



Local Community Transport Services: the Transport Connections program



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Auditor-General

Local Community Transport Services: the Transport Connections program

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Victorian Auditor-General's Office
Auditing in the Public Interest

The Hon. Bruce Atkinson MLC
President
Legislative Council
Parliament House
Melbourne

The Hon. Ken Smith MP
Speaker
Legislative Assembly
Parliament House
Melbourne

Dear Presiding Officers

Under the provisions of section 16AB of the *Audit Act 1994*, I transmit my performance report on *Local Community Transport Services: the Transport Connections program*.

Yours faithfully



D D R PEARSON
Auditor-General

23 March 2011

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Audit summary

The Transport Connections program (TCP) is an \$18 million, four-year initiative (2006–2010) that assists regional and rural communities to work together to improve access to local transport. It seeks to address transport disadvantage by enabling communities to develop local solutions that make better use of existing public, private and community transport options. Projects are mainly funded to hire coordinators who assist in identifying and implementing local initiatives. Grant funds are managed by a nominated fund manager organisation, typically the local council, in accordance with a funding agreement.

The TCP is managed by the Department of Planning and Community Development (DPCD) in partnership with the Department of Transport (DOT), Department of Human Services (DHS) and Department of Education and Early Childhood Development (DEECD). This partnership approach recognises the complex nature of transport disadvantage, which can affect participation in everyday activities. It also acknowledges the need for cooperation between government departments, local agencies and the community to develop sustainable solutions. The TCP has provided funding and support to 32 projects covering all rural, regional and outer-metropolitan municipalities in Victoria.

DPCD is the lead agency for the TCP. However, DOT manages \$4.19 million of the program budget as a Flexible Fund that all projects can apply to for help in implementing small-scale, localised initiatives. A multi-agency steering committee comprising DPCD, DOT, DHS and DEECD is responsible for setting the broad parameters of the program, and for progressing policy responses to systemic barriers faced by local projects to overcoming transport disadvantage.

This audit examined whether the TCP is being managed effectively. It considered whether effective partnerships were achieved, and if appropriate solutions to local community transport needs were delivered. It examined planning for, and oversight of, the TCP, and a sample of four projects with grants administered by:

- City of Greater Geelong
- Macedon Ranges Shire Council
- UnitingCare Ballarat
- Wellington Shire Council.

Conclusions

The TCP was designed to build capacity for local communities to work together on overcoming transport disadvantage. There is, however, little evidence to demonstrate the extent to which access to local transport has been improved because of the program's weaknesses in governance, oversight and monitoring.

Although the program depended on collaboration between state, local government and community agencies, DPCD did not effectively coordinate with DOT and other partnering agencies in managing and overseeing the TCP. Limited community engagement and weak oversight by local steering committees, and by DPCD, was evident at three of the four projects examined. DPCD did not resolve emerging issues in a timely manner, nor did it adequately enforce accountability provisions with funded projects. DPCD has acknowledged these issues and has since acted to strengthen its management of the TCP.

Transport Connections projects have implemented actions that have improved local transport options. However, as performance monitoring and evaluation of the program focused on activity rather than impact, DPCD cannot demonstrate the extent to which desired outcomes have been achieved.

Findings

Assuring effective partnerships

DPCD designed a sound governance and accountability framework for the TCP, but did not effectively implement it. The framework focuses on strengthening communities and on promoting effective partnerships between stakeholders, including ownership for local initiatives.

However, inadequate community engagement, including inadequate oversight by the local steering committee and DPCD, was evident for between 18 months and two years at three of the projects examined. Consequently, while each project sought to implement community priorities, it was not evident that local activities were being effectively managed or were adequately addressing local needs.

As a condition of funding, DPCD prudently established a requirement for local TCP stakeholders to enter into partnership agreements to demonstrate their commitment, including a shared vision for the project. Nevertheless, for two of the four projects examined, finalised partnership agreements were not in place.

Limited cross-government coordination for the TCP also hindered achievement of the program's objectives. The TCP multi-agency steering committee, chaired by DPCD, met infrequently and underestimated the complexity of working across government. As a result it made little progress in addressing systemic barriers. Local TCP initiatives were also funded by DOT from the \$4.19 million Flexible Fund without sufficient input from DPCD or other partnering agencies.

Both DPCD and DOT actively supported communities applying for TCP funds by working extensively with them to cultivate sound partnerships and funding proposals. However, records of how TCP and Flexible Fund applications were assessed were not sufficient to demonstrate that their funding decisions were soundly based, consistent and fair.

In this regard, DPCD contended that the need for consistency in assessment was less relevant because each community that applied was different, and grants were not competitive. However, these factors do not remove the obligation to demonstrate fair and equitable assessment of applications against the program's objectives before committing public funds.

Encouragingly, though, DPCD's 2010 statewide good practice guidelines for grant administration now address this obligation. The guidelines emphasise the importance of consistent and fair decision-making irrespective of the grants process used—including the need to clearly document and record the basis of all grant assessments and funding decisions.

Performance monitoring and accountability

Funding agreements with TCP grant recipients include sound accountability provisions. However, DPCD did not enforce them effectively, or adequately monitor projects to assure timely action in response to emerging issues.

Three of the projects examined did not meet important milestones linked to payments and, for between 18 months and two years, none of these had implemented effective governance arrangements. DPCD did not adequately follow up to resolve these shortcomings until early 2010, yet it continued to fund them even when conditions had not been met.

In so doing, DPCD was motivated by a desire to improve the capacity of projects and achieve continuing support for local initiatives given payments were mainly for the coordinator's salary. However, by paying projects regardless of their performance DPCD reduced accountability and rendered funding agreements obsolete. Although DPCD sought assurance of adequate performance by attending local steering committee meetings, its participation was intermittent and not sufficient to achieve effective monitoring and accountability for funds provided.

A significant challenge for DPCD was the turnover of staff at its central and regional offices. This affected the knowledge and continuity of key staff and, at times, the department’s capacity to manage program requirements.

DPCD has acknowledged these difficulties and initiated actions to strengthen its oversight and performance monitoring activities for the TCP. Key actions include clarifying the respective roles and responsibilities of its central and regional office staff to support and monitor projects.

Evaluating Transport Connections program outcomes

DPCD developed an evaluation framework for the TCP at its inception. However, the data received to date has focused mainly on project activities rather than on outcomes achieved. This limits its ability to provide useful information about the impact of initiatives. While recognising that evaluating the outcomes of community strengthening programs is difficult, this fundamental weakness means TCP outcomes can not be reliably assessed. Recent DPCD reviews of the TCP based on this information have inherent limitations.

While these reviews indicate the TCP has created opportunities for community involvement in local governance, including new partnerships and initiatives designed to enhance transport options within disadvantaged communities, further work is needed to assess the extent to which they have improved access to local transport.

Recommendations

| Number | Recommendation | Page |
|--------|--|------|
| 1. | The Department of Planning and Community Development and the Department of Transport should strengthen and better document grant assessment processes so all funding decisions can be shown to have been appropriately and equitably considered. | 20 |
| 2. | The Department of Planning and Community Development should strengthen project governance and accountability by: <ul style="list-style-type: none"> • monitoring that partnership groups manage local projects effectively in accordance with the community-focused Transport Connections program governance model • establishing reliable arrangements for ongoing, effective cross-government coordination for the Transport Connections program • enforcing the accountability requirements of funding agreements. | 33 |
| 3. | The Department of Planning and Community Development should strengthen the Transport Connections program evaluation framework by further developing arrangements to measure and progressively report on the achievement of project and program objectives. | 42 |

Submissions and comments received

In addition to progressive engagement during the course of the audit, in accordance with section 16(3) of the *Audit Act 1994*, a copy of this report was provided to the Department of Planning and Community Development, the Department of Transport, the City of Greater Geelong, Macedon Ranges Shire Council, UnitingCare Ballarat and Wellington Shire Council with a request for submissions or comments.

The City of Greater Geelong, UnitingCare Ballarat and Wellington Shire Council acknowledged the request, and elected not to make a submission. Submissions were received from the Department of Planning and Community Development, the Department of Transport and Macedon Ranges Shire Council.

Agency views have been considered in reaching our audit conclusions and are represented to the extent relevant and warranted in preparing this report. Their full section 16(3) submissions and comments, however, are included in Appendix A.

1 Background

1.1 Transport and social inclusion

1.1.1 Transport disadvantage

Transport disadvantage occurs when local transport options make it difficult for people to access services, activities, education, employment and community networks. This can lead to social and economic exclusion, and can affect the well being of individuals and communities. Transport disadvantage is more common for people in outer metropolitan, regional and rural areas where public transport services are limited, and for people who have low mobility due to age, disability, health issues or economic circumstances.

1.1.2 Community transport

Community transport can play an important role in overcoming transport disadvantage. It consists mainly of services offered by councils and not-for-profit community organisations using cars, minibuses, brokered taxis, or a combination of these, to fill gaps in public and private transport. Typically, clients are the elderly, disabled or those otherwise unable to access public and private transport.

There is no policy framework for community transport in Victoria, however the Department of Transport (DOT) committed to start policy development in its 2010 corporate plan. Additionally, community transport services and providers are not coordinated under a single agency. Consequently, there is limited data on the funding and operation of the community transport sector, and it is not possible to assess accurately the extent and cost of community transport services provided across Victoria. The Municipal Association of Victoria estimated that local councils spent a combined \$21 million in 2007–08 on community transport vehicles, staff and service provision. The Home and Community Care program is an important funding source for such services but total expenditure on community transport is unknown as it is not accounted for separately.

1.2 The Transport Connections program

The Transport Connections program (TCP) is an \$18 million, four-year program that aims to assist regional and rural communities to work together to improve access to local transport. It was announced in 2006 as part of the former government's social policy *A Fairer Victoria* and is managed by the Department of Planning and Community Development (DPCD) in partnership with DOT, the Department of Human Services (DHS), and the Department of Education and Early Childhood Development (DEECD). It has provided funding and support to 32 projects covering all rural, regional and outer-metropolitan municipalities in Victoria.

The TCP builds on a three-year pilot program launched in 2003 that was managed by DHS in partnership with other government departments. This partnership approach reflects the complexity of transport disadvantage, and the need for cooperation between communities and government agencies to achieve sustainable solutions. The pilot program sought to make better use of existing transport in local communities, build partnerships to develop tailored transport solutions and strengthen links between the community and public transport sectors.

