

Chapter 2

Regional Partnerships Program

2.1 The Regional Partnerships (RP) program, which commenced on 1 July 2003, is intended to give effect to the government's policy set out in the publication, *Stronger Regions, A Stronger Australia*. RP replaced eight precursor programs, the Regional Solutions, Regional Assistance, Rural Transaction Centres, and Dairy Regional Assistance programs and four regional structural adjustment programs.¹ As noted in Chapter 1, the funding of a project under one of those programs, the Dairy Regional Assistance Program, was the subject of a previous Finance and Public Administration References Committee report.²

The RP program

2.2 Detailed information on the RP program may be found in DOTARS' submission to the inquiry.³ That submission includes a number of attachments that describe all facets of the program, including, among other things, the guidelines for determining successful projects, the constitution and role of the 56 Area Consultative Committees (ACCs) that act as advisory bodies in the regions, and the role of the minister. Only some of these matters are discussed in this chapter. Issues related to the ACCs are discussed in the next chapter. Information about the program may also be accessed on the DOTARS Regional Partnerships website.⁴

2.3 In this chapter, the Committee outlines aspects of the structure and operations of the RP program which are critical to understanding how the program works and which are relevant to some of the case studies examined later in the report. These aspects are:

- Guidelines
- Strategic Opportunities Notional Allocation (SONA)
- The minister's role
- Expenditure, including election commitments
- Distribution of grants
- Administrative processes
- Funding agreements

1 DOTARS, *Submission 14*, p. 11.

2 Senate Finance and Public Administration References Committee report, *A funding matter under the Dairy Regional Assistance Program*, June 2003.

3 DOTARS, *Submission 14*.

4 DOTARS, Regional Partnerships website, www.regionalpartnerships.gov.au.

- The TRAX system
- Audit and evaluation.

The RP guidelines

2.4 The guidelines cover matters such as the aims of the program, the involvement of the ACCs and local government, accountability requirements and advice about how to apply for a grant. Other matters covered, and those elements of the guidelines which proved to be of most relevance to the inquiry, are assessment criteria and the eligibility of organisations and projects.

2.5 The guidelines were first published on the DOTARS website towards the end of June 2003, and have been revised since then.⁵ It is not clear when the revision was made, but it apparently involved a change to the eligibility criteria, in particular to the need for a project to have the necessary approvals and licences in place for it to be approved.⁶ This is discussed below in relation to eligibility for funding and is particularly relevant to the Tumbi Creek project discussed in Chapter 5.

Assessment criteria

2.6 The guidelines provide that:

To ensure the most effective use of Regional Partnership funds, priority will be given to those projects that demonstrate value for money by achieving their outcomes through the most efficient and effective means, securing appropriate funding from other sources and/or have exhausted other funding options.

Value for money will be determined taking into account the total request for Regional Partnerships funding and meeting the...assessment criteria.⁷

2.7 The RP guidelines set down several assessment criteria under three headings, namely, *outcomes*, *partnerships and support* and *project and applicant viability*.

2.8 Under *outcomes* the guidelines specify that a successful project would demonstrate that it would provide benefits to the community by, for example, meeting a demonstrated need or community demand for the project's outcomes. A successful project would also demonstrate that it would create or enhance opportunities in the community by, for example, providing infrastructure that enhances economic/social opportunities.⁸

2.9 Under *partnerships and support* the guidelines state that establishing community support is critical to the long-term success and ownership of a project. The

5 Ms Riggs, *Committee Hansard*, 10 February 2005, pp 45, 46.

6 Dr Dolman, *Committee Hansard*, 10 February 2005, p. 54.

7 DOTARS, *Submission 14*, Attachment D, Regional Partnerships Guidelines, p. 3.

8 DOTARS, *Submission 14*, Attachment D, Regional Partnerships Guidelines, p. 3.

guidelines define the ways in which it may be demonstrated that a project is a partnership and that it has community support. The guidelines read as follows:

Partnerships are a strong demonstration of support. Partnerships are established where individuals, private sector businesses, community/not for profit organisations, other organisations and any local, state and/or Australian Government agencies make a financial and/or in-kind contribution to your project.⁹

2.10 Under *project and applicant viability* the guidelines set down several criteria, including the demonstrated ability, or access to expertise, to manage the project both during and after funding and demonstrated sustainability beyond the funding period.¹⁰ The sustainability criterion is of some significance in the Tumbi Creek case study included in Chapter 5.

Eligibility

2.11 With some specified exceptions, entities registered under State or Commonwealth legislation, for example the *Corporations Act 2001*, can apply for Regional Partnerships funding. The exceptions include Australian and state government departments, individuals, and private enterprises and co-operatives that are considered commercial enterprises that are requesting funding for planning, studies or research.

2.12 ACT Chief Minister Mr Jon Stanhope MLA submitted that the RPP eligibility criteria disadvantage the ACT. All ACT government departments are ineligible to apply for funding despite the fact that the ACT government performs both state and local government functions:

This approach unfairly disadvantages the ACT. The ACT government is unique in Australia in that it delivers both State/Territory and local government functions. While other local governments in Australia can apply for RP program funds, the ACT cannot.¹¹

2.13 The Committee considers that these concerns are valid and that ACT government departments should be allowed to apply for funding for projects that would otherwise be eligible under the RPP guidelines.

2.14 The guidelines identify a number of different types of project that would not be eligible for funding. Ineligible projects include those that compete directly with existing business, unless production differentiation tests can be met,¹² and those that

9 DOTARS, *Submission 14*, Attachment D, Regional Partnerships Guidelines, p. 4.

10 DOTARS, *Submission 14*, Attachment D, Regional Partnerships Guidelines, p. 5.

11 Mr Stanhope MLA, ACT Chief Minister, *Submission 38*, p. 1.

12 For information about the process for assessing competitive neutrality, see Ms Riggs, correspondence, 8 July 2005, p. 2. Competitive neutrality is also discussed in relation to the SR program in Chapter 10.

could involve cost shifting or that duplicate funding from other sources. The guidelines also specify that proposals that cannot obtain, or have not yet obtained, the relevant approvals or licences to progress will not generally be considered. They also specify that retrospective costs cannot be funded.¹³

2.15 The guideline regarding the need for a project to obtain relevant approvals or licences gave rise to some confusion during the inquiry because the version of the guidelines on the DOTARS website contained contradictory requirements. The current guideline is reproduced in the paragraph above. The version of the guidelines on the website included that paragraph, but also specified that projects that 'could not obtain or were in the process of obtaining the relevant approvals or licences to progress' were *not eligible for funding*.¹⁴ This contradicts the above statement that such projects *will not generally be considered*.

