

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Tourism and Resources Portfolio
Additional Estimates 2005-2006, 16 February 2006

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, TOURISM AND RESOURCES
TOPIC: INVEST AUSTRALIA PROGRAM AUDIT
REFERENCE: WRITTEN QUESTIONS

QUESTION No.AI-36

Senator Campbell asked:

What progress has been made in this regard to tracking the progress of investments made under the Invest Australia Program?

ANSWER

Once a project has reached the stage of being an Invest Australia Success (IA Success) (where the proponent has made the decision to invest and has verified this to Invest Australia) it can have one of three statuses before becoming an Outcome Success (where the project has started commercial production): Active, Inactive, or Abandoned.

Active – The project is still ongoing but not yet completed. A project can have an active status for a significant period of time, particularly in the resource sectors where planning and construction can take a number of years.

Inactive – This is generally where Invest Australia is not aware of any activity on the project by the proponent for six months. This may be due to unexpected delays, changed market conditions, or the company may need more time before committing. The project may become active again or it may progress to Abandoned.

Abandoned – The company has stated that the project is not going to occur. This may be due to any number of reasons such as changed company circumstances or changes in the economics of a project.

Currently Invest Australia has identified that of the 248 IA Successes achieved from 1 July 2002 to 31 December 2005, 123 (49.6 per cent) are Outcome Successes, 112 (45.2 per cent) are Active, eight (3.2 per cent) are Inactive and five (2.0 per cent) are Abandoned.

QUESTION No.AI-37

Senator Campbell asked:

What (if any) reporting mechanisms have been established?

ANSWER

Every six months subsequent to a project becoming an IA Success, Invest Australia staff follow up the status of the project with the project proponent to check on any developments or changes to its status. If there has been a change then the status or stage of the project is duly modified and the relevant evidence noted.

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QUESTION No.AI-38

Senator Campbell asked:

What is the timeline?

ANSWER

Invest Australia will monitor the conversion rate of projects from the stage of IA Success to the stage of Outcome Success on an ongoing basis.

QUESTION No.AI-39

Senator Campbell asked:

Have specific KPIs been established? How were these defined and by whom?

ANSWER

No specific KPIs have been established to gauge the success of the conversion rate.

QUESTION No.AI-40

Senator Campbell asked:

Will the findings of this audit have implications for ongoing funding provided to the client by DITR?

ANSWER

No. Performance against any grant or other funding program is separately monitored by the relevant part of the Department.

QUESTION No.AI-41

Senator Campbell asked:

When will the Department be in a position to brief the Committee?

ANSWER

The audit has been completed and details of the outcomes have been provided in response to question AI-36 above.