadcast exposure. Under the current grant arrangement, Foxtel has received \$22.5 million. s34(3)

s34(3) Fox Sport has already publicly stated that it has achieved the milestone for a \$5 million payment under the current agreement so this payment should be acquitted first. The extra \$2.5 million would allow Foxtel to quickly invest in program capabilities

PROTECTED

PROTECTED

associated with the planned expansion of the program. This \$7.5 million payment in June exhausts the original funding envelope for the program. Two months after this payment is made (ie. end of August) Foxtel will be expected to lodge a plan proposing how it will spend the additional \$10 million in funding.

4. The Department will consult with the Department of Finance on revisions to the grant guidelines for this program and will then separately seek your approval for the Department to enter into a grant agreement with Fox Sports. A grant agreement is already in place with Fox Sports and this approval is necessary to vary the agreement to incorporate \$11 million (inc GST) in s374(3)

s374(3)

The agreement has been prepared using the Commonwealth Low-Risk Grant Agreement Template, and a risk register has been prepared to support the use of this template.

5. The letter to Mr Delany addresses all of the proposals he raised in his letter. s22

s22

Sensitivities:

6. The letter to Mr Delany explains that while Foxtel has been granted regulatory concessions and is receiving additional grant funding, he is not receiving everything he requested in his 16 April 2020 letter.

Financial Implications:

7. An addition \$10 million (ex GST) is being added to the existing \$30 million (ex GST) grant.

Background/Issues: N/A

Communication/Media Activities:

8. We will work with your office to settle an announcement strategy for these initiatives.

Consultation: N/A

Attachments:

Attachment A: Letter to Patrick Delany, CEO, Foxtel

Attachment B: Letter from Patrick Delany, CEO, Foxtel

Contact Officer: Mike Makin
Position: Assistant Secretary
Branch: News and Media Industry
Phone/Mobile: 6271 1031 / s47F

Cleared by: Pauline Sullivan
Position: First Assistant Secretary
Branch: Content
Phone/Mobile: 6271 1913 / s47F

Instructions for MAPS: Nil

Responsible Adviser: s22

Distribution CC List: Simon Atkinson, Stephen Arnott

Additional Information:

Grant guidelines

Although the funding is being provided as a one-off grant via direct offer to Fox Sports, the Department is required to prepare guidelines for all grant opportunities under the CGRG. The Department is required to consult with the Department of Finance on draft grant guidelines. Once this consultation has been completed, the draft guidelines must then be approved by you. A draft letter to the Minister for Finance will then be prepared which advises him that you have approved the grant guidelines. Although it is not mandatory to publish one-off grant guidelines on the Government's Grant Connect website, it may be appropriate to make them public in some form given the level of public scrutiny of this measure.

Selection of Fox Sports

As an element of the Broadcasting and Content Reform Package, announced in the 2017-18 Budget, the Government determined that it would provide a grant to Fox Sports to support the broadcast of under-represented sports on subscription television, including women's and niche sports that receive low or no broadcasting exposure, and sports that command high levels of community involvement and participation.

This grant opportunity was established as a one-off grant. This is an appropriate type of selection process, as the nature of the grant activity is dependent on Fox Sports' expertise in sports coverage and broadcasting. Fox Sports' business model is well placed to enhance the levels of coverage of underrepresented sports, with expertise in developing and transmitting sports coverage through its linear and on-demand subscription television services. Fox Sports provides extensive and comprehensive coverage of domestic and international sports, including six dedicated sports channels and a wide range of sports news and reporting. This mix of sports extends to some lower-profile sports and events that receive little or no free-to-air television coverage. As such, Fox Sports is well-placed to use the funding to extend and develop the broadcasting of underrepresented sports.

Legislative authority

Schedule 1AB to the *Financial Framework (Supplementary Powers) Regulations 1997* has been varied to establish the requisite legislative authority.



PAUL FLETCHER MP

Federal Member for Bradfield
Minister for Communications,
Cyber Safety and the Arts

MS20-000385

Mr Patrick Delany
Chief Executive Officer
Foxtel
5 Thomas Holt Drive
North Ryde NSW 2113

Dear Mr Delany *Patrick*

Thank you for your letter dated 16 April 2020 concerning the impact of the COVID-19 pandemic on Foxtel's operations.

