

Opening Statement for Tabling in JCPAA Hearing on 14 February 2005

Since the Tabling of the Australian National Audit Office (ANAO) report *The Administration of Major Programs, Australian Greenhouse Office*, and as a result of the Administrative Arrangements Orders following the recent election, the Australian Greenhouse Office (AGO) has become part of the Department of the Environment and Heritage.

The AGO welcomed the ANAO's performance audit into seven of the AGO's major programmes. It provided the AGO with a rigorous independent assessment of its approach to and delivery of the Government's major greenhouse funding programmes administered by the AGO.

Overall the ANAO Report is positive about the way the AGO delivered these programmes. The Report commented favourably on a number of aspects of programme administration including:

- efficient and effective delivery of programmes reviewed;
- rigorous and transparent appraisal and assessment of project applications;
- consistent and rigorous approach to managing funding assistance;
- sound financial systems; and
- strong and consistent focus on evaluation across programmes.

The AGO agreed with the Report's recommendations and has taken the following steps towards implementation:

- completed comprehensive risk assessments for all relevant new measures announced in the 2004-05 Budget and Energy Statement;
- adopting clearly defined and measurable intermediate outcomes and operational targets for all new programmes;
- reviewed approaches to emissions performance analysis and mechanisms for gathering data in order to develop a strategy for standardising emissions data gathering and analysis;
- obtained Ministers' approval to apply a merit rating scheme for the third round of the Greenhouse Gas Abatement Programme and to make recommendations that highlight projects most likely to achieve programme objectives; and

- implementing suggested improvements for reporting of performance, evaluation and achievements, commencing with the 2003-04 Annual Report. In future years, the greenhouse programs will be reported in the Department of the Environment and Heritage Annual Report.

The Report also noted the very significant technical challenges faced by the AGO in implementing programmes designed to address greenhouse gas abatement and / or support renewable energy technologies.

Notwithstanding this, the ANAO found the approach taken by the AGO in implementing these grant programmes to be consistent with grant administration best practice. Grant milestones have been developed and assessed rigorously before proceeding to subsequent stages and milestone payments being made.

The report notes that where unforeseen issues have arisen in the early stages of a programme, the AGO has recognised and addressed the issues with revisions to guidelines and processes aimed at minimising the future risk to the efficient and effective delivery of the programme.

The AGO has recognised implementation and management issues as they have arisen during the delivery of its programmes. As part of a process of continuous improvement it has incorporated the lessons learned into the continued administration of its programmes. This will remain an important feature and along with the recommendations and suggestions in the Report, is being applied to the development and implementation of the greenhouse programmes announced in the 2004-05 Budget and the 2004 Energy White Paper.