Resources for Regions Rounds 5 and 6

Process Evaluation
Program design, establishment and implementation

Economic Appraisal and Evaluation
Economics Branch
Strategy and Delivery Group
Department of Premier and Cabinet

March 2021

Contents

Executive Summary

The Resources for Regions (R4R) program was announced in 2012. Six rounds have been completed to date. Rounds 5 and 6, the focus of this report, is funded from Restart NSW funds. These Rounds intend to improve economic and social infrastructure in mining-affected communities and improve economic growth and productivity in NSW.

This report is a process evaluation of Rounds 5 and 6 of R4R, covering program establishment, the application process, assessment of applications and negotiation of funding deeds. It was informed by a document review undertaken by Departmental evaluators and a staff and applicant survey undertaken by an independent evaluation consultant. The evaluation does not consider the project delivery phase that is managed by Infrastructure NSW.

The Department of Premier and Cabinet's (DPC) Program Evaluation Unit undertook this process evaluation in accordance with the evaluation guidelines and methods outlined in the R4R Program Evaluation Plan (PEP). This PEP was endorsed by Executive Directors in relevant Departments and is consistent with the NSW Government's Program Evaluation Guidelines (2016).

This process evaluation found that the program was successfully implemented as intended, with a two-stage competitive grant process through two assessment panels with wide ranging stakeholder membership. The result is the delivery of improved local infrastructure and services to mining-affected communities in NSW.

Learnings from previous Rounds of the program gave Rounds 5 and 6 a firm foundation for program planning. There was also an improvement in program implementation from Round 5 to Round 6.

Program staff worked adaptively and effectively when faced with unforeseen implementation challenges, and had relatively good overall working relationships with stakeholders.

The overarching program objective of improving economic and social infrastructure in mining-affected communities is stated clearly.

Less clearly articulated is the program aim to improve growth and productivity, which was interpreted by applicants as growing their local economy as opposed to the NSW economy. This caused friction with the Cost-Benefit Analysis (CBA) methodology used in application assessment, which was conducted from the perspective of the NSW community as a whole in accordance with NSW Government CBA guidelines.

Information was generally well communicated to applicants, and communication improved from Round 5 to Round 6. Applicants were kept up to date with the progress of their applications and provided with feedback.

Applicants were not required to provide specific and measurable program-consistent outcomes with well justified links to their proposed project. A mechanism to collect project outcomes, particularly long-term outcomes, is not included in contractual funding agreements or program design. This compromises the ability to understand the extent to which the program is achieving its objective.

A framework to evaluate the achievement of program outcomes is being prepared by Departmental evaluators.

Findings and Recommendations

Finding 1 – Evaluation Question 1: *Did the program have clear and consistent objectives?*

The overarching program objective of improving economic and social infrastructure in mining-affected communities is clearly and consistently stated across program documentation and aligns to government policy and cabinet approval documentation. However, the scope of the 'improve growth and productivity' element within the program objective is not clearly defined and was open to varied interpretation by applicants and program staff.

Recommendation 1 - Ensure that key program objectives are stated unambiguously and embedded into assessment criteria design. Avoid potentially conflicting objectives.

Finding 2 – Evaluation Question 2: *Was the program appropriately planned?*

Learnings from previous Rounds of the program gave Rounds 5 and 6 a firm foundation for program planning. The implementation phase would have benefited from a better defined program objective as this had flow-on effects on the design and suitability of the assessment methodology and criteria, a key aspect of program planning.

Finding 3 – Evaluation Question 3: *Was information about eligibility, the application process and project reporting requirements well communicated to the target audience?*

Information on eligibility and the application process information was generally well communicated to applicants, and improved from Round 5 to Round 6. However, reporting requirements were not communicated clearly in the information that was available to prospective applicants.

Recommendation 3 - Clearly outline project reporting requirements in external program guidelines.