2.16 The eligibility criteria are particularly significant with regard to the Strategic Opportunities Notional Allocation procedures that are discussed below.

Strategic Opportunities Notional Allocation (SONA)

2.17 Some funds within the RP program are 'available each financial year for new projects that are seen as strategic opportunities'.¹⁵ According to the RP Internal Procedures Manual, SONA 'will allow the Government to respond quickly and easily to a diverse range of situations which may fall outside the administrative constraints of RP, but which are consistent with the purposes of RP'.¹⁶

2.18 The SONA procedures provide that the projects and initiatives that are administered under the procedures need to be consistent with the goals and priorities of either Regional Partnerships or the *Stronger Regions, A Stronger Australia* statement, and that they must meet the majority of the RP program's selection criteria. The DOTARS procedures identify three categories of project that could be considered under SONA, as follows:

- projects that are of national or cross-regional significance;
- projects that are a whole-of-government response; or
- projects that respond to a significant event, such as a regional economic or social crisis, where relief is not available from existing relief programs.¹⁷

13 DOTARS, *Submission 14*, Attachment D, Regional Partnerships Guidelines, p. 7.

14 DOTARS, *Regional Partnerships Guidelines*, www.regionalpartnerships.gov.au/guidelines.aspx, accessed 12 August 2005.

15 DOTARS, *Submission 14*, Attachment H, Procedures for Strategic Opportunities Notional Allocation (SONA), p. 1.

16 DOTARS, *Submission 14*, Attachment H, Procedures for SONA, p. 1.

17 DOTARS, *Submission 14*, Attachment H, Procedures for SONA, p. 1.

2.19 The document also states that SONA procedures may address program restraints of a more administrative nature, and the following examples are given:

Where funding for a high priority project would significantly exceed the relevant ACC's notional allocation and approval cannot be delayed until sufficient RP funding becomes available; or

Where a decision not to support a project is reversed following formal review and additional funding flexibility is required; or

Where a project or initiative would require the waiver of some specific part of the guidelines or eligibility criteria in order to be funded (eg the waiver that enabled normally ineligible proponents, Australia Post and Centrelink, to participate in Rural Transaction Centres).¹⁸

2.20 The SONA procedures appear to have been applied to nine projects in the 18 months to 31 December 2004. Six of those projects were approved for funding, as follows:

- Christmas Island Mobile Upgrade, Christmas Is. - \$2.750 million
- Crocfest, Commonwealth Department of Health and Ageing - \$158,400
- Primary Energy Pty Ltd, Gunnedah, NSW - \$1.210 million
- National Centre of Science, Information and Communication Technology, and Mathematics for Rural and Regional Australia (SiMERR), University of New England, Armidale, NSW - \$4.950 million
- Slim Dusty Foundation Ltd, Kempsey, NSW – 2 grants of \$550,000
- Sugar Industry Reform Package, national - \$12.734 million.

2.21 Three projects were rejected, namely, Regional Australia on Board (West Melbourne), Wholesale Regional Banking Model Development (Kingaroy, Qld) and the CISCES (Chain of Intermodal Shared Services on the Eastern Seaboard) Consortium, that was proposed by the Wagga Wagga City Council. The reason given for rejecting the West Melbourne proposal was given as, 'Poor value for money for program funds. RP is not the most appropriate funding source for this activity'.¹⁹ The reason for rejecting the regional banking proposal was, 'Suitable partner funding and/or community support not demonstrated. Sustainability and/or wider community benefit of outcomes not demonstrated'.²⁰ The CISCES proposal, which aimed to create an efficient freight system across eastern Australia, was rejected on the grounds that, 'Sustainability and/or wider community benefit of outcomes not demonstrated'.²¹

18 DOTARS, *Submission 14*, Attachment H, Procedures for SONA, p. 1.

19 DOTARS, *Senate Finance and Public Administration References Committee requested information on Regional Partnerships projects* (hereafter Revised RPP Tables), not approved projects, received 11 May 2005, p. 4.

20 DOTARS, Revised RPP Tables, received 11 May 2005.

21 DOTARS, Revised RPP Tables, received 11 May 2005.

2.22 DOTARS informed the Committee that in the 2003-04 financial year \$20.872 million was committed to SONA. The major projects for which funds were committed in that year were the sugar industry reform package, SiMERR and the Christmas Island mobile upgrade. When the SONA procedures were produced in September 2003, \$3 million was allocated for 2003-04 for SONA,²² suggesting that the government did not expect that SONA would be used as extensively as it was. The actual commitment of funds under SONA in 2003-04 suggests that the allocation was indeed 'notional'.

2.23 One of the RP program's predecessor programs, the Regional Assistance Program (RAP), also included provisions for grants for projects of national significance. The Australian National Audit Office (ANAO) conducted a performance audit on the administration of the RAP, including the Projects of National Assistance elements of the program, in 2002.²³ DOTARS informed the Committee that:

SONA was modelled to satisfy the principles set for the Regional Assistance Program Projects of National Significance.

The Australian National Audit Office (ANAO) *Report on the Regional Assistance Programme* agreed to the concept of the Projects of National Assistance elements of that programme and made a number of observations regarding consistent decision making and public accountability, in particular that 'the assessment process should be sufficiently rigorous to provide reasonable assurance that the projects selected are consistent with the guiding principles of RAP'.²⁴

2.24 DOTARS stated that the projects that had been administered under the SONA procedures of RP did not meet the usual eligibility criteria. DOTARS also stated that only three of the eligibility criteria had not been fully met. The relevant criteria were the provision of funds to other government departments, the use of a grant to produce a prospectus and the lack of planning approval for a project.

2.25 Dr Gary Dolman, Assistant Secretary of DOTARS Regional Communities Branch, informed the Committee that the Slim Dusty project in Kempsey, NSW, did not have full planning approval when it was approved, but that the RP guidelines had been amended since then so that the project would now be eligible for approval under the normal arrangements for RP projects.²⁵ The Committee finds this explanation unsatisfactory. The fact that the guidelines were later amended does not excuse the fact that this project was approved without meeting the guidelines. Applications must be assessed against the guidelines in place at the time to avoid making a mockery of established processes.

22 DOTARS, *Committee Hansard*, 10 February 2005, p. 47.

23 ANAO, *Regional Assistance Programme: Department of Transport and Regional Services*, Audit Report No. 48, 2001-02, Performance Audit, 10 May 2002.

24 DOTARS, *Submission 14*, p. 15.

25 DOTARS, *Committee Hansard*, 10 February 2005, p. 54.

2.26 It is interesting that the two grants to the Slim Dusty project that were administered under the SONA procedures were approved on 25 January 2004 and 21 June 2004. A project for the dredging of Tumbi Creek in New South Wales was approved on 24 June 2004, having been administered under the normal RP arrangements, despite the lack of the appropriate licences. The administration of the grants for the dredging of Tumbi Creek is described in detail in Chapter 5.