The pilot program invested \$2.1 million in nine projects. Grants were used to fund project coordinators who were responsible for forming local partnerships, mapping existing transport options and consulting with the community to identify local priorities.

An evaluation of the pilot program in 2005 found it had positive impacts for participating communities, by increasing their knowledge of local transport, improving coordination and increasing transport options. Building on these impacts, the second phase of the TCP increased its emphasis on community strengthening and developing of community partnerships to deliver local transport solutions.

In 2009 the former government's Victorian Transport Plan committed additional funding of \$80 million to extend the TCP for another ten years; of this, \$22.8 million was allocated in the 2010 Budget to extend the existing 32 projects for another three years, and to establish six new projects in metropolitan fringe areas.

1.2.1 Objectives of the Transport Connections program

The TCP seeks to address transport disadvantage by helping communities find practical solutions to improve existing transport services. It aims to achieve this by bringing community groups, individuals, transport providers and local businesses together to develop tailored transport solutions. In so doing it aims to make better use of existing public and private transport services through new and coordinated approaches. The specific objectives of the TCP are to:

- improve existing transport options
- develop innovative solutions to transport disadvantage
- develop strong partnerships to deliver services
- support ongoing community participation in decision making.

1.2.2 The challenge of community building programs

The TCP is based on a community building approach. The unique challenges of community building programs were previously recognised in our May 2010 performance audit report on DPCD's Community Building Initiative.

That report noted that, consistent with the former government's policy statement, *A Fairer Victoria*, such initiatives seek to provide new approaches to traditional modes of service delivery to address inequality and make it easier for people to deal with government. A major focus has been on addressing local needs through 'place-based' approaches designed to enhance the capacity and skills of community members, empower them to address local issues, and to develop stronger relationships and linkages across community organisations and groups.

DPCD advised that a key role of government in the context of community building was that of 'enabler' rather than 'gate keeper' due to the shift away from the traditional purchaser/provider arrangement to that of a partnership model. This model requires a more flexible, innovative approach to program delivery, particularly when partnering with disadvantaged communities with limited local capacity.

Consequently, our May 2010 report also highlighted that community building initiatives require the right balance to be struck between the need to be flexible with local communities while still holding them to account for the use of public funds.

1.2.3 The Transport Connections program model

The TCP recognises that strong partnerships between communities, government departments, local government, transport providers and local businesses are critical for success. Accordingly, each TCP project is funded to establish a partnership group comprising representatives to direct local initiatives and to employ a coordinator to facilitate and drive implementation consistent with the TCP framework.

TCP projects are monitored by DPCD through its participation in local steering committee meetings, and through project reports required under funding agreements. Each project's grant is managed by an incorporated fund manager organisation—typically the local council. The fund manager organisation is also responsible for employing the project coordinator and complying with the funding agreement.

Figure 1A outlines key stages of the TCP implementation framework to be established within 12 months of project commencement.

Figure 1A
Stages of the Transport Connections program model



Source: Victorian Auditor-General's Office.

Formation of a **partnership group** comprising community, local government and other stakeholders interested in local transport is the first key stage of the TCP. The first meeting is to take place within six months of signing the funding agreement, and a **partnership agreement** setting out the principles, parameters and objectives of the partnership is to be executed within the first 12 months.

Recruitment of a **Transport Connections project coordinator** and preparation of a Community Engagement Plan must also take place within the first 12 months of the project. The project coordinator is responsible for day-to-day project management of the TCP, and progressing the key stages of the project, while the **Community Engagement Plan** sets out how the partnership will engage community members in project planning.

Asset mapping involves identifying and documenting existing transport assets in consultation with community members. Asset mapping helps to recognise existing transport options and where gaps exist. An **Asset Mapping Report** is required in the first year of the project.

Finally, projects are required to prepare a **Local Action Plan** with agreed community priorities, and actions to address them. Action plans should specify a time line for each action and who will lead implementation.

1.2.4 Roles and responsibilities

Figure 1B outlines roles and responsibilities within the TCP governance framework.

Figure 1B
Roles and responsibilities of Transport Connections program partners

| Role | Responsibilities |
|---|---|
| Local roles and responsibilities | |
| Local partnership group | Oversees project planning and implementation, and is responsible for mobilising and coordinating resources and investment. The partnership group engages with the community and works with strategic partners to develop an action plan that meets community identified needs. Partnership groups consist of local government, business and community stakeholders with an interest in transport issues. |
| Transport Connections coordinator | Undertakes day-to-day project management, research and evaluation on behalf of the partnership group and community. This includes: <ul style="list-style-type: none"> • brokering partnerships • developing and supporting governance structures • coordinating asset mapping • developing a Community Engagement Plan and facilitating active community participation • negotiating resources and investment • facilitating and supporting delivery of projects. |
| Fund manager organisation | Hires and supervises the TCP coordinator and makes sure the project complies with the funding agreement. This role is typically undertaken by local government. |
| Statewide roles and responsibilities | |
| DPCD head office | Manages and monitors the TCP across Victoria. This includes managing operational costs, managing funding agreement variations, providing support and resources for DPCD regional offices and TCP coordinators, and coordinating program review and evaluation activities. |
| DPCD regional office | Supports TCP projects in the region to achieve local priorities and adhere to conditions of funding. Regional officers represent DPCD at partnership group meetings and TCP events, and communicate project issues and opportunities to DPCD head office. |
| DOT head office | Manages \$4.19 million of the program budget as a Flexible Fund that projects can apply to for support for small scale initiatives. |
| DOT regional office | Provides advice and guidance to the local partnership group on public transport matters and supports the development of applications for trial services from TCP projects to the Flexible Fund. |
| DHS regional office | Provides advice and guidance to the local partnership group on matters relating to human services, in particular issues relating to the Home and Community Care program, health care provision and patient transport. |
| DEECD regional office | Provides advice and guidance to the local partnership group on education matters, particularly those related to school transport. |
| Multi-agency steering committee | This group comprises the TCP partnering agencies, and is responsible for endorsing high level program operations—including the evaluation framework and Flexible Fund parameters, and progressing policy responses to issues arising from TCP projects. |

Source: Victorian Auditor-General's Office from Transport Connections Program Implementation Plan (2008), Department of Planning and Community Development.

1.2.5 Overview of Transport Connections program expenditure

Transport Connections program grants to agencies

DPCD was initially responsible for \$14.147 million of the original \$18.337 million TCP budget. In 2007, this was reduced by \$366 517 due to a requirement that DPCD make efficiency savings from its programs, creating a revised budget of \$13.780 million for DPCD and \$18 million overall for the TCP.

TCP grant values ranged from \$219 000 to \$708 000, and were determined according to the size and needs of each project catchment. Grants were for employing a coordinator, undertaking local research, community engagement, and promoting the program locally. They also included brokerage funds for use by partnership groups to fund small-scale improvements to local transport services.

Figure 1C summarises TCP expenditure since 2006.

Figure 1C
Summary of Transport Connections program grants (2006–10)

| Item | Allocated (\$) | Expenditure to date (\$) |
|--|----------------|--------------------------|
| Transport Connections program grants by fund manager organisation | | |
| Bass Coast Shire Council | 263 724 | 253 724 |
| Baw Baw Shire Council | 248 000 | 238 000 |
| Benalla Rural City Council | 363 000 | 353 000 |
| Central Goldfields Shire Council | 320 000 | 310 000 |
| City of Casey | 368 800 | 358 800 |
| City of Greater Bendigo | 389 925 | 379 925 |
| City of Greater Geelong | 320 000 | 310 000 |
| City of Whittlesea | 454 408 | 444 408 |
| Cohuna District Hospital | 591 446 | 591 446 |
| Colac-Otway Shire Council | 407 835 | 397 835 |
| Community AccessAbility Inc. | 708 619 | 698 619 |
| Corangamite Shire | 395 258 | 385 258 |
| Eastern Volunteer Resource Centre | 308 580 | 298 580 |
| Golden Plains Shire Council | 322 802 | 312 802 |
| Greater Shepparton City Council | 463 000 | 453 000 |
| Hepburn Shire Council | 348 500 | 338 500 |
| Latrobe City Council | 228 000 | 218 000 |
| Macedon Ranges Shire Council | 425 141 | 415 141 |
| Melton Shire Council | 343 192 | 333 192 |
| Mildura Rural City Council | 317 729 | 307 729 |
| Mitchell Shire | 290 000 | 196 556 |

Figure 1C
Summary of Transport Connections program grants (2006–10) – continued

| Item | Allocated (\$) | Expenditure to date (\$) |
|--|-------------------|--------------------------------|
| Transport Connections program grants by fund manager organisation | | |
| Mornington Peninsula Shire Council | 260 000 | 250 000 |
| Murrindindi Shire Council | 321 800 | 311 800 |
| Nillumbik Shire Council | 219 502 | 209 502 |
| Pyrenees Shire Council | 360 000 | 350 000 |
| Shire of Campaspe | 243 998 | 157 480 |
| South Gippsland Shire Council | 259 500 | 249 500 |
| UnitingCare Ballarat | 253 000 | 243 000 |
| Wellington Shire Council | 723 059 | 713 059 |
| Western District Health Service | 385 090 | 375 090 |
| Wimmera Volunteers | 452 873 | 442 873 |
| Wyndham City Council | 251 500 | 201 960 |
| TCP grant funding | 11 608 281 | 11 098 779 |
| Salaries, administration and operating costs | 2 172 201 | 1 998 991^(a) |
| Total | 13 780 482 | 13 097 770 |

(a) No further expenditure anticipated.

Note: Figures shown are current as at December 2010.

Source: Victorian Auditor-General's Office based on information from the Department of Planning and Community Development.

Figure 1C shows that 28 TCP projects had yet to receive their final \$10 000 grant instalment pending submission of final reports. DPCD also withheld payments ranging from about \$49 000 to \$90 000 from the Campaspe, Mitchell and Wyndham projects due to difficulties in recruiting and retaining local coordinators, and project delays.

Figure 1C also shows there will be an underspend of \$173 201 in salaries, administration and operating costs of the TCP. DPCD attributes this to efficiency savings of \$68 665 and to under-expenditure of \$104 545 from a total of \$150 000 originally budgeted for a TCP policy officer. This position was co-funded by DPCD and DOT, and was established in 2007 to assist the multi-agency steering committee to progress policy responses to systemic barriers to transport access encountered by projects. However, only \$45 000 was spent as the position was redirected by DOT to other departmental priorities.

