

SOUTH EAST AUSTRALIAN TRANSPORT STRATEGY INC.

SEATS



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The Director
The Standing Committee on Infrastructure,
Transport, Regional Development and Local Government,
P O Box 6021
Parliament House
CANBERRA ACT 2600

Dear Sir,

We were invited to make a submission to the Standing Committee regarding a the Inquiry into a new Regional Funding Program.

We have noted that the Committee report is to, amongst other things :

1. Provide advice on the future funding of regional programs in order to invest in genuine and accountable community infrastructure projects;
2. Examine ways to minimize administrative costs and duplication for taxpayers.

These are the two matters upon which we wish to comment.

I have attached our comments to this letter.

If you wish to discuss these matters with us, please do not hesitate to contact me.

Thank you for your courtesy in asking the South East Australian Transport Strategy Inc (SEATS) to comment on these important issues.

Yours faithfully,

Chris Vardon OAM
Chief Executive Officer

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SUBMISSION to Inquiry into a new Regional Development Funding Program

It should be noted that the South East Australian Transport Strategy Inc is interested in promoting infrastructure expenditure on transport to stimulate the economy of the region. We recognize the need for other infrastructure but we aim to achieve expenditure on transport infrastructure. Our comments are relative to that..

The South East Australian Transport Strategy Inc (SEATS) aims to stimulate and facilitate investment in transport infrastructure in south eastern New South Wales, eastern Victoria and the ACT Region. Members of SEATS include local government, regional development organizations, government agencies, regional industry and academics. The SEATS region is in a triangle to the east of a line linking the NSW City of Wollongong to the north, the Victorian City of Greater Dandenong to the south and the ACT to the west.

South Eastern Australia is rich in primary resources, has a skilled labour force and a wealth of natural assets. Inadequate transport infrastructure is impeding orderly development with hundreds of millions of dollars of identified investment being withheld from the region. Limited access is reducing the returns for existing businesses. Independent consultants report that key transport improvements could generate many millions of dollars worth of new investment. SEATS members have developed the South East Australian Transport Strategy. The Strategy is a comprehensive review of the measures necessary to improve transport and access to Gippsland, Western Port, the Snowy Mountains, the Illawarra region, the south coast of New South Wales and the Australian Capital Territory region.

In all there are some one and a half million people living and working in the region covered by SEATS. The operations of SEATS are guided by a Business and Marketing Plan to generate broad awareness of the issues relating to the development of transport infrastructure, to promote the benefits of such development and communicate the work of SEATS members by improving access to decision makers and by providing information. Further details are available on our website: www.seats.org.au

We believe that there are several fundamental matters that need to be defined before commenting upon the criteria to be used to develop a new, accountable and efficient Regional Development Funding Program.

These fundamentals are: (a) what is meant by the term development (b) what is meant by regional and (c) what is meant by community infrastructure.

An infrastructure development is any infrastructure which benefits the whole community and which fulfils a previously unavailable or inefficient need within that community. This infrastructure could not be undertaken without funding being provided either exclusively by the Federal Government or provided in part by the Federal Government and the States. With some infrastructure it may be necessary to have some funding

provided by the particular local government area or areas.

A region is any community of common interest regardless of geographical proximity but within a defined area. It is therefore possible to determine that a community of interest can be within one local government area or within several local government areas that have a common interest in the infrastructure.

Community infrastructure is that infrastructure which delivers a service or range of services to a community living within the region or within the community of common interest.

A Master Plan

We believe that it is essential to develop a “grand plan” which recognizes the transport infrastructure needs of the community.

We would urge Infrastructure Australia to recognize the need to stimulate economic development of a region and to invest in those projects which benefit the whole community regardless of geographical borders or state borders. It is not acceptable, in our opinion, to look at a need in isolation. It must meet the need of the whole region and not simply a part of that region.

