

## JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

(Questions asked by Senator Hogg during the hearing on 14 February 2005)  
Hansard page - PA12

**Reference: Review of Auditor General's report No 34, *The administration of major programs (Australian Greenhouse Office)***

### **Senator Hogg asked:**

Just briefly on the five recommendations made by the ANAO, I note that you have approved them, and that is all well and good; how are we to see that translated into practical terms? Are the recommendations now being implemented? It may well be that you need to take it on notice? ..... Could you take that on notice?

### **Answer:**

#### **Recommendation 1**

In order to maximise value for money from grant expenditure and minimise the potential for any adverse impact on program effectiveness, the ANAO *recommends* that, prior to consideration (where applicable) and implementation of any future funding assistance programs, the AGO conduct a comprehensive program risk assessment.

#### **Progress:**

AGO has conducted comprehensive program risk assessments for all new measures announced in the 2004-05 Budget and the *Securing Australia's Energy Future* package of June 2004.

#### **Recommendation 2**

In order to assist in measuring and/or assessing program results, the ANAO *recommends* that prior to implementation of any future funding assistance programs, the AGO consider incorporating clearly defined and measurable intermediate outcomes and operational targets (where possible) to underpin program objectives.

#### **Progress:**

This has been taken into account in all measures announced in the 2004-05 Budget and is being finalised for measures in the *Securing Australia's Energy Future* package of June 2004.

### **Recommendation 3**

In order to improve the measurement and the consistency of performance reporting across programs, the ANAO *recommends* that the AGO give high priority to the completion of an integrated performance information system for measurement of greenhouse gas abatement.

#### **Progress:**

The AGO has leading edge capability in producing national greenhouse emissions accounts and in assessment of the abatement performance of measures. This capability is being extended with a particular focus on performance evaluation of greenhouse measures, through:

- development of an enhanced emissions accounting framework providing flexibility to link activity data and emissions estimates for a range of international and economic accounting classifications; and
- enhancement of the principal tool for disseminating consistent emission factor methodologies across the AGO programs through the AGO Factors & Methods Workbook for use in abatement estimation.

These advances are directed at ensuring consistency of measurement techniques for assessing greenhouse gas abatement.

### **Recommendation 4**

In order to improve the rigour and transparency of the appraisal and selection process, the ANAO *recommends* that the AGO seek Ministerial approval to apply, where appropriate, across competitive programs:

- (a) an order of merit rating scheme; and
- (b) recommendations on selection that highlight projects that are most likely to achieve program objectives.

#### **Progress:**

This recommendation was made about the Greenhouse Gas Abatement Program as both (a) and (b) applied to all other competitive grant programs.

Both (a) and (b) were applied to the third and final round of the Greenhouse Gas Abatement Program.

## **Recommendation 5**

In order to enhance public reporting through the use of performance information to improve the quality and consistency of reports, the ANAO *recommends* that AGO annual reports include:

- (a) consistent reporting against performance targets for programs;
- (b) analysis of significant trends and changes over time; and
- (c) analysis of identified challenges, risks and priorities.

### **Progress:**

During 2003-04, the AGO developed new performance indicators and a new business planning and reporting framework to enable more effective assessment of progress in delivering individual outputs and achieving the agency's overall outcome.

While this will make it easier to provide the level of reporting and analysis suggested by the ANAO in future annual reporting, significant improvements were made to the 2003-04 AGO Annual Report in the interim. These improvements included: a profile of the Government's climate change measures, with expected abatement (Appendix 1 of Annual Report); a summary table showing results against performance measures for each output; case studies to highlight the practical application of government programme funds (including an analysis of a programme which had not met original expectations); and more context and analysis of the climate change issues, government policy/programme response, and challenges facing the organisation (Chief Executive Review, page 1 and Report on performance, page 11).

## JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

(Questions asked by Senator Tanner during the hearing on 14 February 2005)  
Hansard pages PA8-PA10

### Senator Tanner asked:

- (1) I notice that it says in the summary of the Audit Office report that, at the specific instruction of the minister, the AGO does not or has not provided recommendations with respect to which projects should be approved for funding and which projects should not be approved the funding. Can you tell us:
  - (a) not necessarily the precise date—when that happened;
  - (b) who was the minister; and
  - (c) has the AGO subsequently gone to either that minister or successive ministers and sought to have that changed?
- (2) Are you able to tell me roughly when the decision was communicated to the AGO that the details of funding applications would be forwarded without recommendations to whoever the ministers were?
- (3) When the ministerial council made the decision, or communicated the decision—and I suppose you may not know the answer to this because you were not in the saddle at the time—was any reason given as to why recommendations would not be put with respect to these grants for G Gap 1 and G Gap 2? Was there any explanation as to why that would be the case?....If it is possible, I would appreciate finding out whether there was any record or a minute of a meeting saying why?

### Answers:

1. (a),(b) At the time the Greenhouse Gas Abatement Programme (GGAP) commenced, decision making for funding under the programme was overseen by the Ministerial Council on Greenhouse which consisted of the then Ministers for Environment and Heritage; Transport and Regional Services; Industry, Science and Resources; Agriculture, Fisheries and Forestry; Finance and Administration; and Forestry and Conservation. The Ministerial Council on Greenhouse agreed at its meeting on 16 February 2000 that once proposals for funding through the Greenhouse Gas Abatement Programme have been assessed against programme eligibility criteria by officials as well as technical and financial experts, Australian Greenhouse Office officials would provide advice to the Ministerial Council on the set of projects that met programme eligibility criteria. The Council would then decide which projects would receive funding on the basis of this advice. AGO officials performed the secretariat function for the Council and were aware of this outcome at the time of the meeting.  
(c) Yes. This occurred on 14 December 2003 when the then Ministers for the Environment and Heritage and the Minister for Industry, Tourism and Resources were advised of the processes put in place for assessment and approval of proposals received under the third funding round of the Greenhouse Gas Abatement Programme. The Australian Greenhouse Office reported to both Ministers at that time.

2. See response to Question 1.
3. No. The minutes of the Ministerial Council on Greenhouse meeting on 16 February 2000 do not provide an explanation for this.