



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

**2009-10 AND 2010-11 FINANCIAL AND PERFORMANCE OUTCOMES
QUESTIONNAIRE PART TWO**

**DEPARTMENT OF PLANNING
AND COMMUNITY DEVELOPMENT**

Question 1

For each of the Central Activities Areas (formerly Central Activities Districts), please provide details of expenditure in 2009-10 and 2010-11 compared to budget and explain any variations greater than ± 10 per cent:

Central Activity Area	2009-10 budget	2009-10 actual	2010-11 budget	2010-11 actual	Explanations for variations greater than ± 10 per cent
	(\$m)	(\$m)	(\$m)	(\$m)	
Box Hill	0.00	0.00	0.00	0.38	2010-11 - Underspend from other projects within Urban Development were used to fund expenditure for necessary studies and investigations for Box Hill.
Broadmeadows - Asset	2.50	2.22	9.50	9.06	2009-10 – Underspend was predominantly due to the delay with associated costs relating to the acquisition of the former Broadmeadows Primary School site.
Broadmeadows – Output	3.00	4.30	4.47	0.21	2009-10 – Higher funds expended due to the early payment of the first instalment for the Leisure Centre Grant (\$1.48m). 2010-11 – \$1.48m of Leisure Centre Grant paid out in 2009-10. The balance of the Grant (\$2.2m) was carried over to future years due to the Council not meeting milestones. Payments were therefore not made.
Dandenong	37.40	25.40	32.30	51.67	Due to changes in program timings, lower funds were expended in 2009-10, but were carried over and subsequently spent in the 2010-11 year.
Footscray - Asset	24.61	20.67	10.01	9.02	2009-10 – The project underspend was due to delays in construction of the Footscray Station forecourts. 2010-11 – Includes carryover from 2009-10 of \$5.055 million, therefore variance less than 10%.
Footscray – Output	2.50	2.40	0.32	0.74	2010-11 – Underspend from other projects within Urban Development used to fund additional expenditure in Footscray, in particular for marketing, project management and place making costs.
Frankston	0.00	0.00	0.00	0.22	2010-11 - Underspend from other projects within Urban Development were used to fund expenditure for necessary studies and structure plans for Frankston.

Central Activity Area	2009-10 budget	2009-10 actual	2010-11 budget	2010-11 actual	Explanations for variations greater than ± 10 per cent
	(\$m)	(\$m)	(\$m)	(\$m)	
Geelong - Asset	0.00	0.00	0.00	0.78	2010-11 – Project was funded post budget by a Treasurer's Advance, which was approved on 16 September 2010.
Geelong – Output	14.40	5.67	0.50	5.47	2009-10 – Land acquisition and compensation payments were delayed due to legal negotiations. Also delayed were cash flow for Trainshed Way construction and payments to the Department of Transport (construction service provider). 2010-11 – The variance is due to amounts carried over from 2009-10.
Ringwood - Asset	12.00	8.60	5.24	2.75	2009-10 – This relates to budget allocated for the Town Centre South project being rephased to future years (2010-11 and 2011-12). 2010-11 – This is predominantly due to the Government's decision to cancel the Town Centre South project.
Ringwood - Output	0.40	0.47	0.60	0.31	2010-11 – The variance is due to under-expenditure for salaries.

Question 2

Given the underspend in the Revitalising Central Dandenong project in 2009-10 (*Annual Report 2009-10*, p.29), please provide details of:

- (a) progress of the project in 2010-11 compared to budget and timeliness targets; and

Expenditure on the Revitalising Central Dandenong project was under budget in 2009-10 but caught up in 2010-11 due to timing changes in the delivery of infrastructure and the response by the private sector. The project is subject to changes in economic conditions but is expected to be completed in 2023. All state-funded infrastructure is expected to be completed in the 2012-13 year.

- (b) net benefits and outcomes achieved to date by this project.

The benefits and outcomes achieved to date by the Revitalising Central Dandenong project include:

- \$297 million in private sector investment.
- 10% increase in office/commercial floor space and 4.4% increase in retail floor space since 2005.
- 700 more jobs than in 2006, and a reversal of the previous declining job trend.
- Over 400 more homes than in 2006, and a growing number of quality apartment buildings being planned, presold or built in the area.
- More than 800 new residents since 2006, and a reversal of the declining population trend.
- 33% increase in public transport usage since 2006.

