Review of Payments Made to the Camp Gallipoli Foundation Inc.
# Review of Payments Made to the Camp Gallipoli Foundation

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Executive Summary

On 23 April 2016, the Sydney Morning Herald published an article alleging that Mr Chris Fox, CEO of the Camp Gallipoli Foundation Inc. (referred to as ‘the Camp Gallipoli Foundation’ forthwith), had misappropriated funds raised under not-for-profit principles, including the $2.5 million received from the Commonwealth Government’s Anzac Centenary Public Fund (ACPF). In response, the Hon. Dan Tehan MP, Minister for Veterans’ Affairs, asked the Department of Veterans’ Affairs (DVA) to conduct a review of payments made from the ACPF to the Camp Gallipoli Foundation.

The Terms of Reference for this review, which were approved by the Secretary of DVA on 17 May 2016, stipulated four deliverables:

1. Verification of whether invoices associated with the Camp Gallipoli project were processed in accordance with the payment principles;
2. Assessment of the steps taken by Government to assure itself that the camps were being, and subsequently were delivered, in six capital cities;
3. Examination of the advice the Camp Gallipoli Foundation provided to DVA regarding charitable donations; and
4. Reporting on general findings, including lessons to be learnt and recommendations for improvements to DVA policies, processes and practices.

These Terms of Reference are available at Appendix A.

DVA engaged its internal auditors, KPMG, to conduct an investigation of Deliverable 1 and undertook to examine Deliverables 2, 3 and 4 itself.

The key findings of this review against the four deliverables were that:

1. That invoices associated with the payments made to the Camp Gallipoli Foundation were processed by DVA with adherence to the agreed payment principles.
2. DVA received appropriate assurances from the Camp Gallipoli Foundation and its Board that its capital city events were viable and that these events were in fact delivered.
3. While the Camp Gallipoli Foundation had intended to donate any profits from its events to the RSL and Legacy, this was never a condition of the disbursement of $2.5 million from the ACPF.
4. DVA risk management was well handled. The decision to develop payment principles in the absence of a detailed funding deed, the requirement for the recipient organisation to acknowledge those payment principles and having the recipient organisation provide written assurances of financial viability was evidence of good practice. The rendering of invoices was problematic given that a number of invoices were incomplete. While this could not be foreseen, the issue of proper invoice rendering should have been incorporated into the payment principles. Despite this issue, all payments made to the Camp Gallipoli Foundation were appropriate.
Introduction
This report seeks to outline the funding provided to the Camp Gallipoli Foundation following allegations that the organisation misused funds raised under not-for-profit principles.

Appropriate Terms of Reference were developed to review the Camp Gallipoli Foundation’s ACPF funding arrangements and provide advice on the charitable donations the organisation publicly committed to make. The four key deliverables identified in these Terms of Reference are listed in the Executive Summary and are available at Appendix A. Each numbered section of this report addresses each key deliverable.

KPMG was engaged to investigate the first key deliverable, namely whether the invoices provided by the Camp Gallipoli Foundation were processed in accordance with DVA’s strict set of payment principles. KPMG’s findings are provided at Appendix B.

Background on Camp Gallipoli
The Camp Gallipoli Foundation is a not-for-profit organisation that was established to commemorate the Anzac Centenary by holding large scale camp-outs in locations across Australia and New Zealand on the night before, and morning of, Anzac Day 2015. These camp-outs were designed to provide an Anzac Day experience reminiscent of the camp sites where Australian and New Zealand soldiers congregated before leaving for their overseas service.

The organisation was established with the support of the Returned and Services League of Australia (RSL) and Legacy with the goal of enabling Australians and New Zealanders to reflect on the Anzac spirit and the contribution of the ANZACs to both countries. While these ex-service organisations initially supported the Camp Gallipoli project, both withdrew their support in 2016.

Original Proposal
The original Camp Gallipoli concept featured small community-based commemorative events with a focus on education to be held in capital cities in Australia and one event in Auckland, New Zealand. The concept was first raised informally with Sir Angus Houston as the Chair of the Anzac Centenary Advisory Board in 2013 and subsequently with the former Minister, Senator the Hon. Michael Ronaldson. Due to a lack of interest from the public in New Zealand, the event planned for Auckland was abandoned.

