

Regional Roads Fund

Objective

This audit assessed whether Transport for NSW (TfNSW) is effectively administering the \$334 million Regional Roads Fund (RRF).

To date, \$320.4 million has been allocated from the fund, comprising:

- \$215 million for 10 projects led by TfNSW
- \$105.4 million to 11 local councils to deliver 19 projects.

Most of the RRF projects are election commitments.

Key findings

Projects led by TfNSW are being managed within the existing TfNSW governance framework

TfNSW manages RRF projects using established delegations and governance processes. Internal budget approvals and reporting are consistent with these delegations, and they are overseen and monitored by internal committees.

TfNSW has also responded to government expectations to accelerate the delivery of its RRF projects.

TfNSW did not provide detailed evidence to support the allocation of additional project funding

At the time additional funding was approved, TfNSW had not completed project business cases or short-form assessments to inform project assumptions, expected benefits and estimated project costs.

TfNSW projects are not following typical assurance lifecycles, increasing risk

TfNSW sought and released funding for some TfNSW-led projects earlier than is typical in its project development and delivery lifecycle, and approved contingency funding amounts above indicated levels in its policies. This increases project and budget risks.

TfNSW did not comply with some aspects of the Grants Administration Guide

TfNSW did not put in place practices and procedures to comply with the Grants Administration Guide when developing and issuing funding agreements to local councils. It also did not comply with other mandatory requirements of the Guide.

TfNSW has not defined outcomes to guide the administration of the RRF

TfNSW has not documented the expected outcomes of the expenditure to guide administration of the fund. This includes prioritisation of funding for project variations and new projects.

Recommendations

The audit recommends that TfNSW:

- strengthen documentation to support funding decisions
- clearly define RRF outcomes
- design and implement a process for one-off and ad hoc grants to ensure compliance with the Grants Administration Guide.

Fast facts

\$334m

of funding committed in the 2023 election to the RRF

\$320.4m

of funding has been allocated to deliver RRF projects

29

projects have been funded from the RRF