Question 3

With regard to the performance indicator 'Central Activities District projects delivered against agreed project implementation plans':

- (a) please provide the number of projects included in this measure in 2009-10 and 2010-11; and

For this measure in 2009-10, 98 projects were assessed across six Transit Cities/Central Activities Districts. In 2010-11, 85 projects were assessed across six Transit Cities/Central Activities Districts.

- (b) please detail whether the achievements of multiple milestones for each project is included when calculating results for this measure or whether it only includes completion milestones; and

This performance measure assessed the progress of each project against agreed schedules included in the project implementation plans. The milestone measures included achievements such as project inception, contract agreement, practical completion etc, not simply the final completion of the full project

- (c) for the purposes of this measure, are the agreed plans against which delivery is measured the plans agreed at the start of the project or at some later time point?

The usual process was to identify and schedule all projects in the original project implementation plans. The Project Control Board (the principal governance structure for these projects) is responsible for ensuring the maintenance of plans and inclusion of all projects in the schedule. Some milestones for some projects were amended during project delivery, depending on progress, scope changes etc.

Where project implementation plans were introduced after some projects had already been funded and commenced, project managers reported to the Project Control Boards against this measure through the monthly project status reports.

Question 4

Please detail any changes to the Central Activities Areas/Districts program following the change of government in 2010, including changes to goals and changes to funding.

The Government has decided not to proceed with the Ringwood Bus Interchange project.

The Government is reviewing tenders for the Broadmeadows Government Services Building.

Question 5

The annual reports for 2009-10 and 2010-11 refer to the Councils Reforming Business program (*Annual Report 2009-10*, p.54; *Annual Report 2010-11*, p.40) which was to assist councils to identify shared priorities and find new ways to boost efficiency, reduce costs and provide better services to the community. Please provide details of what has been achieved by this program to date, quantifying the achievements where possible.

All elements of the Councils Reforming Business program have been completed except for the Building Site Management (BSM) project. An evaluation of the completed elements is currently underway.

The BSM project has undergone re-scoping and is now expected to be implemented by the end of 2012. A separate evaluation will be undertaken for the BSM initiative upon completion.

Question 6

The Auditor General completed a report in March 2011 on the Transport Connections program (*Local Community Transport Services: the Transport Connections program*).

(a) What action has DPCD taken to date on the recommendations?

Audit recommendation	Actions taken
<p>The Department of Planning and Community Development (DPCD) and the Department of Transport should strengthen and better document grant assessment processes so all funding decisions can be shown to have been appropriately and equitably considered.</p>	<p>The Transport Connections Program has implemented two key frameworks of the DPCD Grant Reform program:</p> <ul style="list-style-type: none"> • The Community Investment Framework • The Monitoring and Administration Framework for awarded grants. <p>Implementation of these frameworks started in October 2010 and is ongoing. Further detail is provided in response to Question 6(b).</p>
<p>DPCD should strengthen project governance and accountability by:</p> <ul style="list-style-type: none"> • Monitoring that partnership groups manage local projects effectively in accordance with the community focused Transport Connections Program (TCP) governance model. • Establishing reliable arrangements for ongoing, effective cross-government coordination for the TCP • Enforcing the accountability requirements of funding agreements 	<p>The following project governance and accountability activities were initiated and completed:</p> <p><u>Monitoring</u></p> <ul style="list-style-type: none"> • Partnership Delivery Agreements outline the roles and responsibilities of central and regional office staff. DPCD regional services staff attend local Steering Group meetings and provide support for effective operation of the agreements • Reporting on progress of local partnership groups has been included in the revised six- monthly reporting tool/template • A tool has been developed to allow coordinators to track the effectiveness of local partnerships (over a 12-month period). The tool is part of the Evaluation Framework and has been distributed to project and DPCD regional services staff. • Communication Guidelines and tools have been developed to ensure clarity and consistency across all projects. <p><u>Cross-government coordination</u></p> <ul style="list-style-type: none"> • A new cross-government Steering Group established and is meeting quarterly. • Membership at Executive Officer level from Departments of Planning and Community Development (Chair), Transport, Education and Early Childhood, Health and Human Services. • Revised Terms of Reference and roles of members have been outlined. • A summary report of meetings is provided to stakeholders through monthly bulletins.