Finding 4 – Evaluation Question 4: *Were project approval decisions transparent and in line with eligibility and assessment criteria?*

Together, Rounds 5 and 6 funded 20 projects after comprehensively assessing 100 EOI applications. The assessment and approval of applications was transparent and in line with eligibility and assessment criteria. Applicants were kept up to date with the progress of their applications and provided with feedback. All funded projects met eligibility and assessment criteria and project approvals were in line with Program Guidelines.

Finding 5 – Evaluation Question 5: *Did funded projects identify specific and measurable outcomes in their proposals?*

The program is funding $54 million of economic and social infrastructure in mining-affected communities. Funded applicants identified how their project would improve infrastructure, the short-term program outcome. Applicants were not requested to provide specific and measurable program-consistent outcomes with well justified links to their proposed project. Nor were they required to provide outcome performance indicators and methods to inform understanding of project contribution to program outcomes.

Recommendation 5.1 - Program documentation should place greater emphasis on the requirement for applicants to report specific and measurable program-consistent outcomes and associated S.M.A.R.T outcome indicators.

Recommendation 5.2 - Funding should be contingent on successful proposals providing a clear and reasonable link between a program-consistent outcomes and the project's primary outcome.

Finding 6 – Evaluation Question 6: *Were mechanisms in place for outcome achievement to be assessed and appropriate KPI's identified and monitored?*

The program aims to achieve the long-term outcomes of improved economic growth and productivity in NSW. Output monitoring is embedded in contractual funding agreements with successful applicants. However, mechanisms to collect project outcomes, particularly long-term outcomes, are not included in contractual funding agreements or program design. This limits the ability to understand the extent to which the program is achieving its objective. A framework to evaluate the achievement of program outcomes has subsequently been developed.

Finding 7 – Evaluation Question 7: *Was the program adequately resourced to undertake its planned activities?*

The program successfully delivered Round 5 and 6 in a period of nine-ten months per Round. Resourcing was sufficient to facilitate the program's planned activities. While resourcing was budgeted for the program at agency level, a separate program administration budget could not be identified for Round 5 and an incomplete budget could only be identified for Round 6.

Recommendation 7 - The administration of all programs should have standard project management tools in place to ensure that programs are administered effectively and efficiently. Monitoring resource expenditure against the plan facilitates adaptive implementation.

Finding 8 – Evaluation Question 8: *How effective were the program's governance arrangements?*

The program successfully implemented a two-stage competitive grant process through two assessment panels with wide ranging stakeholder membership. The program would have benefitted from clearer articulation of stakeholder roles and responsibilities, probity procedures, and maintenance of program records.

Recommendation 8 - Clearly document all stakeholder roles and responsibilities, and ensure that stakeholders understand this prior to commencing their role in the assessment process.

Process Evaluation

About Resources for Regions

The Resources for Regions (R4R) program was announced in 2012. Six rounds have been completed to date with Rounds 5 and 6 the subject of this evaluation report. The fund is resourced from Restart NSW Fund, established by the *Restart NSW Fund Act 2011*. The program objective is to improve economic and social infrastructure in mining-affected communities and improve economic growth and productivity in NSW through the delivery of improved local infrastructure and services.

R4R is one of eight grants programs distributing $1.7 billion in NSW Government funding for regional infrastructure and community programs under the Regional Growth Fund. R4R Rounds 5 and 6 were allocated $50 million for each Round. A total of $54.2 million across both Rounds was distributed to 20 projects through a competitive grants process. Both Rounds were under-spent.

Project contracting by Infrastructure New South Wales (INSW) commenced in July 2018 for Round 5 and July 2019 for Round 6 and many projects are still underway.

About this Evaluation

Process evaluation assesses the effectiveness and efficiency of program activities in facilitating the attainment of program objectives. These activities link the program's objectives and expected outcomes in the program "logic" that underpins the Program Evaluation Plan. Process evaluation is critical to determining whether failure to achieve a program's objectives arises from an error in the program logic (i.e. an error in "the theory of change" which assumes that particular activities will produce particular outcomes) or from ineffective implementation of the planned program activities.