Foxtel is an important part of the media market and your business contributes to keeping Australians informed and entertained. I understand the challenges facing media businesses and how these have been exacerbated by the impacts of COVID-19.

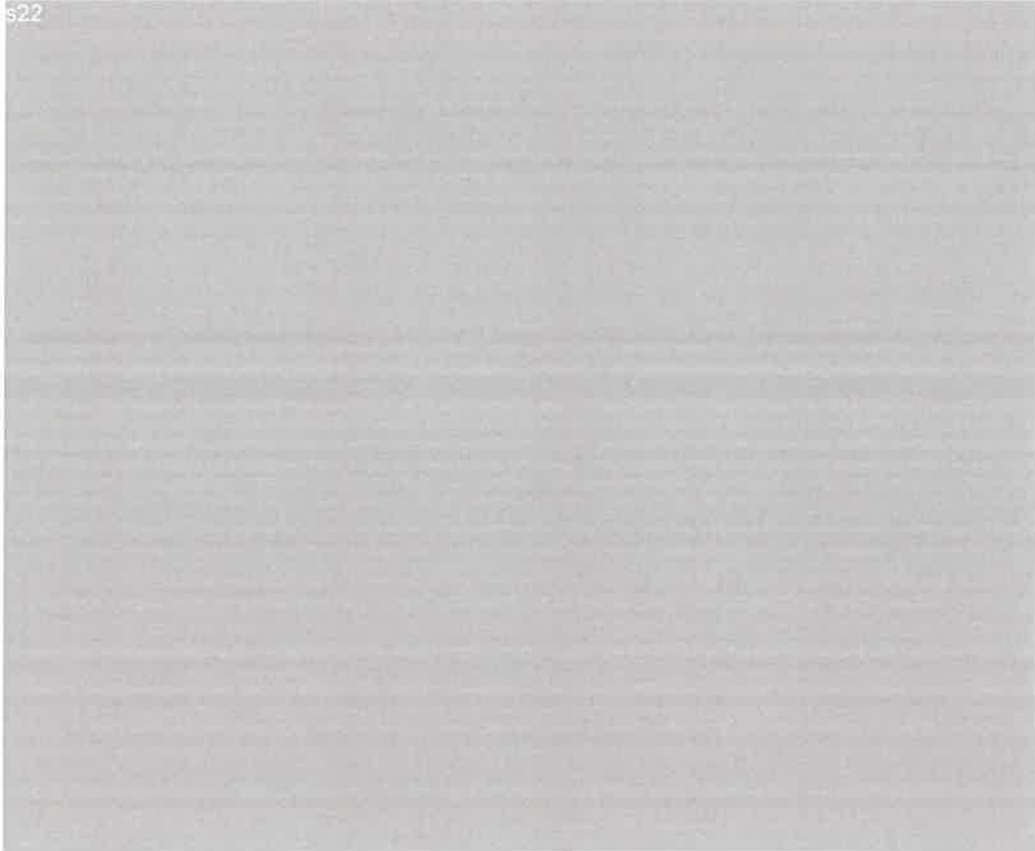
s47

s22

Foxtel received a grant in the 2017-18 Federal Budget of \$30 million, payable over four years. To date, you have received \$22.5 million and I am pleased to note that Fox Sports is achieving all of its key performance indicators. I understand that last financial year alone, more than 5,850 hours of content was broadcast, including around 1,600 live hours.

Coming out of the COVID-19 pandemic the 43 different sport competitions that are benefitting from the funding are going to need more support to re-start their competitions. The Government is therefore willing to extend this grant program for a further 12 months with a further \$10 million investment in increasing coverage of women's, niche and under-represented sports.

This will also include amendments to the grant agreement to revise the payment schedules to bring forward some payments. I have asked my Department to contact you to discuss these amendments and to develop a revised grant agreement.



The appropriate contact at the Department is Mike Makin, Assistant Secretary, News & Media Industry Branch (mike.makin@communications.gov.au) or 02 6271 1031.

Thank you again for bringing your concerns to my attention.