Transport Infrastructure Strategic Networks

To that end, SEATS has developed a Strategic Network which recognizes the particular transport infrastructure needs of our region. This network has been developed without recourse to parochialism and with the full co-operation and support of our members. A copy of this paper is attached.

Therefore, we see that it is essential to recognize that the entire Princes Highway should be considered as infrastructure worthy of funding and that the connecting corridors should also be included in that “grand plan”.

We also believe that it is essential for the development of the Gocup Road between Tumut and the Hume Highway as this is important to the economic development of our region and of Australia.

SEATS has developed a Strategic Regional Network which recognises individual projects within the south east Australian region. These projects are of equal importance and are so organised that they could well form a “grand plan” for the transport needs of the region.

SEATS believes that, having adopted a “grand plan”, it is possible to then fund specific projects within that plan thus ensuring that the infrastructure needs are provided in a timely, cost efficient and well planned way.

In order to achieve this outcome, we believe that it is essential to adopt a grand plan and then to identify individual projects within that plan for funding.

Community Involvement

It seems that the best way to ensure community involvement in this process is to seek proposers of a project within the adopted plan. The proposers could be individual local government areas, a collective of local government areas, state agencies or organisations, such as SEATS, specifically established to encourage such infrastructure expenditure.

Selection Panel

Projects within the plan should be presented to the Department of Infrastructure with departmental officers evaluating the projects within a set criteria and that the officers use a weighting scheme to prioritise projects within the “grand plan”.

A panel, similar to that used by Landcare in previous days, could be established. The panel should consist of departmental officers, officers from other departments with oversight in certain areas of the planned project and representatives of local government and academic experts.

The panel should then be given the responsibility to recommend individual projects to the Minister. Based upon the criteria analysed and weighted by the departmental officers.

It is essential that political considerations should be minimized. Projects should only be funded if they meet the criteria established and fulfill a community of interest need regardless of which political party is in government or in opposition or which party holds that particular electorate.

Funding Requirements

In the case of transport infrastructure projects, we believe that each project should have funding provided for pre-planning, for community consultation and for survey, investigation and design as well as for construction.

Projects should only be funded if they meet the selected criteria and if they fall within the confines of the master plan for the region.

SEATS does not believe that local government should be solely responsible for the “first and last mile” in regard to transport infrastructure.

We believe that if a project to provide transport infrastructure is of economic benefit to that region and requires the provision of road to link port or intermodal or rail areas to the final destination, then the project funding should be cognizant of that issue.

It is also desirable to ensure that overall planning recognizes the consequences of the provision of infrastructure. For example, the provision of rail freight infrastructure may place a burden on local communities to ensure safety aspects are dealt with such as a rail crossing or overhead overpasses or an underpass. Often these details are overlooked when planning infrastructure projects. In other words, we believe the master plan should recognize the totality of the infrastructure need. We recognize that it may be impossible to fund all consequential matters but these should be recognized at the planning stage.

Project Management

An appropriate body should then be selected to manage the project within budget guidelines. These budgets should be adjusted for increases in CPI and in specific product required for the completion of the project. The project manager should be held accountable to the Department of Infrastructure for all expenditure committed during the planning and construction phase.

Minimising Administrative costs

In order to minimise administrative costs and duplication it is essential that proper budgeting is undertaken in the first place. It is possible that projects are badly costed at the pre-planning stage. It is necessary to ensure that forward budgets recognize likely cost increases over the anticipated life of the project including allowance for administrative costs which could be minimized if set criteria for project management is instituted by the Department of Infrastructure.

Duplication

It is essential to ensure that State agencies and the Department do not duplicate work to satisfy individual requirements of their Governments. It is necessary to have one body responsible for the project. Arrangements should be made with State Governments to ensure that pre-planning work, survey, investigation and design are not duplicated. Projects should then be managed by one authority which must account to the funding body for all expenditure incurred.

We wish to thank the Committee for giving us the opportunity to comment on these matters.

We wish you well in your endeavours.



(Mr) Chris Vardon OAM
Chief Executive Officer

12 July 2008