2.27 Another RP grant that was processed under the SONA procedures is a \$1.2 million grant to Primary Energy Pty Ltd for the 'grains to ethanol' project. That project also had to be administered under SONA because it did not meet the RP eligibility guidelines. The grant was in fact approved for planning purposes and for the production of a prospectus, contrary to the guidelines.²⁶ The Primary Energy grant is discussed in more detail in Chapter 7. A grant to the University of New England for the SiMERR project also was administered under SONA, not only because it was of national or cross-regional significance, but also because it may have breached the partnership criteria in as much as the hub centres in the other States and Territories (partners in the project) were not confirmed at the time the grant was processed.²⁷ This grant is also discussed in Chapter 8.

Publication of the SONA procedures

2.28 The SONA procedures were first produced in September 2003, some weeks after the RP program was established, and were revised in March 2004.²⁸ Unlike the RP guidelines, the procedures were not published widely but were included only in the Internal Procedures Manual. In effect, until the SONA procedures were tabled in the House of Representatives in early December 2004, in response to intense scrutiny by the Opposition, the only persons with access to them were DOTARS employees in the relevant area and (potentially) employees and members of the Area Consultative Committees. The procedures apparently were not known to those who might have made applications for grants and, more importantly, were not known to parliamentarians whose role it is to scrutinise government expenditure. The SONA procedures were provided to the Committee in DOTARS' submission (attachment H).

2.29 It became evident during the course of the inquiry that many ACC chairs and executive officers were still unaware of the existence of the SONA procedures.²⁹ Four ACC executive officers (EOs) told the Committee they were aware SONA existed

26 Dr Dolman, *Committee Hansard*, 12 August 2005, p. 59.

27 Ms Riggs, *Committee Hansard*, 12 August 2005, p. 69.

28 Ms Riggs, *Committee Hansard*, 10 February 2005, p. 92.

29 See Mr Hale, Chairman, Central Coast ACC, *Committee Hansard*, 24 February 2005, p. 67; Mr Robert, Chairman, Far North Queensland ACC, *Committee Hansard*, 13 April 2005, p. 131; Mr Rowell, Chairman and Ms Thomas, Executive Officer (EO), ACC Tasmania, *Committee Hansard*, 30 June 2005, pp 41-42; Mr Haerewa, Chair, Kimberley ACC, *Committee Hansard*, 15 July 2005, p. 85; Mr Vukelic, Chairman, South West ACC, *Committee Hansard*, 18 July 2005, p. 53.

because Ms Riggs, DOTARS Executive Director, Regional Services, had mentioned it at an ACC EO's conference, but none of them had ever seen the procedures.³⁰

Administration of SONA

2.30 DOTARS submitted that projects administered under the SONA procedures are 'assessed in the normal way, including against the Regional Partnerships' assessment criteria of clear outcome, partnership, benefit to the community and sustainability'.³¹

2.31 Despite evidence from DOTARS to the contrary,³² it is clear that ministers' offices were involved in decisions to apply the SONA procedures to certain projects. DOTARS' submission states that ministers have not directed or suggested to departmental employees that the procedures be applied to an application.³³ However, as described in the Primary Energy case study in Chapter 7 of this report, the department was subject to pressure from Minister Anderson's office and a strong request from another minister that the project be funded. It is obvious that DOTARS had no option but to use the SONA procedures to give effect to that request.

Role of the minister

2.32 The RP program is one of many discretionary grants programs administered by the Commonwealth Government. A consequence of the discretionary nature of the program is explained in the guidelines published by DOTARS, as follows:

Regional Partnerships is a discretionary programme. The funding of projects, through Regional Partnerships, is at the discretion of the Federal Minister for Transport and Regional Services or the Federal Minister for Regional Services, Territories and Local Government, therefore meeting the assessment criteria does not guarantee funding.³⁴

2.33 A corollary to this is that the ministers may approve projects that do not necessarily meet the guidelines or that they may vary the amount of the grant. DOTARS informed the Committee that in relation to 17 or three per cent of the approximately 600 applications processed by the department from 1 July 2003 to 31 December 2004, the minister did not follow the department's recommendation. Of the 17, the minister approved 11 projects that the department advised should not be

30 Ms Thomson, EO, New England North West ACC, *Committee Hansard*, 29 June 2005, p. 72; Mr Simpkins, EO, Pilbara ACC, *Committee Hansard*, 14 July 2005, p. 104, Mr Durant, EO, Kimberley ACC, *Committee Hansard*, 15 July 2005, pp 85-87; Mr Hodgson, Executive Director, South West ACC, *Committee Hansard*, 18 July 2005, p. 53.

31 DOTARS, *Submission 14*, p. 15.

32 DOTARS, *Submission 14*, p. 16; *Committee Hansard*, 12 February 2005, p. 38.

33 DOTARS, *Submission 14*, p. 38.

34 DOTARS, *Submission 14*, Attachment D, Regional Partnerships Guidelines, p. 6.

approved, rejected three that the department considered should be approved and in three cases the minister varied the amount of the grant from the department's advice.³⁵

2.34 The Committee requested DOTARS to identify those projects on which the minister's decision deviated from the department's recommendation, but departmental witnesses refused to provide this information.³⁶

2.35 The discretionary nature of RPP funding decisions, combined with this refusal to disclose details of the minister's decisions, leaves the RP program susceptible to perceptions of bias. Submissions to the inquiry suggested that such perceptions could be overcome by appointing a board or commission to undertake RPP funding decisions.

2.36 Mr Jon Stanhope MLA, ACT Chief Minister, submitted:

Given the accountability of Ministers, it is not unreasonable for Ministers to make the final decisions on funding projects. However, the Regional Partnerships program's broad guidelines allows it the flexibility to support a wide range of projects under its banner. In this case, the rationale for approving particular projects in particular locations may not be as clear as in programs with more tightly defined objective and guidelines.

To overcome any perception of bias in supporting projects, the Australian Government could consider moving the responsibility for approving or rejecting projects to a government appointed board with members who had relevant qualifications.³⁷

2.37 Mr Stanhope suggested that the approach used by the former Networking the Nation program would provide a suitable model for RPP. Mr Peter Andren MP suggested that a grants commission process similar to that used to allocate local government grants would be a suitable approach.³⁸

Expenditure

2.38 The Commonwealth Government spent \$86.922 million on the RP program in 2004-05, and has appropriated \$111.625 million for the program in 2005-06. It is estimated that a further \$250 million will be allocated to the program from 2006-07 to 2008-09.³⁹ Including the \$78.457 million expended on RPP in 2003-04,⁴⁰ the total amount allocated to the program exceeds \$500 million.