Yours sincerely

Paul Fletcher

4 / 6 / 2020

s22

From: Makin, Mike <Mike.Makin@communications.gov.au>
Sent: Thursday, 11 June 2020 8:20 AM
To: s22
Cc: s22 Pauline Sullivan
Subject: RE: Foxtel [DLM=For-Official-Use-Only]

Hi s22,

I won't be joining you today as I am on leave.

We are progressing negotiations on the form of the grant, grant guidelines, risk assessments and related processes with Department of Finance, which will lead to a set of material for the Ministers approval.

We also had a successful meeting with Foxtel on Tuesday and they are going to provide us with a detailed proposal across all the sports they cover with this grant. This will provide the firm basis for extending the grant and amending the payment schedule.

Cheers,

Mike

For Official Use Only

From: s22 @communications.gov.au>
Sent: Thursday, 11 June 2020 7:52 AM
To: Makin, Mike <Mike.Makin@communications.gov.au>
Subject: Foxtel [DLM=For-Official-Use-Only]

Hi Mike

In our catch up today can you please update me on Foxtel grant status?

Thanks

s22

Office of the Hon Paul Fletcher MP
 Minister for Communications, Cyber Safety and the Arts

Commonwealth Parliamentary Offices | 1 Bligh Street | Sydney NSW 2000
 Suite MG.48 | Parliament House | Canberra ACT 2600

I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respect to Elders past and present and to all Aboriginal and Torres Strait Islanders.


For Official Use Only

s22

From: s22 @communications.gov.au>
Sent: Tuesday, 7 July 2020 5:32 PM
To: s22
Subject: MS20-000406 - Approval of funding arrangements for the Fox Sports Australia under-represented sports grant -FD-.pdf [SEC=PROTECTED, DLM=Sensitive:Cabinet]
Attachments: MS20-000406 - Approval of funding arrangements for the Fox Sports Australia under-represented sports grant -FD-.pdf

PROTECTED Sensitive: Cabinet

PROTECTED CABINET

 Australian Government Department of Infrastructure, Transport, Regional Development and Communications	Ministerial Submission MS20-000406
---	---

To: **Minister for Communications, Cyber Safety and the Arts, the Hon Paul Fletcher MP**
(for decision)

Subject: Approval of funding arrangements for the Fox Sports Australia under-represented sports grant

Critical Date: Routine

Recommendations for Minister Fletcher: That you

1. Approve the proposed expenditure (under s.71(1) of the PGPA Act) of an additional \$10 million (GST inclusive) under the funding agreement with Fox Sports Australia to support coverage of under-represented sports as a proper use of relevant money;	Approved / Not Approved
2. Approve the Secretary, or delegate, entering into a grant agreement with Fox Sports Australia (under s.23(1) of the PGPA Act); and	Approved / Not Approved
3. Approve the amended one-off grant guidelines at Attachment A .	Approved / Not Approved
Minister's Signature:	Date: / / 2020
Minister's Comments	Quality Rating
	1. Very Poor 2. Poor 3. Satisfactory 4. Good 5. Excellent

Purpose:

1. In order to commit an early payment of \$2.5 million in funding to Fox Sports Australia Pty Ltd (Fox Sports) and to expand the total amount payable under the grant by a further \$10 million, your agreement to the proposed grant expenditure arrangement and amended funding guidelines is required.

Key Issues:

s34(3)

3. On 4 June 2020 you wrote to Foxtel CEO Mr Patrick Delany offering to extend this grant program for a further 12 months with a further \$10 million investment in increasing coverage of women's, niche and under-represented sports. Fox Sports is owned and operated by Foxtel Group.

4. This has informed the development of amended program guidelines and allowed the Department to commence negotiating a new funding agreement for the expanded program with Foxtel. s34(3)

The new milestones recognise that, coming out of the COVID-19 pandemic, the 36 different sport competitions that are benefitting from the funding this financial year need more support to re-start their competitions.

5. As per the Commonwealth Grants Rules and Guidelines (CGRC), the Department has prepared one-off grant guidelines for the measure. The guidelines (**Attachment A**) require your approval.

