



Reference: 215/2/2 LD
Enquiries to: Mr Greg Muller

26 June 2008

Mr Michael Crawford
Inquiry Secretary
Standing Committee on Infrastructure, Transport,
Regional Development and Local Government
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Sir

RE: INQUIRY INTO A NEW REGIONAL DEVELOPMENT FUNDING PROGRAM

Council is aware of the Federal Government's decision to cease the highly successful and very important Regional Partnerships Program, which was a vital (and in some respects the only funding program for regional Australia) opportunity for regional communities to seek support for major local initiatives and community infrastructure projects.

Council is acutely aware that the closure of the Regional Partnerships Program has had a significant impact on all regions with submitted applications seeking a Federal contribution no longer being considered for funding. The new financial year 2009/10 will see the introduction of a new fund – the Regional and Local Community Infrastructure Program but in our view this is just too far away.

Council refers to the appointment of the House of Representatives Standing Committee with its inquiry to ensure that regional communities and stakeholders are widely consulted for the development of this new Program.

The House of Representative Standing Committee on Infrastructure, Transport, Regional Development and Local Government has now commenced its inquiry; with the terms of reference listed below:

- Provide advice on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects;
- Examine ways to minimize administrative costs and duplication for taxpayers;
- Examine the former government's practices and grants outlined in the Australian National Audit Office Report on Regional Partnerships, with the aim of providing advice on future funding of regional programs;
- and

- Examine the former government's practices and grants in the Regional Partnerships Program after the audit period of 2003-2006 with the aim of providing advice on future funding of regional programs.

Council is pleased to make the following submission to the House of Representatives Inquiry;

Overview

Council respects the right of the new Federal Government to review and adjust Federal Programs to suit its objectives and aspirations.

Council feels however that regional Australia has been substantially and unilaterally "cheated" by the cessation of the one major regional funding opportunity that it had available to it i.e. the Regional Partnerships Program and the disappointment is compounded by its replacement not being available until the 2009/10 Budget and until this new Program is implemented and the required review processes action, it could be well into the 2009/10 financial year i.e. early in the year 2010 before decisions are made and funds start to be released.

This Council has three major capital investments projects that would have met the former Regional Partnerships Program criteria and most certainly its replacement Program i.e. the Regional and Local Community Infrastructure Program.

We are now faced with the distinct possibility that none will now proceed or if we wait the next 18-24 months for the results of the new Program to filter through, then the rise in building costs will outstrip any material benefit from the new Program – the financial risks are too high.

The Federal Government should have maintained the former Regional Partnerships Program to cover this void period, until it was able to develop and introduce its own requirements from 2009/2010.

Having regard to the Terms of Reference of the Standing Committee we have made the following comments:

Reference – Provide advice on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects.

In South Australia, State legislation ensures that Local Government is transparent and fully accountable for its actions. Local Government is the sphere of government that is closest to the geographical area and its people. It has very good intelligence about community, private enterprise and government activity in its area.

If, in the future all infrastructure projects from the Federal Government included the local involvement and support from Local Government, this would improve project transparency and accountability.

Reference – Examine ways to minimise administrative costs and duplication for taxpayers



1. Independent viability analysis of Local Government – for South Australian projects, this is a nonsense and complete waste of taxpayer money. Councils are financially secured by the State Government.
2. Project Manager assistance at the local level is critical for advice on the potential of funding for proposed projects. Without this assistance, many community groups would be investing massive amounts of time and money on projects without the potential of ever receiving Federal funding.
3. Ensure consistency in planning by insisting that all projects submitted for Federal funding are in line with Local, State and Federal Government Strategic Plans.
4. Consider a more efficient way of utilising staff of Rural Development Australia, State Regional Development Boards and both State and Federal Government Departments. Often staff from all of these organisations are involved in a particular project that seems to be a severe duplication of time and cost to taxpayers.

Council respectfully requests that the Standing Committee consider the above and the effects of the cancellation of the Regional Partnerships Program and Council respectfully requests that the Federal Government implement as a matter of urgency, an interim funded Program to receive and process in 2008/09 suitable projects, until the Standing Committee Inquiry is fully completed.

Yours faithfully

Greg MULLER
CHIEF EXECUTIVE OFFICER

26 June 2008
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