



**NORTHERN AREAS
COUNCIL**

Committee Secretariat
Standing Committee on
Infrastructure, Transport, Regional Development
& Local Government
PO Box 6021
House of Representatives
Parliament House
Canberra ACT 2600

1 July 2008

To the Committee Secretariat,

Re: Inquiry into a New Regional Development Funding Program

Northern Areas Council would like to thank the Standing Committee on Infrastructure, Transport, Regional Development and Local Government for the opportunity to provide input into the new regional development funding program.

In particular Council wishes to address the need for Federal support funding to underpin the development of economic, community and social infrastructure to assist rural and remote communities maximise development opportunities.

In making this submission we draw on past experiences and put a local government perspective to the issue.

The development, upgrade and/or renewal of economic, community and social infrastructure is vital for the long term sustainability of rural and remote communities.

Two decades ago local government was primarily involved in coordinating essential sanitation services, managing planning services and maintaining district roads. In 2008 local government has become the engine room through which a community is driven. In the case of Northern Areas Council we now manage or coordinate:

- Strategic planning services (linking with State & federal agencies),
- District engineering services,
- District disaster & emergency response services,
- Assessing the impact of climate change,
- Implementing flood mitigation programs,
- Initiating stormwater retention & reuse programs,
- Waste minimisation & recycling services,
- Developing industrial estates,
- Developing joint venture residential estates,
- Health & building services,
- Developing sport & recreation facilities,
- Developing aged & retirement facilities,
- Small town/community revitalisation projects,
- Promoting tourism and visitor attraction services,

- Managing caravan parks,
... and this is in addition to our core responsibilities of town planning, building assessments, street sweeping, collecting waste, chasing dogs, maintaining halls and cemeteries, looking after parks and gardens and fixing roads!

It should not be surprising that local government occasionally puts up its hand and asks for some help!

In the case of Northern Areas Council we have sought previous Federal support for major economic or community infrastructure initiatives and are pleased to acknowledge that those projects would not have happened without such assistance.

In 2000 Council attracted a Federal grant of \$30,000 through the Regional Assistance Program to support development of the Jamestown Heavy Vehicle wash-down bay. The Federal grant was complimented by \$30,000 from the State Government, \$30,000 from Council and \$30,000 from the principal selling agents.

In 2002 Council attracted a \$135,000 Regional Solutions grant to support construction of the Jamestown Hydrotherapy Pool. The Federal grant was complimented by a \$50,000 grant from the State Government, \$225,000 community contribution and \$75,000 from Council.

In 2004 Council, on behalf of the Jamestown community sought \$300,000 funding from the Regional Partnership program to support the construction of an international standard regional sports stadium. In this case the Federal grant was complimented by a \$200,000 grant from the State Government, \$125,000 from the local community and \$65,000 from Council.

In 2005 Council sought \$53,000 funding through the Regional Partnership Program to upgrade the Jamestown Sale Yards. This grant was complimented by \$55,000 from the State Government, \$45,000 from the principal selling agents, \$35,000 from industry users (through SAFF), \$10,000 from the Jamestown community and \$95,000 from Council.

As highlighted in the previous examples, Council works on a formula of bringing together a "cocktail" of funding to develop major projects. This includes (South Australian) State & Federal funding, contributions from end users and community organisations and support from Council.

It is becoming increasingly clear to Council that to access future funding for major infrastructure projects the involvement of the Federal Government will be paramount.

Council notes that the (South Australian) State Government has infrastructure funding available through a number of agencies – but that funding is limited and competition for funding is intense. To complicate matters State Government infrastructure funding does not appear to have kept pace with inflation nor does it reflect real increases in construction and development costs.

Council cites the example of stormwater management funding where the (State) Government allocates \$4m annually for projects. This Council alone has \$5m worth of stormwater/flood mitigation projects that it needs to undertake and must compete with up to 64 other local government bodies to access a portion of the annual allocation. Council also cites the allocation of \$2m annually in funding through the Office for

Recreation & Sport for capital works projects – with \$10m worth of works being applied for.

Council is not ungrateful for State Government major projects programs – but is frequently frustrated at not being able to implement key strategic infrastructure initiatives which have the capacity to lead to economic and/or social development within the community.

Council is also frustrated at the restrictive nature of many State Government programs which do not relate to contemporary community infrastructure needs. For example there is no capacity within State Government programs for local government to access capital works funding for the development of industrial estates, the construction of business incubator premises, the building of child care or community health facilities or the upgrade of community halls.

So far no funding has been allocated to local government to address issues specifically arising from the need to mitigate against and adapt to, the science of climate change.

This lack of flexibility within State Government programs is holding back economic development in rural areas and further highlights the importance of a Federal Government's regional development funding program.

It is the view of this Council (having participated in many Federal regional funding programs) that there is a need to better balance the justification requirements contained in applications with the need to simplify the application process. Whilst not limiting the need for proper project assessment Council does see an opportunity for a more intimate involvement of the Federal Government's (proposed) Regional Development Australia (previous Area Consultative Committee) in developing and advocating new project applications.

The former Area Consultative Committees (ACC) were made up of members living within a local region and having a closer alliance to their communities, which assisted the Committee in identifying the need for certain projects within their region. Council would like to see the Regional Development Australia (RDA) Committees take on a similar structure.

If it is proposed that (the) Regional Development Australia committees are to play a similar role as the former AC Committees there may be merit in using Regional Development Australia committees as the first line of assessment with project applications.

Council concurs with a preliminary finding of the Government's initial review of the Regional Partnerships Program suggesting a more transparent approval process by removing the capacity for discretionary decisions being made.

Council does wish to draw the Committee's attention to the time which was taken for decisions made for applications lodged through the (former) Regional Partnerships program.


We understand that an average time line of 11 months from the lodgement of application to decision was not uncommon. In our own cases we have been frustrated with a seemingly unreasonable time line which has the effect of putting projects at risk through cost blow-outs and changing need requirements.

Council again suggests (the Federal Government) developing a closer project relationship between the applicant and Regional Development Australia and

empowering Regional Development Australia Committees with authority to advocate on behalf of applicants. There may also be an opportunity for Regional Development Australia Committees to have approval responsibility for smaller infrastructure projects up to (say) \$50,000 which would have the effect of reducing the number of applications assessed in (say) Canberra.

Once again thank you for the opportunity to provide input into the Federal Government's new regional development funding program, Council looks forward to the timely launch of the new program.

Yours Sincerely,


Keith Hope
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Ref:
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