The formal proposal that was eventually made to the ACPF by the Camp Gallipoli Foundation centred around eight event hubs—one in each state and territory. The intention was to secure venues that could cater for 6,000-10,000 campers in each location.

Large television screens would be erected at each venue to screen a series of historic documentaries relating to the ANZACs and the Anzac legend, including a showing of the 1981 Australian film ‘Gallipoli’. On the morning of 25 April 2015, each site would hold a dawn service and then broadcast the dawn service from Anzac Cove in Turkey via video link.

Subsequently, the Camp Gallipoli Foundation expanded its proposal to include additional satellite events to allow regional and socio-economically disadvantaged communities to participate in the commemorative events. The Camp Gallipoli Foundation wanted to have a satellite event held in each of the 150 electorates across Australia to engage regional community groups, local schools and councils and regional sports and social clubs.
The original business model outlined a series of events that would bring Anzac Centenary messaging to a community level with a focus on appropriate commemorative content and education. This was quite different to most other Anzac Centenary projects that had been proposed.

Funded Proposal
Over time, it became clear that the scope and goals of the Camp Gallipoli Foundation project had changed significantly from the formal proposal originally received by DVA with the inclusion of large concerts and significant commercial elements.

The project reached a market that other Anzac Centenary events did not, particularly due to its national scale and focus on fostering commemorative interest in younger Australians. This focus on commemorative activities for children and families was unusual and the method of delivery unique. Ticket sales numbering almost 23,000 suggested that the events would be well-attended by the target market.

As a result, the Camp Gallipoli Foundation received $2.5m from the Anzac Centenary Public Fund to enable it to deliver its April 2015 camp-outs in Brisbane, Sydney, Melbourne, Hobart, Adelaide and Perth. However, due to DVA’s concerns around the change in scope, a set of stringent payment principles was developed to ensure that the ACPF funding was used for fixed cost elements and excluded hospitality and entertainment costs. The payment principles also excluded any funding for events outside of Australia or the six capital city locations. These arrangements are outlined further in Section 2.

Provision of ACPF Funding to the Camp Gallipoli Foundation
The Camp Gallipoli Foundation sought $2.5 million from the ACPF. The ACPF Board considered this request at three meetings held on 23 October, 19 November and 16 December 2014.

The ACPF Board’s due diligence included seeking written assurance from the Chair of the Camp Gallipoli Foundation Board, the Hon. Alan Ferguson, that the Camp Gallipoli Foundation Board had satisfied itself as to the financial viability of its events being delivered in six capital city locations in Australia on 25 April 2015.

In late 2014, the ACPF Board recommended a $2.5m disbursement to the Camp Gallipoli Foundation. As required by the FMA Act (ACPF Special Account) Determination 2013/02, former Minister Ronaldson wrote to the then Prime Minister, the Hon. Tony Abbott MP, seeking agreement. This agreement was provided on 19 February 2015.
1. Payment of Invoices in Accordance with Agreed Payment Principles

Throughout DVA’s involvement with the Camp Gallipoli Foundation, staff worked diligently to ensure that all payments were managed appropriately and that there was no opportunity for ACPF funds to be misused. Specific rules outlining the types of invoices that could be paid and reporting requirements were enforced before any ACPF funding was provided.

1.1 Invoice Requirements and Restrictions

A set of stringent payment principles was developed before any payments were made. ACPF funding was contingent on the Camp Gallipoli Foundation complying with the payment principles, which restricted funding to fixed costs only. This meant funds could not be used for salaries, travel, expenses or other non-essential overheads. Payments were made in tranches based on certified invoices that were deemed to be compliant with the payment principles.

For some events, DVA reimbursed costs on the basis of the receipt of an invoice for services consistent with the payment principles. If the Camp Gallipoli Foundation had not yet incurred the expense, it was directed to have the supplier invoices sent directly to DVA for payment.

Under the payment principles, the Camp Gallipoli Foundation was required to provide an itemised spreadsheet of relevant payments, including copies of invoices and payment advice or evidence. These documents were required to be certified as true copies by the Camp Gallipoli Foundation CEO and Company Secretary (or a Board Member in the absence of the Company Secretary).

All invoices were provided to DVA for consideration before any payments were made. Invoices could not include discretionary costs that were not directly related to the running of the camp-outs, such as directors’ fees or consultant costs.