35 Ms Riggs, *Committee Hansard*, 2 February 2005, p. 105.

36 Ms Riggs, *Committee Hansard*, 2 February 2005, p. 105.

37 Mr Stanhope MLA, ACT Chief Minister, *Submission 38*, p. 2.

38 Mr Andren MP, *Submission 27*, p. 4.

39 DOTARS, *Portfolio Budget Statement 2005-06*, Table 3.2.2.

40 DOTARS, *Annual Report 2003-04*, Table 5.1, p. 103.

2.39 In the period 1 July 2003 to 31 December 2004, the minister approved funding for 504 projects, to the value of \$123,656,940.⁴¹ The minister also rejected 150 applications for funding in that period.⁴² The amount of grants approved for projects ranged from \$2,754 for replacement lighting for tennis courts at Brushgrove, New South Wales, to \$12.734 million for 'transitional support for the sugar industry and consequently to sugar dependent communities'.⁴³

Election commitments

2.40 Not all the funds allocated for the RP program in 2005-06 and future years will be expended on new RP projects or on projects now in the process of assessment. A significant number of election promises were made that will likely be met from the program funds. DOTARS submitted a list of these promises and their expected cost. There are six 'icon' projects, for which \$27.5 million has been promised, and 50 other projects.⁴⁴ The cost of the election commitments likely to be funded through RP amounted to approximately \$66 million, ranging from a grant of \$5,000 for the Macedon Football Club to upgrade its change rooms to \$15 million for a Rural Medical Infrastructure Fund.

2.41 Proponents of some of the projects in the list may have been in the process of applying for grants and may have met the guidelines for receiving a grant. However, apparently there is no need for any of the projects identified as election promises to address the RP guidelines in order to receive a grant from the program. DOTARS informed the Committee that instead of the normal application process, the department would seek information from each of the proponents to enable it to make an assessment of risk to the Commonwealth. Ms Riggs stated that:

We will then formally put an advice to the minister or parliamentary secretary in respect of each of these projects. That might, for example, say that there might be some conditions on the funding, and only then would we seek to enter into a funding agreement which would convert those commitments into actual grants.⁴⁵

This demonstrates that the process of funding election commitments from RPP was neither transparent nor rigorous. Some effects of election commitments bypassing the RP guidelines and assessment processes are discussed below in relation to commitments made in Tasmania.

41 DOTARS, Revised RPP tables, received 11 May 2005, p. 45.

42 DOTARS, *Committee Hansard*, 2 February 2005, p. 38.

43 DOTARS, Revised RPP tables, received 11 May 2005, pp 8, 44.

44 DOTARS, *Election Commitments 2004 – Likely to use Regional Partnerships Programme as Mechanism: prepared for Area Consultative Committees as at 7/1/2005*, tabled 10 February 2005.

45 Ms Riggs, *Committee Hansard*, 10 February 2005, p. 56.

Effect of RP election commitments in Tasmania

2.42 A total of \$1.535 million in election commitments to be funded under RPP were made in the electorate of Bass in Tasmania, suggesting that the seat was targeted by the government at the 2004 election. Projects included \$600,000 for economic development initiatives in Launceston and Northern Tasmania, \$150,000 for a planning strategy for the town of Bridport, \$250,000 for bicycle tracks in Launceston and \$250,000 to develop a complex in Georgetown to house the Bass and Flinders replica ship, 'The Norfolk'.⁴⁶ A total of \$2.765 million of election commitments to be funded by RPP in Tasmania were made during the 2004 election period.⁴⁷

2.43 In his submission to the inquiry, the Hon Paul Lennon MHA, Premier of Tasmania, raised a number of concerns about the effects of the federal government's election commitments to be funded from the RP program. The impacts included election commitment projects duplicating state programs relating to recreational infrastructure and matched funding requirements being placed on the state government.⁴⁸ The Premier commented as follows:

The funding will be provided on the proviso that the State Government matches the funding. This raises a number of issues, in particular:

- (a) The capacity to deliver additional projects;
- (b) "Matched funding" requirements being imposed on the State Government;
- (c) Duplication between the program's projects, and those that are State funded; and
- (d) The consideration given to the local context when deciding funding.⁴⁹

2.44 The Premier's submission also commented on the election promises bypassing the program's established processes and undermining the consultation requirements integral to RPP:

The projects promised during the election have involved minimal consultation with TEAC [ACC Tasmania] and the State, and undermine the systematic processes of the partnership program that was established by the Commonwealth.⁵⁰

46 DOTARS, *Election Commitments 2004 – Likely to use Regional Partnerships Programme as Mechanism: prepared for Area Consultative Committees as at 7/1/2005*, tabled 10 February 2005.

47 DOTARS, *Election Commitments 2004 – Likely to use Regional Partnerships Programme as Mechanism: prepared for Area Consultative Committees as at 7/1/2005*, tabled 10 February 2005.

48 The Hon Paul Lennon MHA, Premier of Tasmania, *Submission 37*, pp 1-2.

49 The Hon Paul Lennon MHA, Premier of Tasmania, *Submission 37*, p. 1.

50 The Hon Paul Lennon MHA, Premier of Tasmania, *Submission 37*, p. 2.

2.45 The Committee received similar evidence from ACC Tasmania that election commitments raised questions among proponents who had followed the proper process:

The "election promises" where projects have received funding, that were not known to the ACC, or where further development was required, undermines the voluntary commitment of the ACC Regional Directors...The Regional Directors are the face of the ACC in regional communities, therefore they are approached by community members...[who ask] "why projects were funded" when they were informed of the correct procedures and process which had to be adhered to for funding under Regional Partnerships.⁵¹

2.46 The Committee considers that the government should take existing state and local government programs and priorities into account and consult with local ACCs before making election commitments.

Distribution of grants

2.47 DOTARS submitted data up until 31 December 2004 showing the distribution of grants by political party and location of electorate.⁵² The data show that overall there was little difference in the proportion of applications approved among electorates held by different parties. There were, however, significant differences in the numbers of applications made from electorates held by Government, Opposition and Independent members and in the funds provided.

2.48 In the 82 electorates then held by the Government, 795 applications were made resulting in \$65.2 million of grants. In the 64 electorates held by the Opposition, 209 applications were made resulting in \$18.5 million of approved grants. In the 4 seats then held by Independents/minor parties, 60 applications were made receiving \$14.9 million in approved grants.