This report is a process evaluation of R4R Rounds 5 and 6. It is the first of several planned evaluation reports on the R4R program. The findings reported here apply only to the administration and delivery of these Rounds. Rounds 1 to 4, administered between 2013-14 and 2015-16, provided $230 million of funding to 40 projects. The *Regional Assistance Programs Performance Audit*[1] by the NSW Auditor-General covered Rounds 1 to 4.

The scope of this process evaluation report includes program establishment, the application process, the assessment of applications for funding, and the negotiation of funding deeds for approved projects. Included is program design and planning, and program delivery up to the point of contracting grant recipients by funding deed. Excluded is the actual building of the project infrastructure, which will be covered in the final process evaluation.

Other evaluation reports scheduled for R4R Rounds 5 and 6 include a final process evaluation, an outcome evaluation and an economic evaluation. These evaluation reports are outlined in the evaluation plan, which is consistent with NSW Government Program Evaluation Guidelines (2016).

Evaluation Approach

The process evaluation was conducted in three parts, as follows:

1. Review of program documentation - A review of public facing and internal program documentation conducted by the DPC Program Evaluation Unit
2. Survey – Staff and applicant survey conducted by an independent evaluation consultant

3. A synthesis analysis comparing, considering, and integrating the results of the document review and the staff and applicant survey, drawing out the overall "learnings" (conclusions) from the process evaluation (this report).

The attachments to this report comprehensively outline the R4R program.

The sample of applicant survey response rates by organisation type broadly reflect the overall program applicants by type. This provides confidence that sentiments expressed by applicants in the survey are broadly representative of the applicant population.

A final process evaluation is scheduled for 2021. The implementation of funded projects, including the timeliness of projects, is covered in the final process evaluation. There will be no additional applicant survey for the final process evaluation.

Evaluation Context

Identified issues with program design or delivery, and subsequent recommendations, are intended to inform the design and delivery of future grant administration programs. To some extent the observations in this report benefit from 'hindsight wisdom', and it is acknowledged that some identified issues with R4R Rounds 5 and 6 would not have been easy to predict in advance.

R4R Round 5 and 6 administration occurred across three Machinery of Government changes in NSW. The first, in early 2017, saw program administration transition from INSW and the Department of Industry to INSW and the DPC, the second, in mid-2019, saw program administration change to INSW and the Department of Planning, Industry and Environment and in April 2020 the DRNSW was established with program administration shared between DRNSW and INSW.

The University of Technology Sydney's Institute for Public Policy and Governance also undertook research and analysis to inform a review of the R4R program in late 2019. The review made several recommendations to reshape and refocus the program, including updating and refining the objective of the program.

Evaluation Questions

The DPC Program Evaluation Unit undertook this R4R process evaluation in accordance with evaluation questions and evaluation outlined in the Program Evaluation Plan (PEP) for R4R Rounds 5 and 6.

The PEP was developed by the DPC Program Evaluation Unit with significant involvement of R4R program managers. The PEP was independently endorsed by the Executive Directors responsible for the Program Evaluation Unit and the R4R program respectively.

Evaluation questions are the high-level questions that an evaluation is designed to answer. Having agreed evaluation questions in place clarifies what data and information is to be collected, analysed, and reported by the evaluation.

This process evaluation answers the eight evaluation questions for R4R, which are:

1. Did the program have clear and consistent objectives?
2. Was the program appropriately planned?
3. Was information about eligibility, the application process and project reporting requirements well communicated to the target audience?
4. Were project approval decisions transparent and in line with eligibility and assessment criteria?
5. Did funded projects identify specific and measurable outcomes in their proposals?
6. Were mechanisms in place for outcome achievement to be assessed and appropriate KPI's identified and monitored?
7. Was the program adequately resourced to undertake its planned activities?
8. How effective were the program's governance arrangements?

The following section outlines the evaluation findings relevant to each of these evaluation questions based on the findings of the document review and the staff and applicant survey.

