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6 August 2008

Committee Secretary
Standing Committee on Infrastructure, Transport,
Regional Development and Local Government
PO Box 6021
House of Representatives
Parliament House
CANBERRA ACT 2600
AUSTRALIA

Dear Sir/Madam

Inquiry into a New Regional Development Funding Program

I refer to the above Inquiry and attach for the Standing Committee's consideration a written submission on behalf of Wingecarribee Shire Council.

Please also be advised that Council does not seek to make a formal presentation to the Inquiry.

If you require any additional information in support of Council's submission, please contact me on 02 4868 0700.

Yours sincerely



Mike Hyde
General Manager

Attachment



WINGECARRIBEE SHIRE COUNCIL

**SUBMISSION TO THE
STANDING COMMITTEE ON INFRASTRUCTURE,
TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL
GOVERNMENT**

***Inquiry into a New Regional
Development Funding Program***

July 2008

Introduction

Wingecarribee Shire Council is pleased to be given an opportunity to make this submission to the Inquiry into the new Regional Development Funding Program.

In principle, Council fully supports the continuation by the Federal Government of the Regional Funding Program. The Program has in the past provided significant benefits to community projects which would otherwise have failed to progress. Notwithstanding, Council acknowledges the need to take this opportunity in reviewing the operation of the Program which will hopefully continue to deliver funding to regional Australia for community projects.

Review of Regional Funding Program

Council understands that the Committee is to report on 4 areas of the regional Funding Program as follows:

1. *Provide advise on the future funding of regional programs in order to invest in genuine and accountable community infrastructure projects;*
2. *Examine ways to minimise administrative costs and duplications to taxpayers;*
3. *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*
4. *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.*

The following points relate in some capacity to the Inquiry's terms of reference.

1. Eligibility of applications

Regional Communities experience a variety of complex issues which come in different shapes and forms. The obvious issues being experienced by communities include high unemployment, isolation, poor health and educational standards and natural disasters such as the prolonged drought. The less obvious issues and which are becoming more and more apparent are communities with high rates of aging population, low income levels and communities fringing large cities.

It would be fair to say that there is a perception that communities which attract 'cashed up' retirees have less of a need for financial assistance towards community type projects. The reality is that whilst residents may be asset rich they tend to be income poor and therefore have limited opportunities in personally contributing to community type infrastructure projects. Similarly, Rural and Regional Councils are having to do considerably more in providing services and Infrastructure not considered to be their core business including health, transport, housing and social services.

Using Wingecarribee Shire Council as an example, it has a population as at the 2006 ABS census of 42,272 people of which 32% are over the age of 55 years with a mean age of 42 years well above the state average of 37. It is also noted that Wingecarribee Shire Council is an area which has in the past been within affordable commuting distance of Metropolitan Sydney for employment and sub regional centres such as Liverpool and Wollongong for Health Services etc. This may be perceived as an advantage above other more remote communities, however with the cost of fuel rapidly increasing and lack of reliable public transport, the residents of the Shire are as disadvantaged as a community 600 kilometres away.

It is clear that across a nation as diverse as Australia, a Regional Funding Program needs to exist which addresses a wide spectrum of issues void of any political influence and bias and which demonstrates a genuine investment in delivering projects which will make a difference in that community for which it is being directed regardless of size. Grants should not be awarded on the number of people it is likely to benefit but buy how much it will benefit the community as a whole. In the past large organisations and

authorities have been more successful in achieving larger sums of money towards projects because they have or represent larger populations and have larger sums of money to contribute to or match funding. The ability for some organisations to contribute financially to projects has been a deterrent to applications being made in fear that the matching funding cannot be obtained.

2. Transparency and Consistency in Making Grant Decisions

Council's experience with the grant application process was that there was a lack transparency and consistency in the ultimate decision. There were never succinct guidelines as to the types of applications which would be successful. All prospective applications were strongly supported and the impression was made that the application would be successful. The process of putting together an application is time consuming. The Regional Partnerships Program (RPP) operated as a discretionary program where applications were dealt with on an individual basis within no set timeframes. In other words, applications were accepted at any time and assessed independently.

Effective Funding Programs operate under the auspice of an independent assessment panel where universal representation is involved. Projects should be assessed against set criteria and a critique of each application should be made and published on an annual basis. This would allow unsuccessful applicants to understand failures of their applications as well as give future prospective applicants an indication of the makings of a successful application.

3. A simplified Administrative Process

The Wingecarribee Shire has benefited in the past from funding under the RPP and therefore has first hand account of the process and ongoing administration of regional grants. Firstly, the application process needs to be straight forward enough so that regional community organisations do not have to engage the services of professional grant writers. The completion of the Regional Partnerships application was a time consuming and complex task.

Secondly, where an organisation was successful in their grant application, the conditions attached and the reporting mechanisms were also onerous and time consuming. Whilst it is desirable to have milestones embedded into a project, timeframes for whatever reason are not always achievable.

The Importance of Economic Development To Rural and Regional Communities

Economic development is seen as a key driver of community well-being and as a result Council has just completed a comprehensive strategic plan for economic development of the Shire for the next 8 years (2008-2016). A crucial aspect of this plan is the continued support of the Federal Government's Regional Development Funding Program in the provision and availability of infrastructure that is essential to drive economic expansion and job growth. It

Council has recognised two major employment precincts within the Shire at Moss Vale and Braemar. Both Moss Vale and Braemar have been designated as **regional significant employment lands** by the NSW State Government and form a key part of the government's 'Sydney-Canberra Corridor Regional Strategy' recently adopted by the State Government. Development of the Moss Vale Enterprise Zone will underpin much of the Shire's future economic and employment generation activities and will be a priority in Council's economic development initiatives. A wide range of projects are intended for the coming years – projects that will lead to a strengthening of the central business area and the general employment zones.

From a commercial and industrial perspective the Shire is in a unique position geographically being strategically positioned between Sydney, Canberra and the Illawarra. But despite having such significant location and competitive advantages, the challenge for Council will be to acquire funding for infrastructure development to underpin the future growth and development.

The continuation of the Regional Development Funding Program provides opportunity for Council to work collaboratively with the Federal Government in achieving real regional development and prosperity.

Conclusion

Wingecarribee Shire Council fully supports the continuation by the Federal Government of the Regional Funding Program subject to the following terms:

1. The process of assessing and awarding grants should be undertaken based on a set of defined criteria by an independent panel and not on a case by case discretionary decision making process.
2. Clear set of guidelines which are easy to follow and encourage community organisations to submit applications without having to incur significant costs.
3. Target areas which do not discriminate against rural and regional communities because of proximity and social indicators.