Additionally, DVA staff assessed each invoice to ensure that ACPF funds were not used inappropriately in any way. For example, invoices from companies with links to the Camp Gallipoli Foundation Board members were excluded.

Formal assurances were also sought, and received, from Mr Fox regarding the veracity of the invoices provided to DVA before any funding was provided.

1.2 KPMG Investigation

KPMG’s investigation considered DVA’s actions in relation to each of the 12 agreed payment principles and reviewed each of the invoices paid against these principles. KPMG’s findings are available at Appendix B.

1.3 Conclusion

KPMG’s investigation found that all invoices associated with the payments made to the Camp Gallipoli Foundation from the ACPF were processed by DVA in accordance with the agreed payment principles.
2. Assurance of the Delivery of Camp Gallipoli Foundation Events

The payment principles also required the Camp Gallipoli Foundation to provide evidence of the financial viability of each capital city event before any funding could be provided.

2.1 Camp Gallipoli Foundation Assurances

Given the multiple sources of funding for the Camp Gallipoli Foundation events (ticket sales, sponsorships, grants etc) and the significant change in project scope, DVA sought assurances, as far as was feasible, that ACPF funds contributed to successful events and were not disbursed for an event that appeared unlikely to proceed.

Accordingly, while acknowledging the considerable uncertainties with ticket sales, the payment principles required written advice from the CEO that he remained satisfied as to the financial viability of the Camp Gallipoli Foundation events being delivered in six capital city locations in Australia on the 24 and 25 April 2015, as well as early written confirmation should it be likely that any of the camps may be cancelled.

The payment principles were agreed by the Chairman of the Camp Gallipoli Foundation, the Hon. Alan Ferguson, on 27 March 2015, before any disbursement of funds occurred.

Additional assurances were also requested by DVA and provided by the Camp Gallipoli Foundation Board of the financial viability of the project before any funds were provided. These assurances were also substantiated through the regular provision of ticket sales data to DVA by the Camp Gallipoli Foundation.

2.2 Delivery of the Camp Gallipoli Foundation Camp-outs

DVA was in regular communication with the Camp Gallipoli Foundation in the lead-up to, and after, the camp-outs held on 24 and 25 April 2015 in Brisbane, Sydney, Melbourne, Adelaide, Hobart and Perth. This communication pertained largely to ticket sales for each venue hosting a camp-out and the payment of invoices.

Media monitoring, including social media, was also conducted by DVA around the time of the camp-outs. Several articles were published by media outlets such as The Brisbane Times and The Age regarding attendance at the camp-outs and numerous social media posts regarding the camp-outs were published by attendees, largely on Facebook, at all six locations.

Subsequent to the camp-outs taking place, the Camp Gallipoli Foundation Chair, the Hon. Alan Ferguson, wrote to the Chair of the ACPF, Gary Humphries, to provide a report on the outcomes of project, which reiterated the delivery of the camp-outs in all six locations.

2.3 Conclusion

DVA is satisfied that it received appropriate assurances from the Camp Gallipoli Foundation as to the financial viability of its six capital city events as required by the payment principles. Given the media reports, social media posts and report on outcomes from the Chair of the Camp Gallipoli Foundation, DVA is also satisfied that the camp-outs in the six capital cities were in fact delivered by the Camp Gallipoli Foundation.
3. Advice Provided Regarding Charitable Donations

3.1 DVA Stance on the Camp Gallipoli Foundation’s Charitable Obligations

At no time was ACPF funding for the Camp Gallipoli Foundation contingent on funds being donated to the RSL or Legacy.

It is not DVA’s role to investigate this matter as the charitable donations were not a condition of ACPF funding being provided. The commitments made to the RSL and Legacy are therefore a matter for those organisations and not DVA.

Any investigation into the veracity of the Camp Gallipoli Foundation’s financial statements is outside the scope of this review and DVA’s business more broadly. Should it be required, an investigation into the not-for-profit status of the Camp Gallipoli Foundation would need to be carried out by the Australian Charities and Not-for-profits Commission (ACNC) or another relevant agency, including state agencies.

