



*Submission to the House of Representatives Standing Committee for  
Infrastructure, Transport, Regional Development and Local Government*

## **Enquiry into New Regional Development Funding Programme**

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

1. In order to achieve “Stronger Regions” a genuine partnership approach with the regions needs to be embraced and enabled. Furthermore, the significant **disparity between the needs of the different regions** around Australia should be recognised because a “one-size does not fit all” approach does not take this into account.
2. A **consistent framework** that provides clear unambiguous guidelines, including key national and **regional** priorities is required.
3. Recognition that ‘**infrastructure** can be “**hard**” (such as buildings and equipment) or “**soft**” (such as knowledge and skill development):
  - a. If funds sought are for “hard infrastructure” DA approval should not be required (because the costs incurred by a DA process can be considerable and if the funding application is unsuccessful significant financial hardship may result for the applicant);
  - b. As part of the application process a letter from the appropriate local government authority attesting to the suitability/or otherwise of the site (in accordance with LEP or DCP requirements for example) should be a requirement;
  - c. However, if a project is approved, and DA approval is then required to enable the project to proceed, then that cost should be met from the applicant’s project contribution;
  - d. If DA approval is not forthcoming, then the project should be ‘null and void’ and the funding should not progress.
4. Strong **accountability and acquittal** procedures need to be in place for both:
  - a. The funding recipient, and



- b.* The Department of Infrastructure, Transport, Regional Development and Local Government (DoITRDLG).
5. Proponents of **previous projects** (whether approved but not contracted, or those that were supported at a regional level but not progressed at Ministerial level) should be eligible to apply again. But, in order to streamline the approach:
- a.* Recognition of the significant amount of work already undertaken by applicants needs to be taken into account, and
- b.* Projects re-assessed at the regional ACC level, within specific guidelines, to assist a clear and transparent re-application process.
6. In acknowledging that **co-funding and partnerships** are key elements of the Regional Partnerships programme, it is important to note that multiple partnerships cannot always be achieved, particularly in regional areas where there is a predominance of micro and small business. While collaboration should be encouraged, financial contributions from multiple project partners should not be a mandatory component, particularly if there is an overall industry or regional benefit that will result from the project.
7. **Cost shifting** or unfunded mandates, particularly from State to Local Government in NSW has long been an issue, and as a consequence programmes such as Regional Partnerships, provide an opportunity to assist, particularly in relation to regional development initiatives. However it does not assist to alleviate the huge infrastructure burden that is incumbent upon virtually all regionally based Local Government areas across the state.
8. Regional Universities should be viewed as being “**eligible applicants**” because they have key roles in supporting, facilitating enabling or leading the economic, social and cultural development of their communities (see Attachment A). Southern Cross University is strongly committed to working closely with communities in its Northern NSW region.
9. **Project viability** needs to be managed both through the project development phase, as well as through the initial funding agreement. Staged funding payment could be linked to the monitoring of the project, particularly in relation to the achievement of specified project outcomes.



10. There is a need to focus on **longer time horizons** in relation to the sustainability, or viability of a project over the long-term, as the benefits may take some time to emerge.
11. The ownership of the **Intellectual Property (IP)** as raised by the MNCACC should lay with the project applicant/s, as funding from the Regional Partnerships (or any similar or substitute programme) is a grant that enables the initial development and/or expansion of a project for the benefit of the region and/or the broader community. The funding of such projects is an “investment in the future”, and the actual return to government will not necessarily be a commercial dividend or ownership of “something” such as IP.
12. It is vital that a Regional Development funding programme be flexible and **delivered** on a **continuous basis**, and designed to enable it to meet the specific needs of individual regional communities.
13. **Tight, but realistic timeframes** from initial enquiry, to draft application, final application, committee presentation and approval/or not, are vital. The SCU experience is as follows:
  - a.* A “Skills UpDate” project that was developed in response to a clearly articulated need from the Aged Care/Aged Services sector;
  - b.* In addition to working with the industry sector, the University also worked closely with the regional office staff;
  - c.* Following presentations to both the MNC Sustainable Regions Committee and the MNCACC, and in response to feedback from them modifications were made to our application;
  - d.* The project commenced in early 2006 and concluded – unsuccessfully – in May 2008.
14. The provision of **feedback** to proponents is vital. As highlighted in the previous point, there had been significant interaction between the University, the industry sector, and the MNC Sustainable Regions Committee and the MNCACC, and the project had been adjusted to alleviate any concerns raised. Therefore if a project:
  - a.* Meets regional/community needs, such as those clearly articulated by an industry sector or through a well researched strategic document such as in the MNC Regional Profile; and



b. Has been developed by working closely with local departmental staff and the ACC's (appointed by the Minister)

and is subsequently rejected by the Minister/s, it is vital that detailed advice be provided to the proponent advising why the project was not successful.

15. Absolute **transparency** is vital, particularly if a Ministerial committee is the ultimate decision maker. Establishing a clear framework that takes the needs of individual regions into account,

and relies strongly on the advice of the ACC's (appointed by the Minister) would assist in increasing transparency.