2.49 Differences in the number of grants and funding received were also apparent across the locations of electorates. In the 38 metropolitan electorates held by the Government parties 58 applications were made. In the 50 metropolitan electorates held by the Opposition, 96 applications were made. The Government-held electorates received a total of \$6.9 million while the Opposition-held electorates received \$4.5 million.⁵³

51 ACC Tasmania (formerly Tasmanian Employment Advisory Committee), *Submission 30*, p. 6.

52 DOTARS, *Equity of Funding – Regional Partnerships programme*, in answers to questions on notice, received 11 May 2005. DOTARS noted that the analysis was based on the electorate at the time of application and related to electorates held prior to the 2004 election. Location of electorate was classified using the AEC's electorate demographic rating system.

53 Includes both 'Inner Metropolitan' and 'Outer Metropolitan' electorates.

2.50 In provincial electorates the Opposition held eight seats, from which 67 applications were made, resulting in grants valued at \$7.5 million. From the eight seats held by the Government parties there were 44 applications, which led to \$3.2 million in grants.

2.51 In the rural electorates the differences were more marked. In rural locations, 46 applications were made from the six seats held by the Opposition, and those electorates received \$6.5 million in grants. There were 693 applications from the 36 electorates held by the Government parties, and \$55.2 million in grants. The three seats in this category that were held by Independents received \$14.6 million from 54 applications (this amount presumably included the \$5.5 million made to the Buchanan Park 'icon' project.)

2.52 While there is no 'average' electorate, and hence no reason why there necessarily should be equity in the distribution of grants among electorates, the average amount in grants provided to each electorate may be instructive. When considering these figures, it should be remembered that the RP program is intended to benefit the regions. It should also be remembered that the figures are for grants approved, not for funds committed.

2.53 In the metropolitan areas, each electorate held by the Government parties received an average of \$180,614 while each electorate held by the Opposition received \$90,999. In provincial areas, Government-held electorates received on average \$395,278, while Opposition-held electorates received \$938,828.

2.54 For electorates in rural locations, the average amount of RP funding approved for Government-held electorates was \$1.5 million and was \$1.1 million for seats held by the Opposition. The three electorates held by Independents received on average \$4.9 million. These electorates include New England which was described as a 'National Party target seat'.⁵⁴ Issues surrounding some significant grants made to projects in that electorate are discussed in Chapter 8.

2.55 In summary, the overall number of grants approved for Government-held seats was significantly higher than for Opposition-held seats. The electorates that on average received most funding from the RP program were seats held by Independent members.

Distribution of SONA grants

2.56 As noted above, six projects were approved using the SONA procedures in the 18 months to 31 December 2004. One of these projects, the Christmas Island Mobile Upgrade for \$2.75 million, was located in an Opposition-held electorate. Two grants totalling \$1.76 million were for projects located in National Party electorates – the Slim Dusty Foundation and Primary Energy grants. The grant to the University of

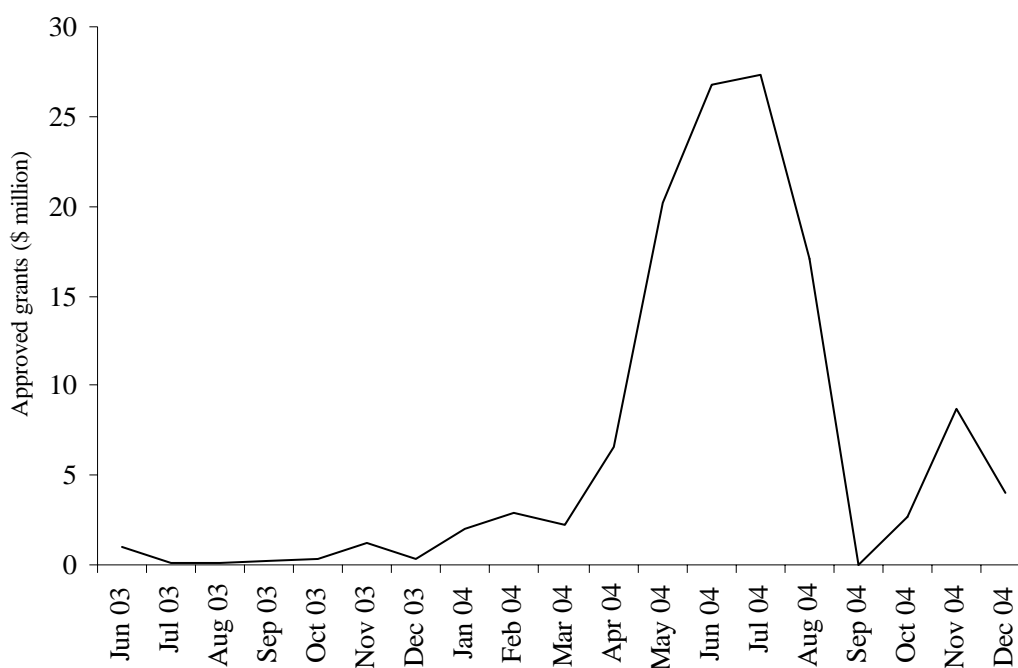
54 Mr Katter MP, *Committee Hansard*, 23 June 2005, pp 4, 6.

New England SiMERR National Centre for \$4.95 million was to an Independent electorate. The remaining two projects approved using SONA, Crocfeast and the Sugar Industry Reform Package, were both described as national projects and related to a number of electorates.

Timing of grant approvals

2.57 The number of project applications and quantity of grants approved was not uniformly spread throughout the period to December 2004. As shown in Chart 1, there was a significant increase in grant approvals in the months leading up to the 2004 federal election. In June, July and August 2004, the three months preceding the announcement of the election, \$71.1 million worth of grants were approved. In other words, *over half* (58 per cent) of the total funding approved for the entire period from the commencement of the program to 31 December 2004 was approved in the three months preceding the election announcement. Of the funding approved in those three months, \$22.1 million (31 per cent) was for projects in marginal electorates.

Chart 1: RPP grant approvals⁵⁵



55 Data from DOTARS, Revised RPP tables, received 11 May 2005. Data for June 2003 relate to projects approved under the Namoi Valley Structural Adjustment package but funded from RPP appropriation.

Administrative processes

2.58 Project proponents may lodge their applications with DOTARS. Depending on the medium used, for example, electronic or paper, the application will go either to the national office or a regional office. If an application is lodged with DOTARS national office it is usually assigned to a regional office for processing. The regional office refers the application to the relevant Area Consultative Committee (ACC) for review.⁵⁶ The role of the ACCs is described in more detail in Chapter 3.

2.59 Proponents are advised, for example on the RP website, that before making an application they should contact the local ACC which can assist them in developing their application, and with lodging it with DOTARS. The ACC is required to consider the application, among other things, against priorities in the relevant Strategic Regional Plan and against RPP's objectives and criteria. The ACC is required to rate the project on a scale of 1 to 4, with 4 being the highest rating.