Administrative costs incurred by DPCD's central office covered:

- developing the TCP and conducting workshops to inform communities about the program
- managing operating funds
- TCP performance monitoring and evaluation activities
- provision of information and support to TCP funded communities.

DOT estimates that it also contributed approximately \$1.8 million to support the administration of the TCP from its own funds. This was for costs associated with managing the Flexible Fund, regional office support to local projects, contract management and evaluation of trial services, and DOT's co-contribution to the employment of the TCP policy officer.

The Transport Connections program Flexible Fund

DOT manages \$4.19 million of the TCP budget as a competitive pool of funds called the Flexible Fund. All TCP projects can apply to the fund for help in delivering small-scale localised transport initiatives that make better use of existing transport services and resources. It can also be used to fund extensions to existing transport services or to introduce new trial services.

Figure 1D summarises the funds provided since 2006.

Figure 1D
Flexible Fund grants to Transport Connections program projects

| Item | Number of initiatives funded | Funding provided to date (\$) |
|---|------------------------------|-------------------------------|
| Flexible Fund grants by fund manager | | |
| Bass Coast Shire Council | 1 | 56 659 |
| Baw Baw Shire Council | 2 | 19 394 |
| Benalla Rural City Council | 4 | 135 544 |
| Central Goldfields Shire Council | 2 | 167 895 |
| City of Casey | 1 | 11 998 |
| City of Greater Bendigo | 3 | 110 912 |
| City of Greater Geelong | 1 | 46 083 |
| Cohuna District Hospital | 5 | 62 400 |
| Colac-Otway Shire Council | 5 | 276 598 |
| Community AccessAbility Inc | 5 | 178 748 |
| Corangamite Shire | 9 | 510 578 |
| Eastern Volunteer Resource Centre | 1 | 96 240 |
| Golden Plains Shire Council | 2 | 76 281 |
| Greater Shepparton City Council | 2 | 36 479 |
| Hepburn Shire Council | 4 | 147 535 |
| Macedon Ranges Shire Council | 3 | 165 911 |
| Mildura Rural City Council | 3 | 177 191 |
| Murrindindi Shire Council | 3 | 10 154 |
| Pyrenees Shire Council | 7 | 121 021 |
| Shire of Campaspe | 2 | 51 019 |
| South Gippsland Shire Council | 3 | 70 106 |
| Wellington Shire Council | 7 | 323 918 |
| Western District Health Service | 3 | 199 434 |

Figure 1D
Flexible Fund grants to Transport Connections program projects – continued

| Item | Number of initiatives funded | Funding provided to date (\$) |
|---|------------------------------|-------------------------------|
| Flexible Fund grants by fund manager | | |
| Wimmera Volunteers | 3 | 67 925 |
| Inner Melbourne Hospital Map and Guide | 1 | 30 140 |
| Total | 82 | 3 150 163 |

Source: Victorian Auditor-General's Office based on information provided by the Department of Transport in January 2011.

Of the 82 approved Flexible Fund initiatives, six involved a grant to a third party for the provision of transport services, and 75 were public transport bus service trials. One initiative, the Inner Melbourne Hospital Map and Guide, was not a transport service, but rather an information resource to assist regional Victorians travel to and around Melbourne for medical services.

1.3 Audit objective and scope

1.3.1 Audit objective

The objective of the audit was to determine whether the TCP is being managed effectively by assessing the extent to which effective partnerships between stakeholders are being achieved, and appropriate solutions to local community needs are being delivered.

1.3.2 Audit scope

The audit examined a sample of four TCP projects and considered whether individual project and overall TCP objectives have been achieved. The audit also examined planning and oversight of the TCP, and DOT's administration of the TCP Flexible Fund.

The audit sample comprised projects with grants administered by:

- City of Greater Geelong
- Macedon Ranges Shire Council
- UnitingCare Ballarat
- Wellington Shire Council.

A brief overview of the four Transport Connections projects examined

Building Bellarine Connections

The Building Bellarine Connections project is a partnership between the City of Greater Geelong, the Borough of Queenscliffe and Bellarine Community Health. It received a grant of \$320 000, which is managed by the City of Greater Geelong.

The project has received strong support from the three lead partners and is regarded as having produced positive results, particularly through delivering a number of community transport initiatives. Examples of successful initiatives include a community van/volunteer driver program, provision of community transport at community festivals, and supporting the Barwon Heads/Ocean Grove summer shuttle bus service established by the local coastal committee. Achievements to date have focused mainly on community transport, but the project has also sourced funding of \$46 083 from the Flexible Fund to resource a public transport trial of a summer bus between Queenscliff and Torquay.

Connect2Ballarat

The Connect2Ballarat project received a grant of \$253 000, which is administered by UnitingCare Ballarat. It is one of six TCP projects where local government is not the fund manager agency. Local government is, however, represented on the project steering committee.

This project has experienced difficulty identifying agreed priorities for action, and consequently little has been achieved. From the earliest stage of the project, DOT has held the view that the strong public transport system in Ballarat means there is little transport disadvantage in Ballarat. This view differs from that of the fund manager organisation and other partners represented on the steering committee, and has led to frustrations among members of the steering committee. The project's achievements have been limited as a result. Representatives of the local partnership group reported feeling unsupported by DPCD until mid-2010, at which point the regional team became more involved and relationships improved.

Achievements of the Connect2Ballarat project are:

- financial support for vehicle hire and fuel costs to assist members of the Ballarat Respiratory Group to travel to seminars
- actions to increase community awareness of existing transport options through local forums and a mobility and transport expo
- the trial of a demand responsive taxi service between March and May 2010.

Getting Around

The Getting Around TCP project is one of nine that participated in the Transport Connections Pilot program between 2003 and 2006. It is a partnership between the neighbouring shires of Macedon Ranges and Mount Alexander. The project received a grant of \$425 141 under the second phase of the TCP, which is managed by Macedon Ranges Shire Council.

During the pilot, the project was led by a steering committee of council representatives, transport providers and state government representatives. This committee was expanded in the second phase of the TCP to increase community participation, but has been inactive since May 2009.

While the committee has been inactive the project has received strong support from the partner councils, which have worked to progress delivery of transport priorities identified during the pilot. Key achievements include establishing three public transport trials within the region, including a new town bus service for Kyneton, using funds sourced through the Flexible Fund.

The project has also assisted in establishing a demand responsive service linking Gisborne to the train line, and a bus service between Lancefield and Romsey.

Let's GET Connected

The Let's GET Connected TCP project also commenced in 2003 as part of the TCP pilot with a grant totalling \$723 059 managed by the Wellington Shire Council. The project has two coordinators, reflecting the large geographical area of the project, both of whom have been employed since the pilot. Wellington Shire Council subcontracts East Gippsland Shire Council to employ the second coordinator and administer the project locally.

The project is led by a committed and strong partnership group that has remained largely unchanged since the pilot. Key achievements include the Seaspray Shopper Bus, which uses a school bus in down time to transport residents between Seaspray and Sale. Originally funded as a trial through the Flexible Fund, the service has now received recurrent funding from DOT. Other successful initiatives are the Aboriginal Driver Education Program, which assists the East Gippsland Indigenous community to obtain driver licences; and contributing to the development of the Buchan Bus 'n' Freight Service, which provides a passenger and freight service between Buchan and Bairnsdale, using a mini bus and freight trailer run by a private operator. The project has successfully sourced funding of more than \$315 000 through the Flexible Fund to resource local transport priorities.

In addition, the project has been the driving force behind efforts of TCP projects to make spare seating on school buses more accessible for the general public and, in particular, post secondary students.

1.4 Audit method and cost

The audit was performed in accordance with the Australian Auditing and Assurance standards. The period under review was 2006–10. The total cost of the audit was \$310 000.

1.5 Structure of this report

The rest of this report is structured as follows:

- Part 2 examines grant assessment
 - Part 3 examines governance and accountability
 - Part 4 examines evaluation.
-

2 Grant assessment

At a glance

Background

Rigorous grant assessment supports achievement of program objectives by assuring funding decisions are appropriate, transparent and that approved initiatives meet the criteria.

Conclusion

The Department of Planning and Community Development (DPCD) and Department of Transport (DOT) adopted a positive approach by working extensively with applicants to assist them to develop their grant applications.

However, insufficient records of how the Transport Connections program (TCP) and Flexible Fund applications were assessed means it cannot be demonstrated that funding decisions were soundly based, consistent and fair.

Findings

- DPCD and DOT have not adequately documented their assessments, including reasons for recommendations to award funding.
- Assessment of TCP applications was informed by comments from DPCD's local teams and a cross-government working group, but this alone does not demonstrate a rigorous assessment of the application against defined criteria or principles.
- DPCD considers the need for consistency in assessment is less relevant because each community was different and grants were not competitive. These factors do not eliminate the obligation to demonstrate fair and equitable assessment of applications before committing public funds. Encouragingly, DPCD's 2010 grant administration guidelines now address this obligation.
- DOT assessed Flexible Fund applications against criteria linked to the TCP objectives, but without sufficient input from DPCD or other TCP partners.

Recommendation

DPCD and DOT should strengthen and better document grant assessment processes so all funding decisions can be shown to have been appropriately and equitably considered.

2.1 Introduction

A rigorous approach to assessing grant applications is central for assuring that approved initiatives sufficiently align with program objectives and meet minimum standards of funding. This requires evaluating applications consistently against clear criteria. Clearly documenting the basis of decisions at all stages of the assessment and approval process is also fundamental for accountability and transparency.

The Department of Planning and Community Development (DPCD) recognises the importance of effectively implementing these practices in its whole-of-government 2010 best practice guidelines, 'Better Grants by Design'.

We reviewed the assessment and approval processes for both the Transport Connections program (TCP) and Flexible Fund to determine if they were sufficiently rigorous and transparent, and whether the basis of decisions to award grants was sound.

2.2 Conclusion

DPCD positively supported applications for grants by focusing on cultivating sound partnerships and on working closely with communities to assist them to develop robust proposals.

The Department of Transport (DOT) also appropriately developed criteria for the Flexible Fund, taking into account the broader objectives of the TCP.

However, there was insufficient documentation about how TCP and Flexible Fund applications were assessed. This means the departments are unable to demonstrate that all funding decisions were soundly based, consistent and fair.