6. A grant agreement is already in place with Fox Sports and this approval is necessary to vary the agreement to incorporate \$10 million (ex GST) in extra funding s34(3)

The agreement has been prepared using the Commonwealth Low-Risk Grant Agreement Template, and a risk register has been prepared to support the use of this template.

Sensitivities:

7. Public notification of the new grant is required within 21 days of the signing of the agreement.

Financial Implications:

8. An additional \$10 million (ex GST) is being added to the existing \$30 million (ex GST) grant.

Background/Issues:

9. See 'additional information' below for further background.

Communication/Media Activities:

10. We will work with your office to settle an announcement strategy for this initiative.

Consultation: Department of Finance and Department of the Prime Minister and Cabinet.

Attachments:

Attachment A: Amended Program Guidelines

Contact Officer: Mike Makin
Position: Assistant Secretary
Branch: News and Media Industry
Phone/Mobile: 6271 1031/ s47F

Cleared by: Pauline Sullivan
Position: First Assistant Secretary
Branch: Content
Phone/Mobile: 6271 1913 / s47F

Instructions for MAPS: Nil

Responsible Adviser s22

Distribution CC List: Simon Atkinson, Richard Windeyer

Additional Information:

Your approval will increase expenditure to \$40 million (ex GST) of administered funding over the four financial years to 30 June 2023 to Fox Sports to support increased television and online coverage of under-represented sports. Under subsection 71(1) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), you may only approve a proposed expenditure of relevant money if you are satisfied after making reasonable inquiries that the expenditure would be a proper use of relevant money.

The Government is already committed to providing \$30 million (ex GST) to Fox Sports from 2017–18 to 2020–21 to support television and online coverage of sports that receive low or no broadcast exposure. Under the current grant arrangement, Fox Sports has received \$27.5 million, including a payment of \$5 million in June 2020 that was brought forward from August 2020. The final \$2.5 million to be paid early in FY20-21 will allow Fox Sports to invest in program capabilities associated with the planned expansion of the program. These \$7.5 million payments exhaust the original funding envelope for the program. By early September 2020, Fox Sports will be expected to lodge a plan proposing how it will spend the additional \$10 million in funding.

We also seek your approval for the Department to enter into a grant agreement with Fox Sports. A grant agreement is already in place with Fox Sports and this approval is to vary the agreement to incorporate \$10 million (ex GST) in extra funding that ERC agreed in May 2020 and extend the agreement to 30 June 2023. The agreement has been prepared using the Commonwealth Low-Risk Grant Agreement Template, and a risk register has been prepared to support the use of this template.

Grant guidelines

Although the funding is being provided as a one-off grant via direct offer to Fox Sports, the Department is required to prepare guidelines for all grant opportunities under the CGRG. The Department has consulted with the Department of Finance on the draft grant guidelines. Department of Finance are not required to approve guidelines for ad-hoc grants, they did however provide a range of comments on the draft.

In response to the comments from Finance, the Program Guidelines have been updated to incorporate more information on the grant assessment process, including the assessment criteria. Using the information that has now been provided by Fox Sports, this has facilitated a better assessment of the value for money that is expected to be delivered through the acquittal of this new grant funding.

Through the initial funding period for the grant Fox Sports has consistently delivered beyond the milestones in the current grant agreement. For instance, this past financial year, despite losing sport for the last quarter of the financial year due to COVID-19, Fox Sports still broadcast more than 4,888 hours of content covered by the grant and 1,167 of these hours were broadcast live. This includes more than 3,053 hours of women's sport coverage which is a more than 100% increase since the baseline year before the grant – 2016-17. In each reporting period, the costs incurred by Fox Sports for the acquisition and broadcast of women's niche and emerging sports in 2019-20 have exceeded the grant allocation. This financial year, 36 different competitions have benefited and coverage of grant covered sports reached more than 3.69 million Australians.

Now that consultation with Finance has been completed, the draft guidelines (**Attachment A**) must then be approved by you. Although it is not mandatory to publish one-off grant guidelines on the Government's Grant Connect website, it may be appropriate to make them public in some form given the level of public scrutiny of this measure.

Selection of Fox Sports

As an element of the Broadcasting and Content Reform Package, announced in the 2017-18 Budget, the Government determined that it would provide a grant to Fox Sports to support the broadcast of under-represented sports on subscription television, including women's and niche sports that receive low or no broadcasting exposure, and sports that command high levels of community involvement and participation.