2.60 However, the Committee received evidence, discussed in later chapters, that in reality the processes described above are not always followed. The Committee became aware of a number of applications that were not forwarded to the ACCs for review, or where ACCs were given insufficient time to consider and rate applications. Overall, the Committee is not in a position to ascertain how often ACCs are excluded completely from the assessment process or their role is minimised. This is unsatisfactory. The Committee was impressed by the overwhelming majority of ACCs that it met and considers that the ACCs provide an important reality check on project applications.

2.61 Applicants are contacted by the regional office to provide them with preliminary advice, for example, to seek additional information, or to inform them that their application is being assessed or if it is ineligible.⁵⁷ If the project is eligible for a grant and the application has been completed properly, it is assessed in a regional office against a detailed checklist contained in the RP Internal Procedures Manual. The application then goes through a 'quality assurance' check at the national office, which is also responsible for the final submission to the minister.

Announcement

2.62 After an application receives ministerial approval, the grant is announced. The Internal Procedures Manual states that it is the minister's preference for local (i.e. government) MPs or senators to have the opportunity to advise successful applicants on behalf of the government. They are also given the opportunity to make arrangements for the announcement. Two or three days later the minister's office

56 See DOTARS, *Submission 14*, Attachment E, Regional Partnerships Internal Procedures Manual, pp 58, 91-92.

57 DOTARS, *Submission 14*, Attachment E, Regional Partnerships Internal Procedures Manual, p. 59.

advises the successful applicant and the relevant ACC. Non-government local members are also informed.⁵⁸

2.63 A possible consequence of the early notification to government parliamentarians is stated in DOTARS' procedural manual:

This means that DOTARS may find that applicants and ACCs are aware that a project is successful before staff in either National Office or Regional Office have been notified. This situation should be managed by DOTARS staff tactfully.⁵⁹

2.64 When DOTARS becomes aware of the announcement, summary information about the recipient, the amount of the grant, the purpose of the grant and the title of the relevant ACC are placed on the RP website.

2.65 For unsuccessful projects the relevant DOTARS regional office notifies the applicant in writing within two weeks of the ministerial announcement. Unsuccessful applicants may appeal to the department for a review of the decision. Reviews are conducted by officers other than those who originally assessed the application. A final decision on a review rests with the minister.⁶⁰

2.66 The Committee wished to inquire into the timing of grant announcements in comparison to the dates approvals were made. DOTARS, however, declined to provide information about the date of announcements, despite the Committee requesting this information in late 2004. As mentioned above, DOTARS asserted that announcements are a matter for the minister, and DOTARS may not necessarily know when announcements are made.⁶¹

Official openings

2.67 The RP Internal Procedures Manual includes advice about official openings or launches. The decision maker or a representative of the decision maker is invited. Representatives may be the local member (if a government member), a 'patron' senator or, if those persons are not able to attend, a representative from the ACC or from DOTARS.⁶² No mention is made in the manual of invitations to non-government parliamentarians. This was a matter of concern to the Independent Member for New England in relation to his not being invited to the opening of an aged care facility in his electorate. His concern is addressed in Chapter 8 of the report.

58 DOTARS, *Submission 14*, Attachment E, Regional Partnerships Internal Procedures Manual, p. 93.

59 DOTARS, *Submission 14*, Attachment E, Regional Partnerships Internal Procedures Manual, p. 93.

60 DOTARS, *Submission 14*, Attachment E, Regional Partnerships Internal Procedures Manual, pp 96-98.

61 DOTARS, *Committee Hansard*, 10 February 2005, p. 10, 67.

62 DOTARS, *Submission 14*, Attachment E, Regional Partnerships Internal Procedures Manual, p. 93.

Due diligence

2.68 The due diligence that is conducted at least in relation to an application for larger RP grants seems to take account of two factors—the viability of the proponent and the viability of the project. Dr Dolman, when commenting on the Tumbi Creek project, defined due diligence as meaning whether or not the proponent is likely to be facing financial difficulties and whether the project is viable.⁶³ This is a much weaker definition than the statement in the RP guidelines that 'Applications will be subject to substantially higher levels of scrutiny where it is [sic]...seeking more than \$250,000 from Regional Partnerships'.⁶⁴

2.69 There was discussion during the inquiry regarding the appropriate level of due diligence that is required, and also regarding when in the assessment process due diligence should be undertaken. The executive officer of the Far North Queensland Area Consultative Committee (FNQACC), when commenting on investigations into the viability of the A2 Dairy Marketers proposal, and responding to a question as to whose role it is to undertake due diligence, stated that:

Let us be very clear about our understanding of what due diligence is ... Our [FNQACC's] thing is to look at it [a project] and make a balanced recommendation on what we believe. We certainly do not have the resources..., with a staff of three, to be doing due diligence...but it is within our scope to make some comment about what we see.⁶⁵

This matter is further discussed in Chapter 6.

2.70 Despite some confusion about due diligence responsibilities between ACCs and DOTARS, the RP Internal Procedures Manual states that responsibility for due diligence rests with the department.⁶⁶ Due diligence seems to be conducted in the main after the approval process, and for larger grants is usually outsourced to external consultants. The RP Internal Procedures Manual advises that a standard procedure before signing a funding agreement is the undertaking of risk assessment processes. The amount of funding being sought, the project type and applicant type determines the extent of the assessment. The following extract is taken from the manual:

- Pre-assessment – Basic check on an applicant (In house)
- Level 1 – Credentials check on an applicant (Lawpoint website)
- Level 2 – Assessment of applicant's financial risk status (External consultant)

63 Dr Dolman, *Committee Hansard*, 24 February 2005, p. 105.

64 DOTARS, *Submission 14*, Attachment D, Regional Partnerships Guidelines, p. 9.

65 Mr Vieira, *Committee Hansard*, 13 April 2005, p. 100.

66 DOTARS, *Submission 14*, Attachment E, Regional Partnerships Internal Procedures Manual, pp 23, 56.

- Level 3 – Assessment of project's commercial risk/suitability (External consultant)
- Private sector applicants are typically subject to a higher level of risk assessment.⁶⁷

2.71 The extent of due diligence then depends on the proponent, and the size and nature of the project. The Committee was told by DOTARS witnesses, for example, that local government councils as proponents are generally assessed as being low risk.⁶⁸ Ms Riggs commented that:

Prima facie, for example, one might take the view that a council is not going to be allowed to go broke by its state government, whereas that would be unlikely be true of a private sector organisation. So you might allow for a larger project or a larger amount of grant funding to go to a council than you would allow to a private sector organisation without doing a very intensive due diligence on the project that is in question.⁶⁹

2.72 The Committee was hindered in its ability to examine due diligence procedures because the thresholds for determining the level of due diligence had been removed from the version of the RP Internal Procedures Manual provided to the Committee by DOTARS. The following explanation for the absence of the *Assessing Risk and Viability* section was provided within the manual:

This section is currently under major review and therefore has been removed. If advice is necessary contact the Applications, Approvals and Contracts section.⁷⁰

2.73 In contrast, the thresholds for the level of due diligence required in relation to SRP projects were clearly specified in DOTARS' submission:

- A Lawpoint check for applicants seeking funding of approx <\$50,000
- A company viability check for applicants seeking funding of approx \$50,000 - \$500,000
- A company and project viability check for projects over \$500,000.⁷¹

2.74 The Committee is disturbed that procedures fundamentally important to determine the viability of projects and the risk to the Commonwealth were left in abeyance without appropriate interim measures. The Committee considers that guidance on due diligence checks should be finalised as a matter of urgency.