2.3 Assessment of Transport Connections program applications

2.3.1 Overview of the assessment process

Submissions for TCP grants were assessed by DPCD officers in two phases with input from a cross-government working group comprising representatives from DOT, the Department of Human Services and the Department of Education and Early Childhood Development.

The approach was negotiated and iterative with the aim of building partnerships between communities, state and local governments, and non-government organisations so that all rural, regional and metropolitan interface municipalities were covered by the TCP.

The two-stage assessment process represents a move away from the traditional contestable grants process, and was introduced to assist targeted communities to develop applications that satisfactorily met minimum standards for funding.

The process was extensive and supported by a series of 16 workshops DPCD held across the state to broker partnerships and facilitate the development of proposals.

In phase one, partnering organisations were required to submit an expression of interest (EOI) to DPCD. The main purpose of the EOI was to enable DPCD to provide feedback to interested organisations to assist them develop a more detailed application in phase two. Figure 2A summarises the process employed during phase one.

Figure 2A
Phase One of the Transport Connections program application process:
Expression of Interest

To submit an EOI applicants had to provide information on:

- the proposed project including catchment area, target groups, relevant stakeholders, and how the project will engage the community
- why the project is needed and whether there has been any planning and consultation to date
- the key project partners and proposed governance arrangements, including steering group membership.

DPCD's guidelines to the Transport Connections grants program identified its intention to fund around 30 projects in transport-disadvantaged communities in Victorian rural, regional and metropolitan interface areas. It also established that assessment of EOIs did not guarantee funding approval and was primarily for giving feedback to help organisations develop an application.

Source: Victorian Auditor-General's Office based on information from the Department of Planning and Community Development.

Applications received during phase two were then progressively assessed by the cross-government working group against a set of identified questions. Figure 2B summarises the process used for evaluating phase two applications.

Figure 2B
Phase Two of the Transport Connections program application process:
Application

Applications submitted during phase two were assessed using the questions: *Why?* 20 (per cent), *How?* (20 per cent), *Who?* (20 per cent), and *What will it achieve?* (40 per cent).

Applicants were advised to supply the following information:

Why is the project needed?
Demonstrate the extent to which the proposed project:

- will respond to identified needs
- is based on broad consultation and support
- will capitalise on existing transport resources in the community.

How will the project be delivered?
Summarise your project plan and methods you will use for delivery:

- What is the catchment area?
- How many hours will a coordinator be employed?
- How will the project engage with the community and relevant stakeholders?
- Why is the proposal the best way to do the project?

Who will be involved in the project?
Demonstrate the extent to which the project:

- actively involves consultation and collaboration with a range of partners, including local and state governments, transport providers, and community organisations and service providers
- is managed by a project management group that is representative of the project partners and stakeholders, and is able to source required expertise.

What will it achieve?
Demonstrate the extent to which the project will:

- bring together the community, transport providers and local businesses to develop tailored transport solutions
- make better use of existing transport resources through new and coordinated approaches
- strengthen links between the community and transport providers
- improve transport outcomes for transport disadvantaged people and/or people who experience mobility and access difficulties due to age, low income or social or geographical isolation
- deliver ongoing benefits.

Source: Victorian Auditor-General's Office based on information from the Department of Planning and Community Development.

A total of 31 applications were received during phase two covering almost all of regional Victoria and metropolitan interface areas. Of these, 12 were recommended for funding without amendment. The remaining 19 were returned to applicants for further development, with two later merged into a single project covering the Surf Coast and Colac Otway shires.

Although two targeted local government areas—Wyndham City Council and Mitchell Shire Council—did not apply for a grant under the TCP, DPCD worked with them throughout 2007 to develop suitable applications.

Ultimately, a total of 32 TCP grants were approved between April 2007 and February 2008 based on this assessment approach.

2.3.2 Adequacy of the assessment process

DPCD's positive two-phased approach sought to assure that projects were well positioned to meet program objectives and involved other government partners in assessment before projects were granted funds.

However, DPCD lacked clear standards for consistently evaluating answers to each of the questions: Why? How? Who? and What will it achieve? Further, record keeping and documentation of the reasons underpinning recommendations to award funding were also inadequate. Consequently, the basis for recommending approval of individual grants was not transparent.

Assessments were informed by comments DPCD received on each TCP application from its local teams, including representatives of the cross-government working group. While these comments influenced recommendations for funding, they were generally not sufficiently detailed to permit a rigorous assessment of the application against each of the identified questions.

DPCD's guidance for TCP grants is mainly in the form of specific questions to be answered, or desirable characteristics to be demonstrated, by applications. While useful for applicants, this is not equivalent to criteria or guidance for assessors on how to evaluate the adequacy and quality of responses given.

As a result, it cannot be demonstrated that a consistent approach was taken in assessing the merits of each application and there is little reliable evidence that the basis of decisions to award grants was sound.

DPCD contends that the issue of lack of consistency and subjectivity in assessment is less relevant because it did not follow a traditional contestable grants process, and that each application was different. Notwithstanding, public funds are being awarded and there remains the obligation to demonstrate that a fair and equitable approach to decision making was used.

The state's grant administration guidelines, developed by DPCD in 2010, emphasise the importance of consistent decision-making, irrespective of the grants process used, including the need to clearly document the basis of all grant assessments and funding decisions.

Differences between various communities applying for TCP funds were to be expected. However, the common objectives of the TCP meant that standards for consistently evaluating the merits of different responses were needed to assure funding decisions were appropriate, relative to the aims of the program, fair and transparent.

The fact that DPCD conducted an extensive and iterative application process demonstrates that it originally sought to achieve this outcome. But it did not adequately round out the process with clear assessment standards or with sufficient documentation of the basis of recommendations for approving individual grants to TCP projects.

2.4 Assessment of Flexible Fund applications

2.4.1 Overview of the assessment process

DOT developed guidelines and criteria for seeking funding from the Flexible Fund in August 2008. The guidelines establish the following high-level criteria for the Flexible Fund:

- proposals are small scale, and are for localised initiatives
- projects that make better use of existing transport resources
- services that are available to the general public
- services that do not duplicate or compete with existing services
- proposals for service delivery only (i.e., not asset purchase).

DOT developed the criteria, taking into account the broader objectives of the TCP. Specifically, the guidelines identify that the fund aims to support the TCP objectives by focusing on initiatives that:

- support community need and use resources available in that community
- connect townships in areas covered by TCP projects preferably through existing rather than new public transport services
- better use existing transport resources in the community by improving schedules, increasing access to school and community bus services and taxis
- meet the needs of transport-disadvantaged people.

The guidelines also specify that the fund is non-recurrent, is accessible through submitting a service proposal to DOT, and is only available to proposals that follow procedures set out in the guidelines.

The process for assessing applications to the Flexible Fund is outlined in Figure 2C.

Figure 2C
Application process for the Transport Connections program Flexible Fund

Assessment of service proposals involves a number of steps. First, a Senior Transport Planner will review the proposal and confirm that the necessary information has been included. Required information includes:

- evidence of the service need
- evidence that alternative options were considered
- an outline of existing public transport options
- anticipated patronage and service sustainability considerations.

Once sufficient information has been received, DOT convenes an assessment panel made up of representatives from the transport planning team, contract administration division and bus and regional services staff to assess the proposal. The relevant regional officer presents the proposal to the panel, who then considers it against the criteria.

If approved by the panel, the proposal is then submitted to the General Manager—Strategic Planning and Policy for final approval. This step provides a final check and an opportunity to factor in broader transport planning considerations that may not be known to the panel.

Once approved, the Contracts Management division leads a procurement process that selects a service provider, who is then subsequently managed by DOT on behalf of the project.

Source: Victorian Auditor-General's Office based on information from the Department of Transport.

2.4.2 Limitations of the assessment process

The rationale supporting recommendations to approve Flexible Fund initiatives is not sufficiently documented, and in consequence there is little assurance assessments gave sufficient regard to the broader TCP framework.

The TCP implementation guidelines require projects to:

- identify existing transport options and available resources in the community
- identify transport gaps and to prioritise needs through community consultation
- develop an Action Plan which documents specific transport priorities and sets out how they will be implemented.

Prior to committing Flexible Funds, DOT should have obtained assurance that proposed initiatives were sufficiently aligned with the local TCP priorities in each project's Action Plan. However, DOT's assessment records do not provide sufficient information to demonstrate this, or how the Flexible Fund criteria were evaluated for all individual applications.

Meetings of the assessment panel were minuted, but there is insufficient detail to show whether assessments against the eligibility criteria were objective, consistent and applied fairly to all proposals.

DOT advised it applied minimum mandatory criteria when assessing applications and only documented discussions when these criteria were not met. While this approach provides insights into the reasons for refusing funding, it does not demonstrate the basis for approvals. The absence of such documentation means the obligation to demonstrate fair and equitable decision-making has not been adequately discharged.

A more transparent assessment process that clearly documents the reasons for all funding decisions relative to the objectives of the Flexible Fund and TCP is required to satisfy accountability standards for use of public funds.

DPCD's statewide good practice guidelines for grant administration establish that while various grant assessment methods are possible, all deliberations and decision-making processes need to be documented, retained in the department's record management system, and be completely transparent for all those involved.

Recommendation

1. The Department of Planning and Community Development and the Department of Transport should strengthen and better document grant assessment processes so all funding decisions can be shown to have been appropriately and equitably considered.
-

3 Governance and accountability

At a glance

Background

A sound and well implemented governance and accountability framework for the Transport Connections program (TCP) is important for assuring local initiatives meet community needs.

Conclusions

The Department of Planning and Community Development (DPCD) designed a sound governance framework for the TCP, but it was not well implemented. Accountability mechanisms were not enforced, and funded projects were not adequately monitored. Consequently, timely action on emerging issues was not taken.

Insufficient coordination between the TCP program partners also meant that they did not adequately respond to systemic issues arising from TCP projects.

Findings

- Although DPCD sought to support local initiatives, partnership issues materialised at three of the four projects examined.
- Cross-government coordination for the TCP was limited, with the Department of Transport managing the Flexible Fund without substantial input from DPCD.
- Weaknesses in performance monitoring resulted in projects continuing to be funded despite them not meeting key performance targets. While DPCD was motivated by a desire to assure ongoing support for local coordinators, this reduced accountability and rendered funding agreements obsolete.
- DPCD acknowledged these challenges in 2009, and has since taken action to address these issues.