This grant opportunity was established as a one-off grant. This is an appropriate type of selection process, as the nature of the grant activity is dependent on Fox Sports' expertise in sports coverage and broadcasting. Fox Sports' business model is well placed to enhance the levels of coverage of underrepresented sports, with expertise in developing and transmitting sports coverage through its linear and on-demand subscription television services. Fox Sports provides extensive and comprehensive coverage of domestic and international sports, including six dedicated sports channels and a wide range of sports news and reporting. This mix of sports extends to some lower-profile sports and events that receive little or no free-to-air television coverage. As such, Fox Sports is well-placed to use the funding to extend and develop the broadcasting of underrepresented sports.

Legislative authority

Schedule 1AB to the Financial Framework (Supplementary Powers) Regulations 1997 has been varied to establish the requisite legislative authority.

Section 32B of the FFSP Act provides legal authority for a grant as it is specified in an item at Schedule 1 to the Financial Framework (Supplementary Powers) Regulations 1997 (FFSP Regulation). For the proposed grant, the relevant item is 245 (Television Coverage for Women's Sport and Niche Sport).

Under subsection 71(1) of the PGPA Act, you may only approve a proposed expenditure of money if you are satisfied, after making reasonable enquiries, that the expenditure would be a proper use of relevant money. You may approve proposed expenditure to the proposed grant recipients set out at Attachment A if you are satisfied that this is the case.

In addition to the above mentioned requirement, under the CGRGs, you:

- a. must not approve the grants without receiving written advice from the Department on the merits of the proposed grant relative to the Guidelines and the key principal of achieving value for money. This minute constitutes the Department's advice in this respect; and
- b. record, in writing, the basis for the approvals relative to the Guidelines and the key principle of achieving value for money. Your signing of this minute and approval of the particular grant recommendation, as manifest on page 1 of the recommendations section of this minute, once completed, will form the written record of your approval.

Funding to support television and online coverage of under-represented sports

Guidelines

Commonwealth policy and
administering entity:

Department of Infrastructure, Transport, Regional Development
and Communications

Enquiries:

If you have any questions, please contact:

Director, Media Incentives Section, Department of
Infrastructure, Transport, Regional Development and
Communications

Phone: 6271 1400

Date guidelines released:

December 2017 and updated June 2020

Type of Grant Opportunity

One off ad-hoc process

Contents

1. Funding to support television and online coverage of under-represented sports: overview and objectives	3
2. Grant selection process	3
3. Who will approve the grant?	5
4. The grant agreement	5
5. Announcement of grants	6
6. Grant acquittal and reporting	6
7. Grant evaluation	6

1. Funding to support television and online coverage of under-represented sports: overview and objectives

The objective of the grant opportunity is to support television and online coverage of under-represented sports, including women's sports, niche sports and emerging sports that exhibit high levels of community involvement and participation.

This funding was first announced in the 2017-18 Budget on 6 May 2017, as an element of the Broadcasting and Content Reform Package. The first tranche of funding of \$30 million was for the four financial years to 30 June 2021.

In June 2020, an additional \$10 million was added to the grant to accelerate program outcomes and expand the program through to June 2023.

The expected outcome of the grant activity is increased television and online coverage of under-represented sports, including women's sports, niche sports, and emerging sports that exhibit high levels of community involvement and participation.

Secondary or ancillary benefits expected to flow from the grant include the following:

- an increase in the ability for women's, niche and emerging sports to grow participation, levels of community engagement, and their fan bases;
- an increase in the ability for women's sports, niche sports and emerging sports to commercialise their content; and
- providing an opportunity to establish role models and pathways for aspiring athletes in the community, particularly young women.

The grant will be undertaken in accordance with the *Commonwealth Grants Rules and Guidelines (CGRGs)* <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines>

2. Grant selection process

This grant opportunity has been established as a one-off or ad hoc grant. The Government considers that this is an appropriate type of selection process considering the nature of the granting activity is specifically dependent on Fox Sports' expertise in sports coverage and broadcasting.