67 DOTARS, *Submission 14*, Attachment E, Regional Partnerships Internal Procedures Manual, p. 125.

68 Dr Dolman, *Committee Hansard*, 24 February 2005, p. 105.

69 Ms Riggs, *Committee Hansard*, 12 August 2005, p. 74.

70 DOTARS, *Submission 14*, Attachment E, Regional Partnerships Internal Procedures Manual, p. 67.

71 DOTARS, *Submission 14*, p. 9.

Funding agreements

2.75 Grant recipients are required to enter into a funding agreement with the Commonwealth.⁷² The form of the agreement may be found on the Regional Partnerships website.⁷³

2.76 DOTARS, through its regional offices, negotiates with the recipient regarding the budget, outcomes and milestones information that are to be included in the agreement. The first grant payment is not made until all the conditions that have been imposed on the approval of the grant have been met, and further payments are not made until the recipient meets the milestones specified in the agreement. As a result, the announced grant may not be funded, as in the case of A2 Dairy Marketers, for example, which went into receivership before the funding agreement was concluded.⁷⁴ In contrast, the first payment of \$426,800 to Primary Energy Pty Ltd was made conditional on merely signing the funding agreement, and therefore no progress was required towards actual project outcomes.⁷⁵

2.77 In signing the agreement, recipients acknowledge that the government may be obliged to disclose information contained in it.⁷⁶

2.78 The Committee received copies of a number of agreements relating to grants that it wished to consider in depth. The agreements were detailed, and included, among other things, provisions for the management of funds, record keeping and reporting. The Commonwealth's agreement in relation to The Cove Caravan Park, for example, included among its provisions 'activity/ milestone descriptions' and 'expected reporting dates' against those milestones. An example from the agreement reads as follows:

Activity/milestone description	Expected reporting date
(iii) Kerbing/sealing roads and footpaths	30 April 2005

2.79 The agreements state that recipients must provide DOTARS with reports on progress at specified times. Post activity reports that include audited statements of receipts and expenditure are also required.

72 DOTARS, *Submission 14*, Attachment E, Regional Partnerships Internal Procedures Manual, p. 101.

73 DOTARS, Regional Partnerships standardised funding agreement, www.regionalpartnerships.gov.au/sfa.aspx, accessed 15 September 2005.

74 Ms Riggs, correspondence, 8 July 2005, p. 3. For a detailed discussion of the A2DM project, see Chapter 6.

75 *Regional Partnerships Funding Agreement between DOTARS and Primary Energy Pty Ltd*, tabled 12 August 2005, item 2.5, p. 33. For a detailed discussion of the grant to Primary Energy Pty Ltd, see Chapter 7.

76 Ms Riggs, correspondence, 8 July 2005, p. 3; DOTARS, *Submission 14*, Attachment G, Operational Funding Contract, p. 14.

2.80 An interesting inclusion in the agreements is a standard provision, titled *Acknowledgement and Publicity*, which requires the recipient to acknowledge the financial and other support received. The agreement stipulates that any publicity should use the words, 'This project is supported by funding from the Australian Government under its Regional Partnerships programme'.⁷⁷ The provision also requires the grant recipient to clear all publicity, announcements and media releases through a departmental contact officer before they are released to the media.⁷⁸

TRAX

2.81 A software system known as TRAX is integral to the administration of the RP program. DOTARS submitted copies of diagrams from its TRAX training manual that show that every step in the processing of a RP grant, from the lodging of an application to the acquittal of funds, is recorded in the system.⁷⁹ DOTARS claimed that the use of TRAX addresses a part of a recommendation made by this Committee in its report on a Dairy RAP project, namely, that DOTARS 'adopt...an improved documentary record of assessment procedures'.⁸⁰

2.82 The department bought the basic TRAX product in December 2002. It began operating in July 2003 and, by 30 June 2005, DOTARS had expended \$3.8 million developing and refining the system.⁸¹ The costs included two trips to Canada by senior departmental staff to meet with the software providers to discuss issues and problems associated with the development of TRAX.⁸²

2.83 One witness, the executive officer of the Kimberley ACC, claimed that TRAX is 'difficult, time-consuming, customer unfriendly and it should not be released until all the bugs have been removed'.⁸³ Ms Riggs agreed that when DOTARS first released the application 'front end' of TRAX it was very user unfriendly, quite problematic and had some limitations.⁸⁴ She informed the Committee that because some people had difficulty with the front end of the system DOTARS had implemented other means for the submission of applications, for example hard copy, that ensured that DOTARS staff rather than ACC staff are responsible for data entry. Ms Riggs also observed that the 'front end' is only part of TRAX, and that most of the system supports the internal

77 See, for example, *Regional Partnerships Funding Agreement between DOTARS and Primary Energy Pty Ltd*, tabled 12 August 2005, clause 11.1, p. 36.

78 See, for example, *Regional Partnerships Funding Agreement between DOTARS and Primary Energy Pty Ltd*, tabled 12 August 2005, clause 11.3, p. 36.

79 DOTARS, *Submission 14*, pp 11-13.

80 DOTARS, *Submission 14*, Attachment J, Internal assessment of DOTARS regional programme procedures against ANAO Better Practice Guide, audit and evaluation recommendations, p. 8.

81 Ms Riggs, *Committee Hansard*, 12 August 2005, pp 7-8.

82 Ms Riggs, *Committee Hansard*, 12 August 2005, pp 7-8.

83 Mr Durant, *Committee Hansard*, 15 July 2005, p. 96.

84 Ms Riggs, *Committee Hansard*, 12 August 2005, p. 10.

processing functions of staff of the department.⁸⁵ Ms Riggs claimed that the department had made substantial improvements to the system since July 2003 and that it 'provides appropriate elements of support'.⁸⁶

2.84 Reports on RP grants which were generated from TRAX and that were initially submitted to the Committee in January 2005 were wrong in some important details. Incorrect information was provided to the Committee about when some applications had been submitted and approved, hampering the Committee's inquiry. DOTARS had then to reconcile the data held in TRAX with paper records held in its regional offices,⁸⁷ with the result that the Committee did not receive reliable data on some important projects until May 2005.

