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8/2/12.

Establishment, Implementation and Administration of the Infrastructure  
Employment Projects Stream of the Jobs Fund

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Opening Statement by Auditor-General

JCPAA Review 8 February 2012

1. The Government's objective in establishing the Jobs Fund was to support and create jobs and employment opportunities in communities affected by the global recession. The Infrastructure Employment Projects (IEP) stream was to contribute to this objective by funding the construction of local infrastructure that would create immediate jobs in communities affected by the global economic downturn. The 12 construction projects that had been approved for funding and contracted for delivery under the IEP stream of the Jobs Fund will provide employment and other longer-term benefits through the delivery of community infrastructure in a number of different localities across Australia. However, shortcomings in identifying and assessing candidate construction projects has meant that the IEP stream did not achieve the program's economic stimulus objectives in the anticipated timeframe.
2. The audit findings underline the importance of stimulus spending programs being implemented in a way that quickly and effectively targets funding towards projects that are likely to provide the maximum stimulus effect in the desired timeframe for those communities identified as most in need of assistance. It also draws attention to the importance of departments clarifying arrangements for the administration of grant programs. In particular, providing sound advice to the Minister on strategies for identifying potential candidate projects, and then conducting project assessments

in a manner that supports the achievement of the objectives of the program established by government. This is commonly achieved by departments seeking Ministerial agreement to an implementation strategy that outlines roles and responsibilities, identifies any risks to the achievement of program objectives and how they can be managed, and seeks to clarify any areas of uncertainty. However, no such implementation strategy was developed in relation to the IEP stream of the Jobs Fund.

3. ANAO made two recommendations which are both aimed at improving the administration within the Infrastructure portfolio and agencies more widely of grant programs that do not involve an open call for applications, having regard for the key principles for grants administration set out in the Commonwealth Grant Guidelines
4. I and the audit team will be happy to answer any questions the Committee may have.