16. **Projects** should be given high priority if they have:

a. A **strategic focus**;

b. Clearly meet an identified regional, industry or community need, such as

- i. Those articulated by an industry sector, or
- ii. Those that have emerged through a well researched strategic document such as in the MNC Regional Profile; and

c. Have been developed by working closely with local departmental staff and the ACC's (appointed by the Minister).

### ***B. Examine ways to minimize administrative costs and duplication for taxpayers***

1. The fact that the 'responsible Ministers have explicitly declined to authorise DOTARS officials to approve or not approve regional partnerships grant applications'<sup>1</sup> exposes the potential for the process to be politicised. While a change to this was announced in May 2007 that indicated that 'the Ministerial Committee has delegated the responsibility for approving minor variations for approved projects to the department'<sup>2</sup> the change only applied to

<sup>1</sup> Performance Audit of the Regional Partnerships Programme, p. 4.  
<http://www.anao.gov.au/director/publication/auditreports/2007-2008>, accessed 11 June 2008.

<sup>2</sup> Performance Audit of the Regional Partnerships Programme, p. 5.  
<http://www.anao.gov.au/director/publication/auditreports/2007-2008>, accessed 11 June 2008.



quite minor variations. Therefore to reduce the potential for political interference:

- a. An open and transparent appointment process for membership to the ACC's needs to be established;
- b. Regionally informed and appropriately skilled ACC members require a clearly articulated framework, including stringent appraisal, monitoring and reporting processes, to work within;
- c. ACC members are **delegated** to assess and approve projects up to \$50,000 (without Ministerial approval) to alleviate the "bottleneck" of Ministerial approval being required for all applications;
- d. Minister/s be encouraged to take greater account of regional ACC's recommendations for project approval (or otherwise) on the basis of clearly identified regional need, priority and benefit (e.g. supports regional economic or social plan).

Enacting the above suggestions should allow **trust** between the various "players" – the elected members and Ministers, the department staff and the appointed ACC members – to emerge and then be maintained over the longer term.

2. As mentioned previously (Section A, Part 11) the provision of grants enables the initial development of, and/or expansion of, a project for the benefit of the region and the broader community. The funding of such projects by the Government (as community custodians) is an "investment in the future", and the actual return to government will not necessarily be a commercial dividend or ownership of "something".
3. A more simplified application, assessment and approval process would be desirable.
4. The funding of future regional development programmes requires a "**whole-of-government**" "**whole-of-region**" "**whole-of-community**" approach that:
  - a. Supports or incorporates federal, state and local government collaboration;
  - b. Supports the work and outputs produced by committees and boards appointed by those governments, such as



- c. the NSW Mid North Coast Regional Development Boards ‘Regional Economic Profile (REP)’;
- d. Recognises and supports region-wide, industry-wide, cross-sector or cross-industry projects and collaborations.

**C. *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***

- 1. The items outlined in Table 1 of the Performance Audit of the Regional Partnerships Programme<sup>3</sup> summarise the significant improvements that were undertaken during the audit process.

**D. *Examine the former government’s practices and grants in the Regional Partnership Programme after the audit period of 2003-2006 with the aim of providing advice on future funding of regional programs***

- 1. Regional Development should not be subject to the vagaries of the electoral cycle. **Election commitments** should be accounted for and funded through the incoming governments budget processes.
- 2. **Open and respectful relationships** between all “players” are vital to growing a successful regional development programme. Clearly defined “terms of engagement”, open and transparent processes support the development (and long term maintenance) of respect between the Minister/s, the Department staff, the ACC members, the organisations, industry groups, business and communities that “constitute the region”.
- 3. Any changes – whether it is in relation to Ministerial decisions, a change in programme direction, or a change of Minister needs to be carefully and **respectfully communicated** to all “players”.

---

<sup>3</sup> Performance Audit of the Regional Partnerships Programme, pp. 6-7.  
<http://www.anao.gov.au/director/publication/auditreports/2007-2008>, accessed 11 June 2008.



4. Any future funding of regional programmes should also **include Universities**. Universities, particularly those located in regional communities, have a significant role in the economic, social and cultural development of those communities. Universities do not fit the usual categories targeted in regional development initiatives because they are not a NFP organisation, nor are they an industry group or a business per se (although, they do operate within a competitive, commercial environment). However, by partnering with other organisations, businesses (profit and/or NFP) and/or government (local, state and federal) Universities can add value to their regional communities and beyond – particularly from a **knowledge-based** perspective.

For further information or clarification of any of the issues raised please contact Jan Strom, Head (Acting), Office of Regional Engagement, Southern Cross University on (02) 6659.3900 or [jan.strom@scu.edu.au](mailto:jan.strom@scu.edu.au).

- Appendix A: Regional communities need strong universities
- Appendix B: Mid North Coast Regional Profile (a project of the Mid North Coast Regional Development Board)