Evaluation Findings

Was the program implemented as intended?

This process evaluation found that, overall, the program was implemented as intended. Twenty projects were funded, after 100 EOI applications were comprehensively assessed. Implementation would have benefited from a better defined program objective. Mechanisms to collect data on project outcomes, particularly long-term outcomes, were also not included in program design. There is evidence of good working relationships and arrangements between key staff stakeholders and information was generally well communicated to prospective applicants.

The following sections outline the findings for each evaluation question, and the supporting evidence.

1. Did the program have clear and consistent objectives?

Finding 1

The overarching program objective of improving economic and social infrastructure in mining-affected communities is clearly and consistently stated across program documentation and aligns to government policy and cabinet approval documentation. However, the scope of the 'improve growth and productivity' element within the program objective is not clearly defined and was open to varied interpretation by applicants and program staff.

The program objective is to improve economic and social infrastructure in mining-affected communities, and to improve economic growth and productivity through the delivery of improved local infrastructure and services. This is consistent with government policy and consistent across program documentation for staff, prospective applicants and the general public.

It was clear from both the document review and the staff and applicants survey that the program objective was ambiguous when it came to the element of 'improve economic growth and productivity'.

The program objective to improve economic growth and productivity was stated consistently in program communications. However, it was not clearly defined geographically. A result was that R4R applicants interpreted the aim of the program as growing their local economy, whereas as project assessments undertaken by program staff reflected the aim of the program as growing the NSW economy. Where applicants identified that their project would improve economic growth and productivity, this was mostly for their region or local economy.

Surveyed program staff confirmed the stated program objective lacked clarity and suggested this was due to a failure to identify the underlying problem that R4R aimed to address, which makes it difficult to specify exactly what outcomes the program was intended to deliver.

The lack of clarity about the intended objective of the program affected the planning and design of the program, including the design of the eligibility and assessment criteria. Planning is discussed in question 2.

2. Was the program appropriately planned?

Finding 2

The program has successfully delivered improved local infrastructure and services in mining-affected communities. Learnings from previous Rounds of the program gave Rounds 5 and 6 a firm foundation for program planning. The implementation phase would have benefited from a better defined program objective as this had flow-on effects on the design and suitability of the assessment methodology and criteria, a key aspect of program planning.

The application process for Rounds 5 and 6 of the R4R program consisted of two stages, an EOI and a detailed application. Learnings from previous Rounds (i.e. Rounds 1 through to 4) enabled improved planning and design of Rounds 5 and 6, although a mechanism to collect project outcome data to show the achievement of program outcomes remained absent. Outcome monitoring is discussed in Question 6.

Application Eligibility

Employment location quotient determined whether a community was mining-affected and eligible for funding under the program. This was an effective way of communicating clearly and unambiguously which communities were located in mining-affected areas. It also allowed flexibility by allowing councils who were not automatically considered eligible to put forward in their application evidence of mining impacts on their community and therefore eligibility.

The introduction of the employment location quotient in Round 6 seemingly contributed to the reduced number of ineligible applicants in Round 6 compared to Round 5. Most of the surveyed program staff echoed this view.

RNSW program staff indicating that the location quotient approach gave flexibility by allowing evidence-based cases to be made where regions were soon to become mining impacted, allowing fund uptake to reflect changing regional needs.

Assessment Criteria

Who was responsible for the assessment of each criteria was not clear or explicitly stated in the assessment guidelines or other program documentation. According to surveyed program staff this lack of clear documentation did not affect the assessment process. The document review, however, identified that the assessment criteria were not clearly-defined, raising a risk that the assessment criteria were open to interpretation and therefore inconsistently applied across applications.

It was proposed by some surveyed applicants that the assessment criteria should be weighted, and that these weightings should be communicated to applicants to improve objectivity and transparency. Surveyed program staff and assessment panel members, however, suggested that the assessment criteria were largely appropriate and clear.

