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Joint Committee of Public Accounts and Audit
Inquiry into Commonwealth grants administration
Auditor-General Report No.21 (2021–22) Operation of Grants Hubs
10 February 2023

1. The Streaming Government Grants Administration (SGGA) Program was introduced in the 2015–16 Budget. To support SGGA Program implementation, $106.8 million was provided over four years. The objective of the SGGA Program was to deliver simpler, more consistent and efficient grants administration across government. This approach was expected to enable government to deliver grants more effectively at lower cost and risk.

2. Effective implementation of this initiative was intended to lead to improved policy outcomes, an improved experience for grant applicants and recipients, a reduction in red tape, efficiencies for government entities administering grant programs, and improved transparency of, and capability to analyse, whole-of-government grants administration and payment data. Total annual financial benefits were estimated to be around $400 million.

3. The then Department of Industry, Science, Energy and Resources (Industry) and the Department of Social Services (DSS) were responsible for building and operating the Business Grants Hub (BGH) and Community Grants Hub (CGH) respectively. The hubs were meant to provide standardised business processes.

4. The Department of Finance (Finance) was responsible for SGGA Program governance, with the assistance and support of the Digital Transformation Agency (DTA). The interim Digital Transformation Office (DTO) was responsible for delivery of a data warehouse; this responsibility was transferred to Finance in late 2015.

Audit Report No. 21 of 2021–22

5. Auditor-General Report No. 21 of 2021–22 *Operation of Grants Hubs*, which was tabled on 31 March 2022, assessed whether the Streamlining Government Grants Administration (SGGA) Program improved the effective and efficient delivery of grants administration.

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6. The audit focused on:

- Finance's, the interim DTO's and DTA's role in establishing design and governance of the SGGA program, and

- Industry's and DSS's build and operation of the Business Grants Hubs and Community Grants Hub, respectively.

7. The audit concluded that:

- there is insufficient evidence to demonstrate the SGGA Program improved the effective and efficient delivery of grants administration;

- the design and governance of the SGGA Program was not effective. The design of the SGGA Program was not supported by a sound evidence base;

- governance arrangements were established, but did not support achievement of program outcomes, benefits and deliverables;

- planning was not seen through to completion, impacting the achievement of deliverables;

- there was a benefits realisation framework, but it was not applied;

- the SGGA Program could not demonstrate the achievement of intended outcomes due to a lack of measurable indicators, baselines and targets;

- in relation to core deliverables, DSS and Industry built two grants hubs, but did not deliver a single whole-of-government grants administration process with six different workflows, a data warehouse or market testing;

- while consistency and effectiveness in grants administration is somewhat improved, there are deficiencies in relation to usage of the hubs for the full grants lifecycle, collaboration between the hubs and client entities, and data management;

- the hubs have not developed an appropriate performance framework to measure the benefits; and

- core deliverables were not achieved, and shortcomings in the design and operation of the hubs impacted on the realisation of the intended SGGA Program benefits (that is, better outcomes for grant applicants and recipients, reduction in red tape, and efficiencies for government).

8. The audit made three recommendations, all of which were agreed to by the audited entities. The recommendations were:

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i. Department of Finance and the hubs agree a methodology to capture and report performance information that demonstrates the efficiency and effectiveness of grants administration through the hubs.

ii. Department of Finance develop and agree a future plan for the operation of grants hubs, and where this plan differs from the SGGA Program funding proposal, seek authority for changes from government; and

iii. Department of Finance and the hubs establish a whole-of-government grants administration and payments dataset and implement arrangements to assure the quality of the data.

9. We would be happy to answer any questions the Committee may have.

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