Recommendation

DPCD should:

- consistently apply the TCP governance and accountability framework
- effect ongoing, cross-government coordination for the TCP.

3.1 Introduction

Sound governance promotes effective decision making and cross-government coordination for the Transport Connections program (TCP), and is important for assuring local initiatives are sufficiently supported by the community.

Effective performance monitoring assures there is proper accountability for funds provided, and that timely action can be taken to support local communities when necessary.

We assessed the Department of Planning and Community Development's (DPCD) governance and performance-monitoring arrangements for the TCP to determine whether they:

- support effective cross-government coordination, including management and oversight of the TCP and local projects
- promote accountability and achievement of deliverables and allow for timely actions to be taken to address emerging issues.

3.2 Conclusion

DPCD designed a sound governance and accountability framework for the TCP, but it was not well implemented.

TCP accountability mechanisms were not effectively enforced, and funded projects were not adequately monitored by DPCD. In consequence, timely action in response to emerging issues did not occur.

Three of the four projects examined did not effectively implement governance and oversight, and did not meet important performance milestones linked to payments. Notwithstanding, the projects continued to be funded, and adequate follow-up to address these issues did not eventuate. Consequently, there is insufficient assurance that funded initiatives adequately addressed local priorities as intended.

Cross-government coordination of the TCP was not effective. The TCP's multi-agency steering committee did not respond adequately to systemic issues arising from TCP projects, and funding decisions from the \$4.19 million Flexible Fund were made by the Department of Transport (DOT) without sufficient input from DPCD or other government partners.

3.3 Governance and accountability arrangements

3.3.1 Overview of the Transport Connections program governance framework

The TCP governance framework was designed to strengthen communities by fostering active collaboration between local stakeholders, and community ownership of local initiatives.

DPCD's central office is responsible for overall program management, including policy, statewide direction setting, and monitoring of the TCP in consultation with the Departments of Transport, Human Services, and Education and Early Childhood Development (DEECD).

DPCD chairs a multi-agency steering committee comprising members from each of these partnering agencies whose purpose is to:

- progress policy responses to issues arising from the TCP projects
- set the strategic directions for the TCP
- endorse/approve high level program operations, including the Transport Connections Evaluation Framework, and grant applications through the TCP and Flexible Fund.

Hence, the steering committee has a role to monitor issues arising from the implementation of project activities.

At the local level, projects are governed by partnership groups comprising fund manager organisations, TCP coordinators, local community stakeholders and officers from each of the partnering departments who work together in communities to support implementation of locally determined priorities.

The local partnership group sets directions in consultation with the community, makes decisions, and oversees project implementation. The local fund manager organisation—typically the local council—is responsible for hiring the project coordinator and for complying with the funding agreement. This arrangement reflects the importance of effective partnerships between communities, government agencies and local stakeholders to the success of the TCP.

3.3.2 Issues impacting on Transport Connections program governance

Recognising the importance of effective partnerships, DPCD prudently required each local TCP project partner to enter into a partnership agreement as a condition of funding. The purpose of this agreement was to provide assurance of each partner's commitment and that they shared a common vision for the project. Although this is a positive step by DPCD, there is little evidence that it consistently enforced this requirement.

A partnership agreement was not evident for two of the four projects examined. During the initial TCP grant assessment phase, DPCD worked to cultivate partnerships and develop sound proposals. Without a signed partnership agreement, however, there was no reliable basis to demonstrate that the partners shared a common vision for their TCP, and that all partners were equally committed to implementing this vision.

One of the projects examined with no record of an executed partnership agreement was Let's GET Connected. This project did, however, have a successful partnership and the fund manager advised that all partners had signed the agreement but was unable to produce a complete copy. DPCD's files also did not contain a record of this agreement.

Partnership issues arose at the remaining three projects. Specifically, each project deviated from the community-led governance structure for between 18 months and two years, and timely action was not taken to mitigate resulting risks.

The issues for each project are summarised in Figures 3A, 3B and 3C.

Figure 3A
Governance issues at the Connect2Ballarat project

The Connect2Ballarat project commenced in July 2007. Soon afterwards, the local steering committee became frustrated with DPCD's lack of involvement in the project, and with DOT's ongoing reservations about the project's direction. Although required to support local steering committees, DPCD local teams attended only four of the 20 meetings held between November 2007 and May 2010.

DPCD's lack of involvement meant that key issues impairing the project's progress were not efficiently addressed. Specifically, the project coordinator, rather than the local steering committee, played the major role in directing project activity. This is at odds with the TCP governance framework.

DOT's reservations were based on concerns that the project's desire to improve public transport within Ballarat was inconsistent with the objectives of the TCP as it considered there was more value in supporting access to Ballarat for transport disadvantaged people in surrounding areas. This led to some frustration among other steering committee members who perceived DOT as not fully supporting the project.

DOT regularly attended local steering committee meetings and provided support through information and updates to the steering committee on its activities in the region and assisted the project to prepare an application to the Flexible Fund. However, DOT maintained reservations as it considered that the project's focus on improving public transport in Ballarat was inconsistent with the objectives of the TCP, and also that it duplicated DOT's role in managing Ballarat's public transport system.

DPCD became aware of issues with the project in November 2009, but took seven months to take action due to an internal restructure it was undergoing at that time. In May 2010, DPCD held a project review meeting with the local fund manager at which DOT's concerns, DPCD's lack of involvement, and the role of the steering committee were discussed. While DOT's concerns remain unresolved, DPCD's support to the steering committee and involvement in the project have since substantially improved and it has also reinforced the responsibilities of its local teams to better support program requirements.

To date the project's achievements have been limited. This, coupled with DOT's lingering concerns has resulted in it receiving funding for only one more year, reflecting DPCD's intention to make sure the project is well developed before committing further funds.

Source: Victorian Auditor-General's Office.

Figure 3B
Governance issues at the Getting Around project

Getting Around is one of nine projects that began in 2003 as part of the TCP pilot. Under phase two of the TCP, membership of the partnership group was expanded from 2007 to increase community involvement. However, the group has met nine times since 2007, and has been inactive since May 2009.

The group's failure to convene for over 18 months means it did not effectively discharge its role to oversee and direct local initiatives during this period. Reasons for the partnership's failure include large geographical distances between the partners, which created challenges for the coordinator, and a lack of commitment from them to attend meetings and to work through differing transport priorities.

DPCD was aware the group was not fully adhering to the TCP governance framework but formed the view that stronger intervention was not required as it considered the challenges of geographical distance mitigated the need for more regular meetings. This view, however, is at odds with the community strengthening aims of the TCP.

Key objectives of the TCP include building strong partnerships and supporting ongoing community participation in decision-making. An active partnership group therefore is critical for achieving this and is also important for assuring project initiatives meet community needs. Its absence reduces capacity for community consultation and increases the risk that important priorities will be missed, or not implemented effectively.

The project was initially led by a group of 11 partners, but in the absence of an active partnership has been overseen mainly by the Macedon Ranges and Mount Alexander Shires. DPCD raised the issue of limited community consultation with the councils in May 2010, 12 months after the original partnership group became inactive. Both councils have since committed to implement strategies to strengthen community involvement. The councils have also proposed a new governance structure that better supports the aims of the TCP, which has yet to be implemented. However, prior to this, there is no evidence DPCD had sufficient assurance this was occurring but, nevertheless, funded the project.

Despite the project not having adhered to the TCP governance structure since May 2009, DPCD recommended additional funding of \$339 153 that was approved in June 2010 to extend the project under the next phase of the TCP. There was no evidence, however, that it considered making the funds conditional on the project remedying its governance issues.

Source: Victorian Auditor-General's Office.

Figure 3C
Governance issues at the Building Bellarine Connections project

The partners of the Building Bellarine Connections project signed a Memorandum of Understanding in June 2008 formalising their shared vision for the project and commitment to participate in a community-led project steering committee comprising themselves, DPCD, DOT and at least eight other local community organisations.

The steering committee met regularly, but representation of community groups was generally low with, on average, less than half attending steering committee meetings between April 2008 and September 2009. The project was, therefore, mainly overseen by local agencies with limited direct input from the community.

Limited direction from the steering committee was also evident during this time, with most project initiatives being primarily driven by the project coordinator. This was due to the coordinator's expertise with transport issues and to the steering committee's lack of clarity about its role. Efforts were made during this period to consult the community, however, these were not guided by a Community Engagement Plan as required under the TCP.

There is little assurance, therefore, these actions were optimal or most effective. Although required under the funding agreement by December 2008, the Community Engagement Plan was not developed by the coordinator until May 2010, and there was not evidence to indicate this delay was satisfactorily addressed by the local steering committee or DPCD.

Similarly, while the project prepared an Action Plan, it was not provided to DPCD which meant it had limited assurance the project was implementing community-identified priorities in accordance with the TCP model.

DPCD funded all projects to evaluate their partnership in mid-2009. The Building Bellarine Connections evaluation found that the steering committee was not clear about its role, and a more structured community-led decision-making process was needed for the project.

A new governance structure was agreed to in February 2010. It involves greater representation of community organisations from across the Bellarine Peninsula, and use of an assessment tool to assist the steering committee to prioritise and develop project proposals. Since then, community attendance at steering committee meetings has improved substantially, and the steering committee has acted to provide stronger direction and leadership.

DPCD has since worked with the project partners to assure the new structure adequately supports the community strengthening aims of TCP. These actions were positive.

Source: Victorian Auditor-General's Office.

Each project worked to implement locally determined priorities. However, limited community involvement, coupled with weak oversight by local steering committees and DPCD, meant that for substantial time periods there was insufficient assurance local activities were effective.

These examples demonstrate that governance was not effectively implemented at these projects. However, they also demonstrate that DPCD worked with projects to improve their capacity on key issues, and to gain assurance of their performance through attendance at local steering committee meetings. These were positive actions although not always consistent or adequately documented. More timely action by DPCD was necessary to support and enforce the TCP governance framework in each of these cases.

Major challenges for DPCD included turnover of staff at its central and regional offices. This situation affected the knowledge and continuity of key staff and the department's capacity to manage program requirements.