Cost Benefit Analysis (CBA)

In accordance with the NSW Government CBA Guidelines (2017), CBAs from the whole of NSW community perspective were used to assess the *economic* assessment criteria. This appears to be appropriate to select the best value projects if the program objective of 'improve economic growth and

productivity' relates to growth of the NSW economy. It may not, however, have been appropriate if the program objective was to grow the local economy of a mining impacted community.

Both surveyed program staff and applicants responding to the survey suggested that the CBA assessment was problematic for social infrastructure projects because of the difficulty quantifying benefits from these project types, thus it was difficult to gain a Benefit Cost Ratio(BCR) greater than one.

The CBA methodology is based on a comparison of the benefits to NSW of the proposal with the costs to NSW of the proposal. Applicants interpreting the objective as benefiting their local economy can find that the BCR for their project is less than one because these local benefits do not outweigh the costs to the NSW economy. From an applicant's perspective, such a project is likely to represented good value for money for their region and community.

Some social infrastructure projects were funded. They were assessed as having a BCR greater than one using stated preference community surveys. Lack of a consensus view across all surveyed program stakeholders on the use and appropriateness of BCRs seemingly stems from the program objective not being defined clearly enough, or the program objective not sufficiently reflecting the underlying problem that the program is intended to solve.

3. Was information about eligibility, the application process and project reporting requirements well communicated to the target audience?

Finding 3

Information on eligibility and the application process information was generally well communicated to applicants, and improved from Round 5 to Round 6. However, reporting requirements were not communicated clearly in the information that was available to prospective applicants.

Almost all applicants were aware that they could contact agency staff for support during the application process, and almost all of those who did were very satisfied with the timeliness and helpfulness of the response.

Application Eligibility

Communication of applicant and project eligibility improved from Round 5 to 6. The introduction of the mining employment location quotient more clearly defined 'mining related' for prospective applicants and contributed to reducing the number of ineligible applicants.

Applicants from both Rounds who responded to the survey indicated that the information provided to them was clear and easy to understand. However, there were comments that communication about what projects were eligible could be improved.

Assessment Process

Some elements of the assessment process were not clearly communicated in Round 5, including co-contribution requirements, which resulted in some projects submitting a detailed application and subsequently not proceeding to funding as they did not meet this criterion.

All documents available to help applicants with the application process were used by the majority of applicants responding to the survey, and these documents were seen as being helpful. The webinars, and program information sheets were reportedly used less than other key information material.

Reporting Requirements

There was consensus between the document review and the staff and applicant survey that reporting requirements should have been better communicated to prospective applicants. While communication improved from Round 5 to Round 6, applicants responding to the survey identified that project reporting requirements were unclear. Outcome monitoring is discussed in question 6.

4. Were project approval decisions transparent and in line with eligibility and assessment criteria?

Finding 4

Together, Rounds 5 and 6 funded 20 projects after comprehensively assessing 100 EOI applications. The assessment and approval of applications was transparent and in line with eligibility and assessment criteria. Applicants were kept up to date with the progress of their applications and provided with feedback. All funded projects met eligibility and assessment criteria and project approvals were in line with Program Guidelines.

Assessment Process

Both the document review and staff and applicant survey indicate that the assessment and approval of applications appeared to be transparent and in line with eligibility and assessment criteria. All funded projects were assessed in accordance with the assessment criteria, had a BCR greater than one, and met the eligibility criteria and minimum co-contribution amounts.

There were minor instances of incomplete shortlisting by DRNSW, resulting in ineligible applications progressing further along the assessment process than they should have. There was also an instance in Round 5 where an ineligible project incorrectly progressed through to the detailed application stage. Final funding decisions were, however, consistent with the eligibility and assessment criteria.

Applicant Feedback

Applicants were generally kept up to date with the progress of their applications and provided with feedback on their application if requested.

Notifying applicants of the outcome after a decision had been made on their application at each stage was timely, with the exception of a delay in notifying applicants of the outcome of their detailed application in Round 6 which took over three months. The delay was related to NSW State election caretaker requirements in April 2019.