Fox Sports was selected for direct offer as its business model is well placed to enhance the levels of coverage of under-represented sports, with expertise in developing and transmitting sports coverage through its linear and on-demand subscription television services.

Fox Sports provides extensive and comprehensive coverage of domestic and international sports, including six dedicated sports channels and a wide range of sports news and reporting. This mix of sports extends to some lower-profile sports and events that receive

little or no free-to-air television coverage. As such, Fox Sports is well-placed to use the funding to extend and develop the media coverage of women's and niche sports.

The Fox Sports proposal will need to effectively address the following four criteria for the program:

A. Demonstrated understanding of the need for the funded activity for each identified target sport.

Fox Sports will need to identify and demonstrate an awareness of the specific needs of the target sports and provide evidence about the needs of each sport. It will need to provide evidence that each sport has high participation rates or anticipates high growth in emerging needs; is identified as a priority area and has poor access to media coverage today. Fox Sports will need to demonstrate strategies to respond to the emerging needs in the target sports such as flexible service provision, collaboration and linkages with other organisations and service providers and demonstrate how the service will benefit each target sport and community including intended benefits and evidence to support the service approach.

B. Description of how the implementation of the program will achieve the activity objectives for all stakeholders, including value for money within the grant funding.

Fox Sports will need to demonstrate a clear understanding of the activity's objectives and support this with evidence. It will need to provide a clear and detailed description of how the program will be implemented, including evidence of how the program will achieve value for money. It must specify the linkages between proposed outcomes and projected deliverables, the benefit to the target sports and their communities and the amount of funding sought. It must identify strategies to demonstrate how the program objectives will be met; describe how the program will complement existing services and resources within the community and described links with the community and target sports including established relationships with stakeholders, relevant organisations, clients, and other service providers.

C. Demonstrated experience in effectively developing, delivering, managing and monitoring similar initiatives to give confidence it will achieve program objectives for all stakeholders.

Fox Sports will need to clearly define the way in which it will plan, develop, deliver, manage and monitor the program. It will need to demonstrate its experience in establishing and delivering similar types of services. It must demonstrate an understanding of the proposed outcomes of the program and how it will establish and maintain services in the identified sports. It should outline its stakeholder engagement and relationship management processes to ensure effective delivery of the program. Evidence of how it will engage with the community when planning and delivering services will need to be provided and there will need to be clear strategies for how it will provide ongoing assessment to ensure it meets the identified outcomes including the use of key performance indicators and reporting arrangements.

D. Demonstrated capacity and capability to deliver the program objectives in the identified sports and their wider communities.

Fox Sports will need to demonstrate relevant expertise, skills, qualifications and experience in its executive and for those that will be involved in the management and delivery of services. It will need to outline the governance arrangements for the program and demonstrate that governance principles and processes to support service delivery are in place across all aspects of the organisation. Descriptions of relevant expertise, skills, qualifications and experience, including broad structure of the organisation, as well as business management, relevant expertise and leadership will be required. Fox Sports will need to demonstrate how the expertise, skills, qualifications and experience will contribute to the effective and efficient delivery of the program and the continuous improvement and evaluation of the day-to-day management of the program.

3. Who will approve the grant?

The Minister for Communications, Cyber Safety and the Arts will make the final decision to approve a grant.

The Minister's decision is final in all matters, including:

- the approval of the grant;
- the grant funding amount to be awarded; and
- the terms and conditions of the grant.

The Minister must not approve funding if they reasonably consider the program funding available across financial years will not accommodate the funding offer, and/or if the commitment does not represent value for money.

There is no appeal mechanism for decisions to approve or not approve a grant.

4. The grant agreement

The funding recipient must enter into a legally binding grant agreement with the Commonwealth represented by the Department of Infrastructure, Transport, Regional Development and Communications. The Department will use the *Commonwealth Low-Risk Grant Agreement Template*. Standard terms and conditions for the grant agreement will apply and cannot be changed. A schedule may be used to outline the specific grant requirements. Any additional conditions attached to the grant will be identified in the grant offer or during the grant agreement negotiations.