DPCD acknowledged these challenges as part of its internal review of the TCP in late 2009 and has since committed to strengthening its oversight and performance-monitoring activities for the program. Key actions initiated include:

- clarification of roles and responsibilities between head office and regional teams to support and oversee local projects
- training for local teams to enhance their understanding of program requirements, and access to funding agreements and related schedules
- workshops to strengthen collaboration between DPCD and DOT regional teams on TCP projects
- changes to project reporting designed to enhance the quality of local performance data
- a commitment to review and refresh the membership of the multi-agency steering committee of the TCP.

These initiatives should assist in strengthening DPCD's management of the program in consultation with partnering agencies. It will be important, therefore, for DPCD to implement them effectively.

The Let's GET Connected project demonstrates the benefits of an effectively implemented governance framework. The project had a committed partnership group, maintained continuity of project staff, and consistently adhered to the TCP governance model. This was a key factor in the success of the project to date, as outlined in Figure 3D.

Figure 3D
Case study of governance at the Let's GET Connected project

The Let's GET Connected project is a partnership between the shires of Wellington and East Gippsland, and is governed by a steering committee of 18 members including government agencies, health and education providers, local transport and community organisations.

The project commenced in 2003 as a pilot and has maintained a strong commitment to achieving both transport and community development outcomes. Steering committee members collaborate with the community via working groups on issue or place-based initiatives, and on implementing locally determined transport solutions. The structure of the project, now in its seventh year, has remained largely unchanged over the life of the TCP.

The project's 2010 partnership evaluation highlighted some of the factors that have contributed to its success, including:

- shared commitment to social issues as well as transport outcomes
- active participation from partners and the agencies they represent
- representation from the most important stakeholders in the region.

Another factor is that the project has two coordinators—one based in each shire. This has allowed the unique transport needs of both communities, which are separated by large geographical distances, to be understood and responded to. It has also enabled effective collaboration on transport issues that span the region. The project views the involvement of two councils in the partnership as a key success factor that has optimised access to available local networks. The project has implemented a number of successful initiatives in each shire and has also partnered with other TCP projects or organisations on regional and statewide initiatives.

A particularly successful initiative includes the East Gippsland Red Cross Patient Transport initiative that began in 2006 as a partnership between Australian Red Cross, East Gippsland Shire, local health services and Bairnsdale Taxis. Its purpose was to provide volunteer-based patient transport services for East Gippsland residents to medical appointments in local, regional and metropolitan Melbourne locations. Its success has resulted in all Gippsland Red Cross services now being coordinated at a regional level.

Source: Victorian Auditor-General's Office.

3.3.3 Adequacy of cross-government coordination

The multi-agency steering committee

DPCD established a statewide steering committee (the committee) comprising representatives of all partner departments to monitor and oversee implementation of the TCP. However, the committee met infrequently, did not establish processes for identifying and responding to systemic barriers, and made little progress in addressing these issues.

Originally established to endorse program guidelines and project selection, the committee resolved to broaden its terms of reference in 2007 to include identifying and progressing policy responses to systemic issues arising from the TCP projects. This was a positive step that recognised the risks regulatory barriers posed to achieving program objectives, and the importance of a cross-government approach to effectively addressing them.

Unfortunately, DPCD's intentions for the committee did not come to fruition, and its scheduled quarterly meetings didn't occur. The committee met only seven times over the life of the TCP and has not met since July 2009.

DPCD advised that the goal of addressing systemic barriers was ambitious, and that the committee underestimated the complexities of working across government, and the challenges associated with changing policy. It also advised that the committee's progress was affected by the need to focus on operational and program implementation issues.

Working groups comprising representatives from all TCP projects and regional state government officers were established during the pilot to work through issues such as:

- policy and contractual barriers to using school buses for transporting other members of the community, or for providing additional services during down times
- licensing provisions restricting the use of taxis in regional communities
- the absence of statewide policy for, and coordination of, community transport.

This work continued during the second phase of the TCP, but there is little evidence the committee used it effectively to inform its consideration of systemic barriers.

The issue of access to school buses was considered by the committee. At the June 2008 committee meeting, the Gippsland School Bus Flexibility project jointly managed by DOT and DEECD regional officers, presented its work on addressing barriers to accessing school buses by the broader population. The committee agreed to explore opportunities to revise contracts and guidelines to permit more flexible use of school buses in transport disadvantaged areas. The issue was discussed at the four subsequent meetings but was not progressed.

DEECD changed the guidelines for accessing school buses in 2009 to allow community access during the school run following a police check. However, beyond the initial work of the committee, other TCP partner departments were not consulted about these changes.

A key TCP initiative for overcoming transport disadvantage was the establishment of a policy officer, co-funded by DOT and DPCD. The officer produced a summary of systemic issues affecting TCP projects that was presented to the committee in September 2008. However, no action was taken by the committee to address these issues, and the committee did not progress the work as the officer was reassigned to address other departmental priorities within DOT.

While the outcomes of the committee were limited, DOT advised that it, the TCP and the work of the TCP policy officer influenced a number of new departmental initiatives. These included:

- DOT's commitment to commencing policy development for community transport in Victoria
- the establishment of the Transport Social Policy Branch in DOT that aims to improve local transport by creating a policy environment for listening and responding to transport users
- the creation of the Community and Place Division within DOT to deliver practical transport infrastructure services and solutions that meet community needs.

DPCD advised it will give thorough consideration to membership of the committee when refreshing the governance structure in the next phase of the TCP.

Management of the Flexible Fund

Effective coordination between DOT and DPCD on the Flexible Fund is necessary to assure funded initiatives align with TCP objectives and meet community needs. However, no cross-government coordination was established for the Flexible Fund.

As the department accountable for the TCP, it would have been prudent for DPCD to have sought assurance from DOT that the Flexible Fund was managed in accordance with the TCP objectives. However, this did not occur. There was no agreement—such as a memorandum of understanding—or systematic reporting to DPCD to assure initiatives approved under the Flexible Fund sufficiently aligned with the TCP.

DOT did occasionally report to the other TCP project partners, through steering committee and working group meetings, on the overall status of the Flexible Fund. However, DOT acknowledges that no cross-government coordination was established for the approval of individual Flexible Fund initiatives. This situation does not support effective cross-government coordination and governance of the TCP.

DOT advised that achieving more effective collaboration with DPCD on the TCP was a key priority consistent with the aims of the *Transport Integration Act 2010*. While DOT previously focused on the planning and delivery of major infrastructure projects, its strategic directions are now influenced by the legislatively enshrined principle that transport is critical to economic and social inclusion.

Greater collaboration was evident when DOT consulted with DPCD in early 2010 to develop a method for evaluating trialled Flexible Fund services. The approach adopted involves considering wider outcomes that more closely reflect the community building objectives of the TCP. Key considerations include; how funded initiatives integrate with the broader transport network—including community transport—and how they reduce isolation and support accessibility for the community. These developments are positive. However, the objectives of the TCP would have been better served had these considerations more explicitly informed funding decisions for applications to the Flexible Fund.

3.4 Performance monitoring and oversight

3.4.1 Adequacy of the monitoring arrangements

DPCD monitors the performance of projects through reports required under funding agreements, and through DPCD regional teams' attendance at local partnership meetings. However, weaknesses in both approaches have reduced their effectiveness.

Involvement of local teams

Representatives from each of the four examined TCP projects advised that for periods of time they experienced insufficient involvement and support from DPCD. Staff turnover in the DPCD regions meant there was a lack of continuity in the officers who attended project meetings. This, coupled with the fact that project performance reports were sent directly to head office rather than the region, impaired the region's ability to maintain awareness of the project's status.

DPCD's rationale for having projects submit reports to head office was to allow regions to focus on building trust with, and supporting the day-to-day activities of projects rather than following up on reports. However, in practice, it limited their knowledge of the performance of each project.

Limitations of reporting mechanisms

DPCD's oversight of projects was also affected by the limitations of reports, which focused mainly on activities. An overview of reporting requirements and their limitations is provided in Figure 3E.

Figure 3E
Transport Connection program reporting requirements

| Report | Description |
|--|---|
| Bi-monthly online achievement audit | <p>This report documents project activity over a two-month period.</p> <p>Projects are required to populate an electronic template with information such as the progress of initiatives, the number of people involved, communications and networking activities that have taken place.</p> <p>The same template is updated each time to provide a cumulative account of project progress, and requires primarily quantitative information.</p> |
| Six-monthly report | <p>This report requires a more detailed, narrative based account of project progress. Unlike the bi-monthly achievement audit, it includes sections that allow for more qualitative information about progress and issues that may be affecting progress.</p> |
| Annual financial report | <p>This report follows the same template as the six-monthly report, but also requires projects to perform an acquittal of TCP income and expenditure for the period.</p> |

Source: Victorian Auditor-General's Office.

Bi-monthly reports focus mainly on activities and offer little insight into issues and barriers that may be affecting progress. While six-monthly and annual reports provide more of an opportunity to report on these matters, there is little evidence they were consistently used for this purpose or acted upon by DPCD. For example:

- although the Connect2Ballarat project was concerned about DOT's support for the project since 2007, this was not raised in a six-monthly report or acted upon by DPCD until June 2010
- although the Getting Around project mentioned in its June 2009 six-monthly report that it was struggling to maintain the interest of some partners, this was not acted upon by DPCD until May 2010—around 12 months after the group became inactive.

DPCD has revised reporting requirements for the next phase of the TCP. Projects will no longer be required to submit bi-monthly reports; however, six-monthly reports will remain in place. DPCD has also advised that more qualitative reporting will be required; however, the form of these reports has yet to be determined.

3.4.2 Assuring compliance with funding agreements

It is not evident DPCD systematically reviewed and acted on information contained in performance reports and that it sufficiently followed up on missing reports. Without this, effective performance monitoring and accountability for funds provided is not assured.

In consequence, it was noted projects were paid even though they had not submitted critical documents that were required under funding agreements, and needed to support effective implementation of the TCP framework.

DPCD's files do not contain:

- an Action Plan for the Building Bellarine Connections project
- a Community Engagement Plan and asset mapping report for Let's GET Connected
- signed Partnership Agreements for Connect2Ballarat, Getting Around and Let's GET Connected.

These documents are critical for assuring effective implementation of the TCP framework, and for enabling DPCD to gain assurance that projects are on track to achieve the TCP objectives.