Announcements are generally made by relevant Ministers or the local MP. Funding agreements are usually finalised once a project has been announced and so a delay in the announcement can lead to a delay in signing the agreement and commencement of the project. One Round 6 applicant responding to the survey commented that it took a long time to hear back on the outcome of their application.

The majority of unsuccessful applicants responding to the survey sought feedback on their application. A higher proportion of Round 6 (relative to Round 5) unsuccessful applicants responding to the survey reported that they 'completely or mostly' understood the reasons why their project was not funded compared to Round 5.

5. Did funded projects identify specific and measurable outcomes in their proposals?

Finding 5

The program is funding $54 million of economic and social infrastructure in mining-affected communities. Funded applicants identified how their project would improve infrastructure, the short-term program outcome. Applicants were not requested to provide specific and measurable program-consistent outcomes with well justified links to their proposed project. Nor were they required to provide outcome performance indicators and methods to inform understanding of project contribution to program outcomes.

To realise program outcomes, the infrastructure built by funded projects should logically result in the outcomes sought by the program. A clear and convincing link between the project infrastructure and program outcomes was rare in applicants' business cases. However, the program objective was somewhat ambiguous, which may have affected applicant's ability to identify program- consistent outcomes in their applications. Additionally, there was no requirement to identify program- consistent outcomes in business cases, nor was this part of the assessment process.

Applicants responding to the survey indicated that it was 'easy or somewhat easy' to identify the intended outcomes of their project. Analysis included in the document review identified that the business cases submitted by applicants of funded projects appeared to confuse outputs, outcomes and measures.

The analysis of funded applications in the document review found that identification of performance measures associated with the short-term project outcomes stated in proponents' applications did not reflect the S.M.A.R.T best practice performance indicator approach that that was suggested in the program's business case guidelines document.

Some applicants responding to the survey indicated that it was 'very difficult or somewhat difficult' to identify key metrics for monitoring the performance of their project and to identify methodologies to collect relevant data.

Lack of specific and measurable program-consistent outcomes in funded proposals creates a risk that the program funded projects that are not necessarily best suited to deliver on the program objective. Lack of S.M.A.R.T indicators and associated data collection methodologies in project applications also risks that overall program outcomes cannot be measured or reported later.

Grant programs should ensure that program documentation fully supports prospective applicants to report specific and measurable program-consistent outcomes, along with a requirement that funding is contingent on proposals providing this information.

6. Were mechanisms in place for outcome achievement to be assessed and appropriate KPI's identified and monitored?

Finding 6

The program aims to achieve the long-term outcomes of improved economic growth and productivity in NSW. Output monitoring is embedded in contractual funding agreements with successful applicants. However, mechanisms to collect project outcomes, particularly long-term outcomes, are not included in contractual funding agreements or program design. This limits the ability to understand the extent to which the program is achieving its objective. A framework to evaluate the achievement of program outcomes has subsequently been developed.

The first step in understanding outcome achievement and the impact of program investment is validating that outputs have been delivered as planned. INSW funding deeds stipulate that applicants are to report on the status of the project and on key achievements. The final key achievement is the completion of the project (i.e. the construction of the infrastructure). Following this, the final payment would be made and the funding deed would then be completed. Applicant reporting ends after the infrastructure has been built, but from a program perspective this an output, not an outcome.

Validation of program outcome achievement is required to understand if the program has been successful at achieving its aims, which include improved economic growth and productivity in NSW.

Performance measures for the short-term project outcomes of funded applications were insufficiently measurable or specific. In addition, a clear and convincing link between the project infrastructure and the long-term outcome of improved economic growth and productivity in NSW was rare in project business cases.

