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Auditor-General Report No. 47 of 2020–21, *Administration of Commuter Car Park Projects within the Urban Congestion Fund* assessed the effectiveness of the administration of the commuter car park projects within the Urban Congestion Fund (UCF).

To form a conclusion against this objective, the following high-level criteria were applied:

- Was the UCF well designed?
- Was an appropriate approach taken to identifying and selecting commuter car park projects?
- Were funding decisions on commuter car park projects informed by appropriate advice?
- Are approved commuter car park projects being delivered?

The audit concluded that:

- The Department of Infrastructure, Transport, Regional Development and Communications' (the department) administration of the commuter car park projects within the UCF was not effective.
- The design and implementation of the UCF relied on existing arrangements generic to infrastructure investment projects. The department did not develop a program-specific implementation plan, performance indicators or evaluation plan. As a \$4.8 billion initiative, which included a car park component that was new for the Australian Government, customisation was warranted. The potential for research and data to inform program design and project identification was not fully realised. Record keeping was not compliant with departmental and Australian Government policies.
- The department's approach to identifying and selecting commuter car park projects for funding commitment was not appropriate. It was not designed to be open or transparent. The department did not engage with state governments and councils, which increased the risk that selected projects would not deliver the desired outcomes at the expected cost to the Australian Government. Departmental advice did not contain an assessment against the investment principles or policy objectives and it was not demonstrated that projects were selected on merit. The distribution of projects selected reflected the geographic and political profile of those given the opportunity by the government to identify candidates for funding consideration.
- While the department provided written briefings that included assessment reports to advise the Minister to approve funding for 33 projects up to 31 March 2021, the underlying assessment work was not to an appropriate standard. Insufficient assessment work has been undertaken by the department to satisfy itself that projects are eligible for funding under the *National Land Transport Act 2014*. In relation to the merits of projects, the department did not seek to establish assessment criteria, and the assessment work has not adequately demonstrated that approved projects will provide value for money.
- By 31 March 2021, five of the 47 commuter car park sites originally announced (11 per cent) had commenced construction, with construction of two of these sites reaching practical completion. By this date, the department had paid \$76.5 million of program funding (12 per cent of the total committed) relating to 28 sites. The department has not had sufficiently strong controls in place to establish, for each approved project, clear delivery timelines and links between payments and milestones.

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The report included the following six recommendations.

Recommendation No. 1

When establishing funding programs for inclusion in the Infrastructure Investment Program, the Department of Infrastructure, Transport, Regional Development and Communications develop an implementation plan, performance indicators and an evaluation strategy specific to the funding program.

Department of Infrastructure, Transport, Regional Development and Communications response:
Agreed.

Recommendation No. 2

The Department of Infrastructure, Transport, Regional Development and Communications' improvements to Infrastructure Investment Program record keeping include ensuring good quality business information that is fit for purpose is created, which means that it:

- contains sufficient detail to meet current business needs and can be understood by others in the future;
- is accurate; and
- is created in a format that enables efficient business processes and maximises its potential for use and reuse.

Department of Infrastructure, Transport, Regional Development and Communications response:
Agreed.

Recommendation No. 3

The Department of Infrastructure, Transport, Regional Development and Communications document and apply assessment procedures that require it to undertake sufficient inquiries to demonstrate that candidates for funding under the *National Land Transport Act 2014* are eligible for approval before it makes a funding recommendation to the Minister.

Department of Infrastructure, Transport, Regional Development and Communications response:
Agreed.

Recommendation No. 4

In designing programs for the delivery of funding through the *National Land Transport Act 2014*, the Department of Infrastructure, Transport, Regional Development and Communications propose for Ministerial consideration merit criteria that will be used to assess whether projects represent an efficient, effective, economical and ethical use of public money.

Department of Infrastructure, Transport, Regional Development and Communications response:
Agreed.

Recommendation No. 5

When providing advice on whether funding should be approved for funding candidates under the *National Land Transport Act 2014* that have been identified through a non-competitive process, the Department of Infrastructure, Transport, Regional Development and Communications identify relevant benchmarks against which to assess whether the proposal represents value for money and is appropriate for approval.

Department of Infrastructure, Transport, Regional Development and Communications response:
Agreed.

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Recommendation No. 6

The Department of Infrastructure, Transport, Regional Development and Communications strengthen its controls over the establishment of delivery and payment milestones, including by setting out in the Ministerial approval briefing the department's proposed milestones or the parameters for negotiating those milestones.

Department of Infrastructure, Transport, Regional Development and Communications response:
Agreed.