

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2013-14 Additional Estimates Hearings

Outcome Number: 0

Question No: 604

Topic: Grants

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Senator Moore asked:

How are grants processed?

Answer:

The process for administering Department of Social Service (DSS) grants is outlined within the Department's Programme Management System (PMS). The PMS contains standard processes, templates and tools to direct grant administration, including clear roles and responsibilities against each stage of the grants lifecycle.

The PMS ensures compliance with the Commonwealth Grant Guidelines (<http://www2.finance.gov.au/publications/fmg-series/3-commonwealth-grant-guidelines.html>) and best practice principles to reduce red tape, support grant recipient engagement and increase standardisation and efficiency.

Under the guidance of PMS procedures, DSS uses the following process to administer a grant programme or activity:

- Following the announcement of a new policy or funding initiative, or the review and redesign of an existing grant activity, DSS commences the planning and design phase.
- The planning and design phase includes the confirmation of legal authority and funding, as well as the development of an evaluation strategy. It also includes the design of the programme delivery model (based on evidence), review and/or development of the programme logic and programme guidelines, funding approvals, design risk identification and management and development of the grant agreement.
- A selection process management plan is prepared and approved by the delegate during this phase. The plan provides guidance on all aspects of the selection process, including how applications are received, handled and assessed and the governance arrangements for the process. It lists the selection criteria and eligibility requirements to be met by applicants and gives clear justification for the type of selection process being used.

The selection phase includes the design, development and publishing of an application pack, consisting of an application form, the programme guidelines and draft grant agreement.

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There are three main selection processes used:

- an open and competitive process – opportunities for funding are widely advertised and applicants compete for available funding. The application periods open and close on nominated dates, with applications assessed against eligibility and selection criteria and then ranked against other applications;
- a restricted competitive process – open to a small number of potential grant recipients based on the specialised requirements of the activity. Identified providers are invited to submit a proposal, with applications assessed against eligibility and selection criteria and then ranked.
- a direct approach – proposals sought from known providers to deliver a specific activity. Approached providers will all be funded if they agree and meet assessment parameters.

For applicants ranked suitable, service provider capacity risk assessments and financial viability assessments are conducted where proportional to the risk of the grant. Funding recommendations are then provided to the delegate for approval.

Delegate approval is followed by a Ministerial announcement and/or online publication of the selection process outcomes.

The selection phase is followed by an offer of grant funding and negotiation and execution of grant agreements with successful applicants.

Once executed, grants are managed by the DSS staff in State and Territory offices. The management process includes monitoring the delivery of agreed services, relationship management, capacity building and making payments in line with the terms of the agreement.

Following this, programmes and activities are reviewed in line with the evaluation strategy designed during the planning and design phase.