Most applicants responding to the survey indicated that it would be somewhat easy to identify KPIs/metrics for monitoring the performance of their project, but there were mixed responses from applicants when asked how easy it was to identify methodologies to collect outcomes data.[34]

The document review found no evidence to suggest that program KPIs to track the achievement of the program against its objectives are in place. It appears that data collected from project applicants is only used for the assessment process. Integrating a lifecycle performance framework into grants program design, as recommended by the NSW Auditor-General, would ensure that the necessary data to report on program success was collected throughout program delivery.

A framework to evaluate the achievement of program outcomes has subsequently been developed. Under this framework DRNSW will collect data after project completion and will report on program success in the interim outcome evaluation, which is scheduled for 2022.

7. Was the program adequately resourced to undertake its planned activities?

Finding 7

The program successfully delivered Round 5 and 6 in a period of nine-ten months per Round. Resourcing was sufficient to facilitate the program's planned activities. While resourcing was budgeted for the program at agency level, a separate program administration budget could not be identified for Round 5 and only an incomplete budget could be identified for Round 6.

Both the document review and the staff and applicant survey indicate that a realistic timeframe to deliver a Round of the R4R program is nine to ten-months. This is based on the historically allocated administration resourcing that the program has had per Round.

Surveyed program staff generally indicated that resourcing was sufficient to complete their role in the program, though RNSW staff noted that Round 5 used all existing staffing capacity and Round 6 could have benefited from an additional staff member.

One indicator of adequate resourcing is staff stress and tensions between stakeholders. All surveyed program staff and key stakeholders involved in program administration rated working relationships as good or very good.

The document review identified that program administration budgeting consisting of operating and employment-related expenses for 2018-19, which only covers the program administration for Round 6. Even so, this administration budget appeared to be in surplus at the time of the document review. According to this budget one FTE from RNSW was involved in the planning and management of the program. INSW staffing was allocated across the program administration of multiple programs.

8. How effective were the program's governance arrangements?

> **Finding 8**
>
> The program successfully implemented a two-stage competitive grant process through two assessment panels with wide ranging stakeholder membership. The program would have benefitted from clearer articulation of stakeholder roles and responsibilities, probity procedures, and maintenance of program records.

Effective governance arrangements ensure that a program is delivered in line with its aims while maintaining procedural integrity. Some aspects of the program's governance arrangements that were either not in place, or only partially effective, during the implementation of the program are discussed below.

Roles and responsibilities

Clarity of roles and responsibilities for both individuals and organisations administering both Rounds of the program could have been improved by ensuring current and updated documentation. For example, the 2018 Memorandum of Understanding was prepared after the assessment of Round 5 applications.[41]

Both Regional Infrastructure Assessment Panel (RIAP) and Centre of Economic and Regional Development (CERD) suggested their role could have been more clearly defined and they were unprepared at the beginning of program administration, but that this improved over the course of delivery.[42] The document review and the survey of program staff also identified that the roles and responsibilities of those involved in the assessment of applications should be more clearly defined in the assessment methodology.

Planning is discussed in Question 2.

Record-keeping

Record keeping is an important part of program governance and transparency. Program record keeping was shared between DRNSW and INSW and therefore records relating to the program are held across the two organisations. Only documents in the DRNSW record keeping systems were made available for this evaluation. This means that documentation not held by DRNSW, including some communication with applicants and RIAP panel minutes were not sighted.[43] Due to INSW confidentiality protocol, not all conflict of interest declarations or the conflict of interest register were sighted by the DPC Program Evaluation Unit.

Probity

Surveyed program staff suggest that probity was well-managed.[45] Program administration followed standard processes and O'Connor Marsden & Associates was hired as an external advisor for both INSW and the DPC. Probity advisors reported that they followed the standard scope for funding programs, attended RIAP and Senior Officers Group (SOG) panel meeting and provided on the spot probity advice.[46] Any probity issues were reported to have been documented in panel minutes.

The document review largely confirms this for Round 6. Information on Round 5 probity management was not as complete, with no documentation of probity advice sighted, and the probity plan for Round 5 being completed after program administration had commenced instead of during the program planning and design phase.