2.85 The Committee is aware that mistakes can be made when people are entering data into electronic databases and spreadsheets, but it was particularly unfortunate that in this case those mistakes adversely affected the conduct of the inquiry. Furthermore, it is not clear what internal quality control mechanisms are in place to ensure the accuracy of TRAX data in the future.

Audit and Review

Audit reports and reviews

2.86 In its submission DOTARS listed five external reviews or audits of three precursor programs—Regional Assistance, Dairy Regional Assistance and Telecommunications Grants (which included Rural Transaction Centres) programs—and three internal reviews of the RP and SR programs. Copies of the executive summaries of those reviews were submitted to the Committee. The department stated that it had incorporated lessons from those reviews into the RP program 'to ensure that it operates in line with best practice programme administration'.⁸⁸ This Committee's report, *A funding matter under the Dairy Regional Assistance Program, June 2003*, was included among the external reviews.

2.87 DOTARS also provided an attachment to its submission which set out for the RP and SR programs the department's actions to meet the recommendations of the ANAO's *Better Practice Guide for the Administration of Grants* and the recommendations of the reviews and reports mentioned above.⁸⁹

2.88 As mentioned, DOTARS has conducted three internal reviews of the RP and SR programs. These reviews were as follows:

85 Ms Riggs, *Committee Hansard*, 12 August 2005, p. 10.

86 Ms Riggs, *Committee Hansard*, 12 August 2005, pp 7, 9.

87 Mr Yuile, *Committee Hansard*, 10 February 2005, p. 3.

88 DOTARS, *Submission 14*, p. 20.

89 DOTARS, *Submission 14*, Attachment J, Internal assessment of DOTARS regional programme procedures against ANAO Better Practice Guide, audit and evaluation recommendations.

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- KPMG (2004), *Findings and Recommendations on the Review of Regional Partnerships Programme*;
 - KPMG (2004), *Review of Regional Office Delivery*; and
 - KPMG (2004), *Review of the Sustainable Regions Programme Internal Audit*.

2.89 The department relied on the first of these reviews for its assessment that the RP program is delivering substantial benefits to communities across Australia, and for a measure of the effectiveness of expenditure under the program. The department claims that at least \$3 is contributed by state government, local government and the private sector for every program dollar, and that three jobs are generated for every \$50,000, with this rising to four jobs in the longer term.⁹⁰ The review also collected, among other things, data on the nature of the activities generated by RP funding and the allocation of funds by type of project.⁹¹

2.90 DOTARS informed the Committee that its evaluation strategy for both programs sets up processes to gather performance data on the impact of the programs against their stated objectives (and outcomes) and that the strategy is in three stages, as follows:

- Post-implementation review;
- Impacts of projects; and
- External evaluation.⁹²

2.91 The first stage of the post-implementation review of the SR program has been concluded and the second stage commenced. As part of the first stage evaluation of the RP program, an internal review of a selection of projects was conducted. The second part of stage one involved a client survey. That survey had been completed, but the report had not been produced, by 12 August 2005.⁹³ The second stage of the RP review is scheduled for 2006.⁹⁴ The external evaluation of the RP program is to begin in June 2006. The external review of the SR program is scheduled to report in late 2005-06.⁹⁵

2.92 While DOTARS provided evidence about the macro-level assessment of the SRP and RPP, the Committee notes that there is little evidence of evaluation of the outcomes of individual projects—evaluation of which is fundamental to any measure

90 DOTARS, *Submission 14*, p. 22.

91 DOTARS, *Submission 14*, Attachment K, Summary of the impacts and performance of a selection of DOTARS regional programs.

92 DOTARS, *Submission 14*, p. 21.

93 DOTARS, *Committee Hansard*, 12 August 2005, p. 14.

94 DOTARS, *Committee Hansard*, 12 August 2005, p. 13.

95 DOTARS, *Submission 14*, Attachment J, Internal assessment of DOTARS regional programme procedures against ANAO Better Practice Guide, audit and evaluation recommendations, p. 4.

of the success or otherwise of the programs. The Committee also notes the absence of a clear link between RP or SR funding and demonstrated regional development outcomes commensurate with the quantum of funding.

ANAO Best Practice Guide

2.93 As reported in the previous section, DOTARS submitted an attachment to its submission (Attachment J) in which the administrative processes adopted for the RP and SR programs were listed against the principles set down in the ANAO's *Better Practice Guide for the Administration of Grants, May 2002* (the Better Practice Guide). In general, DOTARS has addressed the principles, but there appear to be shortcomings, which are possibly outside the department's control. Under 'Grant Announcements' for example, the ANAO's recommendation is that grant offers should be made and unsuccessful applicants advised as soon as possible. DOTARS has asserted that announcements are made as soon as possible, but the timing of the announcements is a matter for the minister, and DOTARS may not necessarily know when announcements are made.⁹⁶ Additionally, although DOTARS has produced and promulgated guidelines for applicants in line with the ANAO principles, there is no mention of the SONA procedures in the guidelines or in Attachment J to DOTARS' submission.

2.94 The Better Practice Guide also states that the objectives of a program must be clearly documented and communicated to all stakeholders, as follows:

Grant programs should operate under clearly defined and documented operational objectives...Operational objectives for the program should include quantitative, qualitative and milestone information or be phrased in such a way that it is clear when these objectives have been achieved, Adequate information will then be available on which to base future decisions for continuing or concluding the program.⁹⁷

2.95 However, the RP program has four extremely broad objectives, which are as follows:

- Strengthening growth and opportunities
- Improving access to services
- Supporting planning
- Assisting in structural adjustment⁹⁸

2.96 The Committee does not accept DOTARS' claim that these objectives meet the ANAO Better Practice Guide's principle of defining operational program

96 DOTARS, *Committee Hansard*, 10 February 2005, p. 67.

97 ANAO, *Better Practice Guide for the Administration of Grants*, May 2002, p. 9.

98 DOTARS, *Submission 14*, Attachment J, Internal assessment of DOTARS regional programme procedures against ANAO Better Practice Guide, audit and evaluation recommendations, p. 3.

objectives.⁹⁹ The Committee considers it imperative that the RP program objectives be made specific to enable the meaningful evaluation of the program.

99 DOTARS, *Submission 14*, Attachment J, Internal assessment of DOTARS regional programme procedures against ANAO Better Practice Guide, audit and evaluation recommendations, p. 3.