The successful applicant will be required to:

- provide a Strategic Roadmap (work plan) each year for agreement with the Department;

- provide performance reports against the Strategic Roadmap for each relevant year of the agreement and for the full term of the grant;
- provide statements to certify that the funding has been acquitted in accordance with the grant agreement and Strategic Roadmap for each relevant year of the agreement; and
- audited financial statements for the full term of the grant.

The Department will negotiate an agreement with the Grantee. This original grant agreement was finalised in December 2017 and the variation to the agreement is expected to be finalised in June 2020.

Where a grantee fails to meet the obligations of the grant agreement, the relevant Commonwealth entity may terminate the agreement and recover funding as per the grant agreement.

Financial commitments should not be made until a grant agreement has been executed by the Commonwealth.

5. Announcement of grants

Grants awarded will be listed on the GrantConnect website 14 days after the date of effect as required by Section 5.3 of the *CGRGs*.

6. Grant acquittal and reporting

The grantee must submit reports in line with the timeframes in the grant agreement. Reports will include:

- A Performance Report against the Strategic Roadmap for each year of the agreement and for the full term of the grant; and
- statements that certify that grant money received during the relevant financial year has been spent for the purposes of the objective and in accordance with the grant agreement and the relevant Strategic Roadmap; and
- audited financial statements for the full term of the grant.

The grantee will also be responsible for:

- meeting the terms and conditions of the grant agreement and managing the activity efficiently and effectively; and
- complying with record keeping, reporting and acquittal requirements as set out in the grant agreement.

7. Grant evaluation

The Department will evaluate the grant program to measure how well the outcomes and objectives have been achieved. The grant agreement requires the grantee to provide information through performance reporting to help with this evaluation.

s22

From: s22@communications.gov.au>
Sent: Monday, 13 July 2020 12:36 PM
To: Mike Makin; Pauline Sullivan
Cc: s22
Subject: MS20-000406 - Agreement to Program Guidelines for enhanced Fox Sports grant - Final Signed.pdf [SEC=PROTECTED, DLM=Sensitive:Cabinet]
Attachments: MS20-000406 - Agreement to Program Guidelines for enhanced Fox Sports grant - Final Signed.pdf

Hi Mike and Pauline

Minister has signed MS20-000406 on the Program Guidelines – unfortunately don't have the full sub yet – but in the interests of time here is a lousy quality scan of the front page...

Should have the hard copy back tomorrow, will get it to you ASAP.

Cheers

s22

PROTECTED Sensitive: Cabinet

PROTECTED CABINET

RECEIVED
07 JUL 2020
BY: *CPD*


 <p>Australian Government Department of Infrastructure, Transport, Regional Development and Communications</p>	<p>Ministerial Submission MS20-000406</p>
---	--

To: Minister for Communications, Cyber Safety and the Arts, the Hon Paul Fletcher MP
(for decision)

Subject: Approval of funding arrangements for the Fox Sports Australia under-represented sports grant

Critical Date: Routine

Recommendations for Minister Fletcher: That you

<ol style="list-style-type: none"> 1. Approve the proposed expenditure (under s.71(1) of the PGPA Act) of an additional \$10 million (GST inclusive) under the funding agreement with Fox Sports Australia to support coverage of under-represented sports as a proper use of relevant money; 2. Approve the Secretary, or delegate, entering into a grant agreement with Fox Sports Australia (under s.23(1) of the PGPA Act); and 3. Approve the amended one-off grant guidelines at Attachment A. 	<p><input checked="" type="radio"/> Approved / <input type="radio"/> Not Approved</p> <p><input checked="" type="radio"/> Approved / <input type="radio"/> Not Approved</p> <p><input checked="" type="radio"/> Approved / <input type="radio"/> Not Approved</p>
<p>Minister's Signature: </p>	<p>Date: <u>11</u> / <u>7</u> / 2020</p>
Minister's Comments	Quality Rating
	<ol style="list-style-type: none"> 1. Very Poor 2. Poor 3. Satisfactory 4. Good 5. Excellent

Purpose:

1. In order to commit an early payment of \$2.5 million in funding to Fox Sports Australia Pty Ltd (Fox Sports) and to expand the total amount payable under the grant by a further \$10 million, your agreement to the proposed grant expenditure arrangement and amended funding guidelines is required.

Key Issues:

s34(3)