

Design and Implementation of the Energy Efficiency Information Grants
Program

Audit Report No.17 2012–13

Opening Statement by Auditor-General/Deputy Auditor-General

JCPAA Review 19 June 2013

1. The \$40 million Energy Efficiency Information Grants program was one of a suite of measures announced by the Government in July 2011 to encourage energy efficiency under its Clean Energy Future Plan. The program was designed to provide funding to industry associations and non-profit organisations to work with small and medium size business enterprises and community organisations to provide information about the smartest ways to use energy.
2. The objective of the audit was to assess the effectiveness of the design and implementation of the first funding round of the program.
3. The then Department of Climate Change and Energy Efficiency (DCCEE) was well resourced to design and implement the program, and the design was effective. DCCEE also planned a sound approach to undertaking application eligibility checks, assessing the merit of eligible applications and ranking them for the then Minister's consideration.
4. A recurring theme in ANAO's audits of grants administration is the importance of agencies implementing programs in a manner which accords with published program guidelines, and treats all applicants equitably. In this context, notwithstanding the good work undertaken by the department to establish the program, there were significant shortcomings in the conduct of the assessment process for applications. In particular, the merit assessment process departed in

important respects from that outlined in the program guidelines, and inadequate records were made and retained to demonstrate that each application was assessed in accordance with the published eligibility and merit criteria.

5. Recognising that the program had a second funding round underway at the time of the audit's tabling, and that DCCEE was administering other competitive grant programs, the ANAO made four recommendations. Two were focused on improved recordkeeping concerning, respectively, the eligibility checking process and the merit assessment of eligible applications. Another recommendation related to enhancing the governance arrangements where an advisory committee or panel is involved in the assessment of grant applications. The ANAO also recommended that, for each future competitive application-based grant program, DCCEE develop strategies to better manage the risk of funding rounds being over-subscribed.
6. The then Department of Climate Change and Energy Efficiency agreed to all recommendations. The program is now being administered by the Department of Resources, Energy and Tourism.
7. The audit team and I would be happy to answer any questions the Committee may have.