DVA is aware that the ACNC is examining the relationship between the Camp Gallipoli Foundation and its associated incorporated entities.
4. General Findings and Lessons Learned

4.1 General Findings

- The development of the payment principles, and subsequent agreement to them by the Camp Gallipoli Foundation, demonstrated good practice in relation to accountability and probity.
- Acknowledgement of the payment principles by the recipient prior to any payments being made was an effective approach in mitigating any risk or doubt in relation to payments to the Camp Gallipoli Foundation.
- Detailed examination of the invoices received from the Camp Gallipoli Foundation was satisfactory in allowing for payments to be made in accordance with the payment principles; however, the volume of invoices and lack of clarity from the Camp Gallipoli Foundation hindered the payment process at times.
- Payments were made against approved invoices; however, the Camp Gallipoli Foundation was not forthcoming with details of its expenditure for the events and attempts by DVA to gain further information were protracted with limited cooperation from the Camp Gallipoli Foundation.

4.2 Lesson Learned

More specific requirements about the format and type of invoices by the Camp Gallipoli Foundation could have been incorporated into the payment principles. For instance, DVA received several invoices missing vital information, such as an ABN or an indication of whether GST was included or excluded. More specific requirements could have reduced the complexity of the payment process.

There could have been a more formalised agreement at the time of funding being provided for Camp Gallipoli to report on the outcomes of the project and the events held in each of the six capital cities.

4.3 Conclusion

Given the findings of KPMG’s investigation, DVA is satisfied that the payment principles, which underpinned the provision of funds from the ACPF to the Camp Gallipoli Foundation, were adhered to.

All payments were properly invoiced, and the Camp Gallipoli Foundation Board and CEO were required to provide statements confirming the veracity of all invoices. Additionally, verification of the financial viability of each event was sought and received before any funding was provided. This ensured funds would be used only for the events agreed to by the ACPF Board.

However, it should be noted that this review only investigated the payments the Camp Gallipoli Foundation received from the ACPF. This means that this report can only refute the accusation that the Camp Gallipoli Foundation misused funds received from the Commonwealth Government (sometimes mislabelled as ‘taxpayer funds’ by the media).

This report does not refute any other allegations against the Camp Gallipoli Foundation, such as:

- Missing funds raised to assist a school in France;
- Claims made against statements made by Chris Fox;
- Claims of misappropriation of the funds the Camp Gallipoli Foundation raised under not-for-profit principles; or
- Services that have yet to be paid.

These concerns are matters for other authorities.
Appendix A – Terms of Reference

Terms of Reference

Camp Gallipoli Review

Background

In 2015, Camp Gallipoli received $2.5 million to deliver six capital city events in that year that would complement other Anzac Centenary projects. The funding was disbursed to Camp Gallipoli and its suppliers against a set of agreed funding principles.

Deliverables

The Department of Veterans’ Affairs will examine:

1. Whether invoices associated with the Camp Gallipoli project were processed in accordance with the payment principles; and

2. Steps taken by Government to assure itself that the camps were being, and subsequently were delivered, in six capital cities.

3. Advice provided to DVA regarding charitable donations.

4. General findings, including lessons to be learnt and recommendations for improvements to DVA policies, processes and practices.

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Appendix B – KPMG Findings

Leonie Mack
Acting First Assistant Secretary
Commemorations and War Graves Division
Department of Veterans’ Affairs

27 July 2016

Dear Leonie

Review of Camp Gallipoli Foundation Payments

The Department of Veterans’ Affairs (DVA) engaged KPMG to examine payments made to Camp Gallipoli and determine whether these were made in accordance with a set of agreed payment principles.

Background

In March 2015, up to $2.5 million of funding was committed from the Anzac Centenary Public Fund to assist in the running of the Camp Gallipoli project.

A set of payment principles was developed and agreed to with Camp Gallipoli to govern the processing of payments by DVA. The payment principles:

- outlined the specific events to be funded;
- stipulated the types of fixed costs that would be eligible for payment;
- required that the suppliers should not be a related entity to Camp Gallipoli or any of its office bearers or family members of the office bearers; and
- required written advice from the CEO of Camp Gallipoli that he remained satisfied as to the financial viability of the project being delivered in six capital city locations in Australia on 24 and 25 April 2015, as well as early written confirmation should it be likely that any of the camps may be cancelled.

Scope

KPMG reviewed payments with reference to eligibility under the payment principles.

Conclusion

KPMG has confirmed that a total amount of $2.5 million was paid for the Camp Gallipoli project in accordance with the payment principles.

Yours sincerely

Tony Hof
Partner