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Joint Committee of Public Accounts and Audit

Commonwealth Grants Administration

Issue date: 6 September 2017

Delivering better grants funding outcomes

The Joint Committee of Public Accounts and Audit has tabled its [report](#) on Commonwealth Grants Administration, based on four Auditor-General's reports.

Given the common approach of grant programmes to deliver government funding, the Committee was concerned that granting departments are not consistently applying the requirements of the Commonwealth grants framework.

Departments' management of application and assessment processes included instances where ineligible applications proceeded through to merit assessment and, in some cases, were ultimately funded.

"Where grant applications do not meet policy objectives, as expressed in eligibility criteria, they should not receive funding," Committee Chair Senator Dean Smith said.

The Inquiry also highlighted that better quality advice to Ministers regarding funding decisions must occur, alongside the maintenance of detailed contemporaneous records.

The Committee strongly supported all of the Auditor-General's recommendations across all four audit reports and made three further recommendations.

Senator Smith said the departments need to give immediate attention to and remedy significant administrative flaws that continue to be repeated in delivering grant programmes.

The Committee recommended the respective programme departments—the Departments of Environment and Energy, Prime Minister and Cabinet and the Attorney-General's Department:

- report back to the Committee on progress against implementing the Auditor-General's recommendations; and
- measure the number of staff formally trained in the Government's grants policy framework and rectifying skills gaps so that sufficient expertise is retained.

The Committee's third recommendation is anchored in the context of the transition to the whole-of-government Streamlining Grants Administration Initiative.

The Committee recommended departments establish partnership agreements with their respective Grants Hubs (where not already done so) and ensure the arrangements:

- outline individual and shared responsibilities;
- provide for joint risk identification and management; and



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- clearly articulate overarching assurance processes to support better practice administration and the achievement of policy outcomes.

The Committee also flagged that future scrutiny of Commonwealth Grants Administration will pay attention to whether departments understand their underlying culture and have made a conscious effort and achieved the necessary cultural shifts so that risks that contributed to prior deficiencies are mitigated.

Media enquiries:

Chair, Senator Dean Smith, Joint Committee of Public Accounts and Audit on (08) 9481 0349 (Electorate Office) or (02) 6277 3707 (Parliament House).

For background information:

Committee Secretariat on (02) 6277 4615 or email jcpaa@aph.gov.au

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