DPCD advised that, while some reports were late, payments were made to support continued employment of local coordinators and that it achieved sufficient assurance of project performance based on the knowledge of its local teams who attended local steering committee meetings. This belief, however, does not meet public sector accountability standards. DPCD also advised that it followed-up with projects on outstanding reports, however, these activities were not consistent or adequately documented.

For example, DPCD advised the Let's GET Connected project that because of actions previously undertaken during their involvement in the pilot they did not need to submit a Community Engagement Plan or an Asset Mapping report. However, this advice and associated rationale was not documented and DPCD did not subsequently vary the funding agreement to remove these requirements.

In 2008 DPCD altered its grant payment processes for the TCP. Rather than paying projects based on their performance against milestones agreed under the funding agreement, DPCD shifted to an automatic payment system. This resulted in grant instalments being systematically paid on a six-monthly basis, regardless of whether key performance measures were met.

DPCD was motivated by a desire to provide projects with certainty of income, given payments were primarily for the coordinator's salary. However; in so doing, it rendered funding agreements obsolete and reduced accountability. By automatically making payments to projects, DPCD did not give sufficient regard to the requirements it established under funding agreements, or adequately hold projects to account.

DPCD has recently taken steps to strengthen its performance monitoring processes. This includes clarification of the roles and responsibilities of its central and regional office staff to better assure effective support for and monitoring of projects.

Recommendation

2. The Department of Planning and Community Development should strengthen project governance and accountability by:
 - monitoring that partnership groups manage local projects effectively in accordance with the community-focused Transport Connections program governance model
 - establishing reliable arrangements for ongoing, effective cross-government coordination for the Transport Connections program
 - enforcing the accountability requirements of funding agreements.
-

4 Evaluation of the Transport Connections program

At a glance

Background

Effective arrangements for evaluating the Transport Connections program (TCP) are important for assessing its impact, and for driving continuous improvement.

Conclusion

The TCP has created opportunities to involve communities in addressing local transport challenges. However, weaknesses in the TCP evaluation framework mean it is not possible to assess whether these initiatives are achieving all TCP objectives.

Findings

- The TCP evaluation framework is limited by its focus on activities rather than outcomes.
- The framework's capacity to provide useful insights on local projects is further limited by the Department of Planning and Community Development's (DPCD) lack of regular analysis of performance reports.
- Program outcomes have not been assessed, however it is evident improved transport within local communities is being achieved.

Recommendation

DPCD should strengthen the TCP evaluation framework by further developing arrangements to measure and progressively report on the achievement of project and program objectives.

4.1 Introduction

Evaluating the Transport Connections program (TCP) is important for measuring whether objectives are being achieved, and for continuous improvement in program delivery. Aspects of an effective program evaluation strategy include:

- measuring outcomes at both the project and program level
- assessing the achievement of objectives against targets and benchmarks
- sharing achievement and learnings with projects, and the wider public.

4.2 Conclusion

The TCP created valuable opportunities for communities to participate in local governance, and identify solutions to local transport challenges. A number of useful initiatives that benefit transport disadvantaged groups have been implemented within communities.

Limitations, however, in the design and implementation of the TCP evaluation framework mean it is not possible to determine the extent to which these initiatives have achieved TCP objectives.

Efforts to measure and report on the impact of implemented activities against the objectives of the TCP need to be improved.

4.3 Evaluating the effectiveness of the Transport Connections program

4.3.1 The challenge of measuring outcomes

As noted in our May 2010 performance audit report on the Community Building Initiative, evaluating community strengthening programs is recognised as a highly challenging task. Much of the difficulty lies in the fact that the outcomes sought by these programs—such as increased capacity, social capital, community resilience and partnerships—are difficult to measure and attribute to specific initiatives. A further challenge is that in some cases, the impact of these initiatives can only be seen in the long term.

As with the Community Building Initiative, the task of evaluating the TCP is further complicated by the fact that it is being implemented in multiple communities, each with its own unique social and economic issues, and challenges. Any subsequent evaluation of the TCP, therefore, needs to recognise these differences.

4.3.2 Overview of the Transport Connections program evaluation framework

The Department of Planning and Community Development (DPCD) prepared an evaluation framework for the TCP in 2007. The framework aims to:

- measure progress towards each of the TCP objectives
- monitor TCP implementation, reflect on results and make changes where necessary to optimise outcomes
- measure the achievement of TCP partnership processes.

The evaluation framework sets out two approaches to achieve these aims: measuring achievement against TCP objectives; and measuring achievement of process milestones. The key information sources supporting the evaluation framework are summarised in Figure 4A.

Figure 4A
Data sources and methods for the
Transport Connections program evaluation framework

| Source | Description and method |
|---|---|
| Australian Bureau of Statistics data | Projects were to compile Australian Bureau of Statistics data detailing demographic information on the project catchment at the beginning of the TCP, and update as appropriate. |
| Asset mapping | All projects were required to complete an Asset Map in the first 12 months of the TCP. This involves performing a comprehensive audit of transport resources and options in the catchment, and producing a report documenting these. |
| Bi-monthly reports | Bi-monthly reports include information such as the progress of initiatives, the number of people involved, and communications and networking activities that have taken place. These reports were to be used by DPCD for Ministerial and cross-government communication, and by projects for their communication and engagement strategies. |
| Focus groups | Focus groups could be conducted over the life of the TCP project to collect qualitative data from the community on its views about the progress of the local TCP project. However, these were not mandated or required to be reported to DPCD. |
| Partnership evaluation | TCP partnerships were to be mapped at the beginning and at the end of projects using an external evaluator,. These evaluations were intended to capture the partnership’s impact on outcomes and process changes, and what helped or hindered the partnership’s sustainability. |
| Six-monthly reports and case studies | Six-monthly reports require a more detailed, narrative based account of project progress, and allow for reporting qualitative information about progress and issues that may be affecting projects. They also provide projects with the option of preparing case studies. Each project was required to prepare two case studies every six months, and was encouraged to include photo records of change with these, but did not have to submit them to DPCD. |

Source: Victorian Auditor-General's Office based on information from the Department of Planning and Community Development.

Each TCP project's initial grant included \$10 000 for project evaluation. An additional \$10 000 was given to each project in April 2009, specifically to evaluate and develop the local partnership.

Fund manager agencies are responsible for providing reports necessary to support evaluations. DPCD head office is responsible for overall management of evaluation activity, and for collation and analysis of information reported to it. It is also responsible for sharing results of evaluations with projects in a timely way.

4.3.3 Limitations of the evaluation framework

The TCP evaluation framework is limited by its focus on activities rather than outcomes. This does not permit assessment of whether program objectives are being met.

Project reports mainly focus on describing activities such as the number of people involved in the project, the number of community engagement and networking activities held, and progress to date of key initiatives. This provides an indication of the activity occurring at each project, but offers little insight into the impact of these activities and, therefore, on whether the TCP objectives are being achieved.

The evaluation framework's major source of qualitative information is case study reports. However, funding agreements do not require projects to submit these, and in practice projects do not consistently provide them to DPCD. For example, the Connect2Ballarat project submitted 15 case studies, while Getting Around submitted none.

The evaluation framework does not enable understanding of how projects progress over time. For example, asset mapping reports developed at project commencement could be a valuable benchmarking tool if repeated later; however this is not required and did not occur at the projects examined.

The framework requires projects to complete two partnership evaluations, one at the beginning of TCP projects and another at the end. However, for most projects this first occurred in 2009, approximately two years after they began, and the second did not occur.

Preparing an evaluation report was a condition of each projects' final grant payment and the major output of the \$10 000 they initially received in evaluation funding. In July 2010, DPCD advised projects this report was no longer required due to evaluation activity already undertaken. This meant that a valuable opportunity for projects to evaluate their overall achievements was missed, and that no discernible benefit has arisen from the \$320 000 provided for this purpose.

The evaluation framework does not describe how DPCD will analyse data to determine whether TCP objectives are being achieved. DPCD took steps to enhance its evaluation processes in 2009, including developing a step-by-step guide to evaluation and appointing an evaluation support advisor to assist projects. However, DPCD has undertaken only limited analysis of data submitted by projects to date.

4.3.4 Additional evaluation activity

In May 2009, DPCD analysed the information contained in project reports and prepared a status report that highlights the achievements of the TCP. It found that the TCP has:

- increased use of some council and community vehicles that were previously under-utilised
- introduced new transport services into communities, primarily extensions to bus services
- developed information resources to support people's knowledge and use of local transport options
- created partnerships that have leveraged \$2 151 145 in additional funding across all 32 projects
- involved more than 5 000 community members in governance of local projects.

These activities are positive, however, they offer little insight into outcomes, or whether the community strengthening objectives of the TCP have been achieved. In addition, as the findings of this analysis are derived solely from project reports, they are limited by the fact that DPCD has no arrangements for assuring the quality of information in reports, nor has it consistently followed up on missing reports.

Focus groups and interviews

In May 2009, DPCD also engaged external consultants to perform focus groups and interviews with TCP stakeholders. This was to establish the strengths, weaknesses and barriers to achievement of the program's objectives, and inform the next iteration of the TCP. It found that:

- stakeholders value the program's community development framework, and see active collaboration of state and local partners as critical to success
- TCP projects are making progress in setting up new services or adapting existing ones, and there is anecdotal evidence that this is benefiting transport disadvantaged groups.

This report also highlighted a number of challenges and areas for improvement. Specifically, a need for DPCD to provide greater support to projects, a need for clarity of purpose amongst partners, creation of more opportunities to share lessons and experiences with other projects, and a need for action on the statewide policy and regulatory issues that affect transport access.

Project partnership evaluations

DPCD awarded a further \$10 000 to each project in April 2009 to evaluate their partnerships. This was in addition to the initial \$10 000 in evaluation funding each project received as part of their original grant. DPCD recommended partnership evaluations consider such issues as whether the right organisations are involved and participating equally; whether project catchments are appropriate; and whether the partnership is achieving benefits other than better transport options. Key findings from the reviews at the projects examined are:

- The Let's GET Connected partnership was strong, and had directly led to project achievements. The need to address challenges to measuring community development outcomes was also noted.
- Members of the Building Bellarine Connections partnership lacked clarity about their role and purpose. This led to the project developing and adopting a new governance model.
- The Getting Around partnership group did not fully understand its role, had not formed new connections, and members had varying views of the partnership's achievements. This prompted the Fund Manager to develop a new governance structure which is yet to be fully implemented.
- Connect2Ballarat's partnership was appropriate. Members held a shared sense of purpose, could work effectively and collaboratively but needed to minimise competing priorities and enlist new members.