Audit recommendation	Actions taken
	<p><u>Innovation Fund:</u></p> <ul style="list-style-type: none"> • A cross-sector Advisory Group has been convened to provide input to development of guidelines for submission and assessment. • Membership of the Advisory Group comprises: the Victorian Community Transport Association, Youth Affairs Council of Victoria, VicHealth, Adult Multicultural Education Services, Sustainability Victoria, and the Rural and Regional Councils Association. • A survey of all 34 projects for input into development of the Innovation Fund was conducted. <p><u>Contract Management:</u></p> <ul style="list-style-type: none"> • A review and clarification of roles and responsibilities of central and regional office staff was conducted. Contract management roles were specified. • Partnership Delivery Agreements containing the above have been executed by Community Development and Regional Services Executive Directors. • Progress review meetings held for all projects prior to 2010-13 funding to ensure acquittal of 2006-10 deliverables and establish baselines for the new funding agreement. • Project risk logs were developed for all projects and payments to projects reverted back to meeting of milestones and deliverables (not 6-monthly).
<p><i>Recommendation 3</i></p> <p>DPCD should strengthen the TCP evaluation framework by further developing arrangements to measure and progressively report on the achievement of project and program objectives</p>	<p>At the DPCD level the following actions have been implemented:</p> <ul style="list-style-type: none"> • Development of a Step-by-Step Guide to assist program areas to plan and design evaluations. • Development and release of an Evaluation Policy. <p>The Evaluation Framework for the Transport Connections program was developed and rolled out. The framework contains the following elements:</p> <ul style="list-style-type: none"> • Review of existing national and international literature relating to policy responses to transport disadvantage and the data collection and evaluation methodologies used to assess these. • Establish and maintain a database of literature and policy on issues of access and transport disadvantage. • Revised program aims and objectives to align with Government policy direction and ensure outcomes are measurable. • Development of reporting and data collection tools for ease of use by funded agencies and to collect data relevant to measuring program outcomes • Request for Tender for external evaluators developed and submissions have been invited.

- (b) In light of the Auditor-General's findings, has the Department instituted changes in any other grants programs to improve project governance, accountability or evaluation?

DPCD is continuing to implement changes to grants management under its ongoing Grants Reform program. The two key frameworks of the Grants Reform program within which improvements to grants project governance, accountability or evaluation are being made are:

Community Investment Framework

This framework supports the evidence and documentation of negotiated grants by requiring development and documentation of the business case for investment by:

- identifying agreed priorities with stakeholders;
- capitalising on existing community assets and opportunities;
- leveraging and coordinating government, business and community sector investment; and
- identifying how government investment will be maximised.

Monitoring and Administration Framework for awarded grants

This framework provides guidelines, processes and tools for managing grants consistently, efficiently and in a manner that reduces the administrative burden for recipient organisations and manages risk. The framework does this by aligning the level of grant administration proportionate to risk. The framework includes:

- department-wide business rules for administering awarded grants; and
- Streamlined Funding Agreements – including single funding agreements for local government (covering a range of grants) to reduce the administrative burden and reporting requirements.

Question 7

For volunteer staff, can the Department provide figures showing:

- (a) the number of new volunteers recruited during the years 2009-10 and 2010-11;
- (b) the total number of active volunteers as at 30 June 2009, 20 June 2010 and 30 June 2011; and
- (c) expenditure on training (from all sources, internal and external) for volunteers for 2009-10 and 2010-11.

The Department does not engage volunteers directly to deliver services or programs to the community and is therefore unable to provide the above figures as requested. DPCD's role in implementing Victoria's Volunteering Strategy involves providing tools, resources and support to:

- make it easier for people to find volunteering opportunities in their community, and
- make it easier for community organisations to provide volunteering opportunities which match the way people are able to donate their time.

DPCD is not aware of any whole-of-government figures for engagement of volunteers, nor of a mechanism for gathering such data. Other departments have a more direct responsibility for the engagement of volunteers. For example, the Department of Justice has portfolio responsibility for emergency services volunteers in agencies such as the Country Fire Authority and State Emergency Services.