These evaluations were useful as they highlighted strengths and weaknesses of individual partnerships. DPCD used these reports to inform their planning for the next phase of the TCP.

4.4 Achievements at selected Transport Connections program projects

While weaknesses in the TCP evaluation framework mean that outcomes cannot be assessed, the projects examined did implement initiatives that improved transport within local communities. This section provides an overview of the major achievements of the projects audited.

The Gippsland East Aboriginal Driver Education Program

The Gippsland East Aboriginal Driver Education Program (GEADEP) is an example of an innovative solution to transport disadvantage arising from community participation and partnership

The Let's GET Connected project identified a number of transport challenges facing the local Indigenous community. In response, it established GEADEP—a partnership of more than 23 Indigenous and non-Indigenous organisations committed to overcoming challenges to Indigenous people accessing transport.

GEADEC was instrumental in introducing the VicRoads L2P driver program in Wellington and East Gippsland shires. This program helps young drivers without access to a car or a supervising driver, to achieve the skills required to gain their probationary license. The program has since supported Gippsland East's Indigenous community attain 108 learners permits, 69 probationary licenses, and 10 endorsed licenses.

GEADEC also established the Koori ID project to assist Indigenous people acquire the proof-of-identify necessary to attain a driver's license, to open a bank account and to enrol to vote. GEADEC's advocacy work resulted in the Victorian Registry of Births, Deaths and Marriages establishing a presence in the Gippsland region allowing community members to apply for birth certificates with on-site support. Over 300 people have since obtained their birth certificates or registered their births for the first time.

The Castlemaine to Maldon bus service

The Getting Around project secured funding through the Flexible Fund for a weekend bus service between Castlemaine and Maldon. This service allows residents and visitors to access local services and events, but also provides direct access to the Loddon Prison and Tarrengower Women's Prisons during weekend visiting hours.

Prior to its introduction, there was no public transport access to the prisons on the weekend. Visitors without private transport had to pay up to \$70 for a return taxi from Castlemaine to Tarrengower. The Castlemaine to Maldon bus service provides a low-cost alternative, and arose from extensive consultation with residents and service providers. It provides multiple benefits to the community by reducing isolation for local residents, prisoners and their families.

The Bellarine community access program

This initiative has helped to reduce social isolation experienced by mobility impaired residents, and there are now plans to extend it to other townships on the Bellarine Peninsula.

The Building Bellarine Connections project established a door-to-door community transport initiative in the township of Leopold in July 2009. The program allows mobility impaired residents who are registered to use the service to do their weekly shopping or access community services. Bellarine Community Health Centre recruits and trains volunteer drivers to drive vehicles supplied by the City of Greater Geelong. The driver contacts all registered people each week to find out who needs the service, and the destinations they would like to visit.

The Inner Melbourne Hospital Map and Guide

The Inner Melbourne Hospital Map and Guide is an information resource developed by the Department of Transport, in consultation with the Let's Get Connected, Transport Connections Solutions and Southern Mallee Transport Connections projects, to assist regional Victorians use public transport to access medical facilities in Melbourne.

The map is available on the Department of Transport's website and provides directions to major health facilities in Melbourne. Hard copies can also be obtained from local councils, health services, medical clinics and V/line train stations throughout regional Victoria. The initiative aims to support the estimated 50 000 people who travel from regional Victoria to Melbourne annually for medical appointments.

Recommendation

3. The Department of Planning and Community Development should strengthen the Transport Connections program evaluation framework by further developing arrangements to measure and progressively report on the achievement of project and program objectives.
-

Appendix A.

Audit Act 1994 section 16— submissions and comments

Introduction

In accordance with section 16(3) of the *Audit Act 1994* a copy of this report was provided to the Department of Planning and Community Development, the Department of Transport, the City of Greater Geelong, Macedon Ranges Shire Council, UnitingCare Ballarat and Wellington Shire Council with a request for submissions or comments.

The City of Greater Geelong, UnitingCare Ballarat and Wellington Shire Council acknowledged the request, and elected not to make a submission. Submissions were received from the Department of Planning and Community Development, the Department of Transport and Macedon Ranges Shire Council.

The submissions and comments provided are not subject to audit nor the evidentiary standards required to reach an audit conclusion. Responsibility for the accuracy, fairness and balance of those comments rests solely with the agency head.

Submissions and comments received

RESPONSE provided by the Secretary, Department of Planning and Community Development



Department of Planning and Community Development

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Ref BSEC001888

Mr D D R Pearson
Auditor-General
Victorian Auditor General's Office
Level 24 / 35 Collins Street
MELBOURNE VIC 3000

Dear Mr Pearson

AUDIT ACT 1994 S16 (3) – PROPOSED AUDIT REPORT – LOCAL COMMUNITY TRANSPORT SERVICES - THE TRANSPORT CONNECTIONS PROGRAM

I write in response to your letter dated 23 February 2011 regarding the Proposed Audit Report on *Local Community Transport – the Transport Connections Program*.

The Department welcomes the report's acknowledgement that Transport Connections was a new way of government working with rural and regional communities to find local transport solutions.

Both the Community Building Initiative and Transport Connections audits have provided valuable insight into our place-based approaches and the Department has already taken action to address the issues identified.

Please find enclosed a written submission, as per section 16(3) of the *Audit Act 1994*, for inclusion in the final report to be tabled in Parliament. As requested, an electronic copy will be emailed to Mr Steven Vlahos.

Thank you for the opportunity to provide a submission.

Yours sincerely

**Yehudi Blacher
SECRETARY**



RESPONSE provided by the Secretary, Department of Planning and Community Development – continued

Department of Planning and Community Development submission to the Victorian Auditor-General's Office Audit Report: *Local Transport Services – Transport Connections Program*

Response provided by the Secretary, Department of Planning and Community Development

The Department of Planning and Community Development (DPCD) welcomes the audit's acknowledgement that Transport Connections and other place based programs represent a different way of government working with communities across the State.

Central to this way of working is the principle that communities are best placed to find innovative solutions to local issues, and that government can achieve good public policy outcomes by enabling and supporting local people in these endeavours.

Transport Connections has invested in local institutions and local people, to work in partnership with each other and with government, to find local transport solutions that help connect rural and regional communities to, among other things, jobs, health services and participation in volunteering including in times of natural disaster.

DPCD notes the findings in relation to strengthening and better documenting oversight of funded projects and is pleased there is no finding of maladministration of public funds at either the central or local levels.

Following the audit of the Community Building Initiative (early 2010) DPCD has progressed work to address issues across all place-based programs.

As acknowledged by the report, prior to the Transport Connections audit, DPCD implemented a range of measures to strengthen the administration and oversight of funded projects and the strategic governance of the program.

These measures align with the recommendations made by the auditor for the Transport Connections program.

Refreshed governance arrangements that strengthen cross-government engagement have been established. The Cross-government Steering Group has been convened and includes Executive Officer representation from the Departments of Planning and Community Development, Transport, Health, Human Services and Education and Early Childhood Development. Revised terms of reference will ensure the focus of the Steering Group is on setting strategic direction and resolving policy issues.

In addition, a cross-sector reference group will shortly be convened to guide the development of an Innovation Fund and improve collaboration between the program and sectors and organisations external to government.

DPCD notes the findings of the audit in relation to strengthening the evaluation framework for the program and actions are summarised below. It is important to note however, that the Transport Connections program was testing new ways of working with communities and this included an obligation for government to adopt a more negotiated and iterative approach to developing the evaluation framework with the communities involved.

RESPONSE provided by the Secretary, Department of Planning and Community Development – continued

Evaluation is a key priority for DPCD. Over the recent past the Department has released an *Evaluation Policy* and a step-by-step guide to assist the planning and design of program evaluations.

In line with this approach the Transport Connections evaluation framework is being redeveloped in consultation with key stakeholders. The revised evaluation framework will ensure the regular capture of qualitative and quantitative data at a local, state and regional level, to demonstrate the social, economic and environmental impact of the innovative work of local projects. Further, the Transport Connections evaluation will promote evidence based best practice to all stakeholders and contribute to the longer term development of successful place based investment approaches.

As noted in the report the Department has made a number of changes to improve the management of grants and funding agreements through the *Better Grant Making* project. In addition local monitoring of projects has been improved through *Partnership Delivery Agreements*, signed by Executive Directors, that clarify the respective roles of DPCD central and regional offices.

DPCD appreciates the efforts of all thirty-two Transport Connections projects, community members and local partners who have worked together and developed much-valued solutions to local transport gaps; positive partnerships and local innovations that have improved access to services and civic participation for regional and rural Victorian communities.

RESPONSE provided by the Secretary, Department of Transport



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Our Ref: DOC/11/76714
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WORK/11/390

Mr DDR Pearson
Auditor-General
Victorian Auditor-General's Office
Level 24/35 Collins Street
MELBOURNE VIC 3000

Dear Mr Pearson

Proposed Audit Report - Local Community Transport Services - The Transport Connections Program

I refer to the above proposed report enclosed with your letter of 23 February 2011.

I note your finding that DOT and [DPCD] actively supported communities in applying for TCP [Transport Connections Program] funds by working extensively with them to cultivate sound partnerships and funding proposals.

Your recommendation, as far as it pertains to DOT, to strengthen and better document grant assessment processes so all funding decisions can be shown to have been appropriately and equitably considered is accepted.

Yours sincerely


JIM BETTS
Secretary

2 / 3 / 11



RESPONSE provided by the Chief Executive Officer, Macedon Ranges Shire Council



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File: 22/09/01

9 March 2011

DDR Pearson
Auditor-General
Victorian Auditor General's Office
Level 24
35 Collins Street
MELBOURNE VIC 3000

Dear Sir

Re: Transport Connections Project

Macedon Ranges Shire Council supports the findings of the report. Given the findings and recommendations for improvements by the funding body, Council wishes to acknowledge the significant outcomes and achievements of the 'Getting Around' project.

The expertise and commitment of our staff and community members has managed to overcome complex challenges to deliver successful outcomes in our Shire.

Council welcomes this review and looks forward to improvements to the program being implemented.

If you have any queries, please do not hesitate to contact me on 5422 0308.

Yours faithfully

Peter Johnston
Chief Executive Officer

| | | |
|--|---------------------------|-----------------------|
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