



Submission to

**House of Representatives Standing Committee on Infrastructure,
Transport, Regional Development and Local Government**

July 2008

Inquiry into a New Regional Development Funding Program



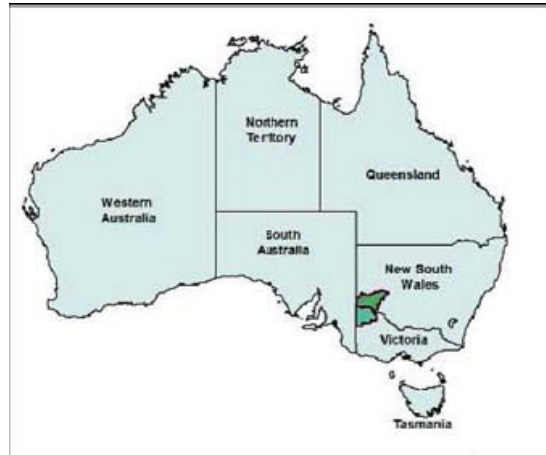
An Australian Government Initiative

House of Representatives Standing Committee on Infrastructure, Transport, Regional
Development and Local Government

Inquiry into a New Regional Development Funding Program

Sunraysia Area Consultative Committee Inc.

Regional Profile



Sunraysia is located on the Murray River in north-west Victoria on the border of New South Wales:

- 550kms north-west from Melbourne
- 400kms north-east of Adelaide
- 1080kms west of Sydney

The Sunraysia region population is 60,377 (52,972 in Mildura Rural City Council and 7,405 in Wentworth Shire Council). Major towns in the region are Mildura (in Victoria) and Wentworth (in New South Wales). The Mildura Rural City Council population is projected to grow at 1.73% per annum.

The main industries in the Mildura region (in terms of employment) are:

- Agriculture (20.1%)
- Retail (15.2%)
- Manufacturing (9.6%)
- Health and Community Services (9.2%)
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The Mildura region grows the following percentage of Australia's produce:

- 95% of dried vine fruit
- 69% of table grapes
- 55% of almonds
- 41% of pistachios
- 33% of olives
- 24% of carrots
- 23% of asparagus
- 21% of citrus
- 21% of wine grape crush

AIRPORT

Mildura has one of the busiest regional airports in Victoria, with total number of passengers increasing to 168,800 in 2006/2007.

Key Issues impacting on the Region's economic future

Key issues impacting on the economic future of our region include:

- The impact of water restrictions arising from low inflows into the Murray River and Darling River systems due to drought and climate change now facing the region.
- Uncertainties around the impacts of climate change including increased costs likely through carbon trading, energy conservation, sustainable energy initiatives, changing agricultural practices and shortage of resources driven by climate change.
- Infrastructure constraints generally including gas and power distribution, rail and road dilapidation, lack of cultural awareness, sporting and recreational facilities, overrun health facilities and infrastructure for our ageing population.
- A shortage of doctors and adequate hospital infrastructure is emerging as a significant economic as well as social issue.
- A shortage of affordable housing is impacting on the capacity for people to meet their housing needs.

Terms of Reference

1. Provide advice on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects.
2. Examine ways to minimise administrative cost and duplication for tax payers.
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.
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.

Terms of Reference

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

The Regional Partnerships Program was an important mechanism for the funding of regional projects that created economic and community development opportunities. It was considered by many community groups and local government bodies as a very valuable funding program.

Regional Partnerships provided funding in excess of \$2.86million for projects across the Sunraysia region. Coupled with other funding, this funding contributed to community projects with a value in excess of \$8.9million for the Sunraysia region.

The Sunraysia ACC has worked closely with local government and the community for over a decade on community projects that would enhance the opportunities for skills development, employment, provision of services and infrastructure development.

The future funding of regional programs needs to be centred on the needs of individual regional communities as identified in regional strategies and planning processes.

Regional Programs need to address the future wellbeing of communities by investing in:

- the provision of community infrastructure to address social inclusion issues

- the provision of sport and recreational infrastructure to address community health initiatives
- community infrastructure that addresses our ageing population needs
- provision of support to local industry and businesses to retain and expand skills within the community
- provision of support for economic development planning and investment attraction
- provision of programs to help facilitate skills development and retraining mechanisms for all age groups
- programs that support at risk groups within communities
- the support of new and emerging innovative industries to grow and expand
- programs for communities affected by drought and climate change to implement innovative practices and education
- Community infrastructure funding for small towns should be based on the development and objectives of Local Government Community Plans currently being undertaken across Victoria.

Recommendation 1:

Future regional funding program should be based on regional community infrastructure that addresses the need for facilities that:

- ***promote healthier lifestyles***
- ***support social inclusion***
- ***supports skills development***
- ***provide service provision and support for new and innovative industries***
- ***provides for our ageing population***
- ***supports at risk groups***
- ***support small town community plan objectives***

Terms of Reference

2. Examine ways to minimise administrative cost and duplication for tax payers

It must be made clear that the Regional Partnership Program had 3 distinct elements in the administration of the program.

1. Project Development Stage – Completed by ACC's
2. Assessment Stage –
 - i. Minor Assessment by ACC's
 - ii. Major Departmental Assessment
 - iii. Ministerial Assessment & Decision
3. Contractual Obligations – All contractual obligations conducted by Department

Project Development Stage:

The development of projects was an essential service undertaken by ACC's across Australia.

The project development role was a service that was unique to ACC's and was not duplicated by any other government agency. This service provided prospective applicants

the ability to work with a project officer on an initial idea and then bring it to a reality by making sure all the required documentation was in place and the guidelines were met.

A major component of creating a successful Regional partnerships project was (as the name suggests) gaining contributions from other partners including state bodies, local governments, community groups, business and the applicants themselves.

For many local community groups, businesses and local government applicants the establishment of funding partners was essential to the success of the project and the expertise provided by ACC's enabled them to gain valuable help to establish these partnerships and thus funding contributions.

Other key aspects of project development included support in the provision of business plans, financial statements, sustainability plans and the final presentation of the information for the application process.

The ACC's involvement in helping applicants to develop proposals enabled community groups that previously had limited ability to find resources or skills to undertake such a process, the ability to apply with confidence in their project.

Project development average timelines with community groups could take between 2 -12 months depending on the size and scope of the project and the skills of the people within the organisation.

Assessment Stage – ACC's involvement:

Once the application was submitted to the Department for assessment, it was requested that the ACC, for which area the project was located, would complete an assessment of the project.

The assessment was to be completed within 10 days of notice from the Department that the project had been submitted. This assessment mainly pertained to the project's relevance to the region's strategic plan.

In most cases, the assessment of projects was very straight forward and given high ratings as 90% of projects had a great deal of development help by the ACC before being submitted.

In effect, projects that did not meet guidelines, were not well developed or had other suitable funding opportunities were diverted away by many ACC's to ensure only good quality projects that pertained to the region were submitted. This process minimised the administrative costs for applicants and the Australian Government.

Even so, all ACC's would not, and could not, stop any applicant applying for Regional Partnership funding if they so desired.

Contractual Obligations – Aust Government Department

All contractual obligations including the creation of the contract, signing, monitoring and reporting was completed by the Departmental Regional Office.

In many cases the only involvement that ACC's were asked to assist with once the project was approved and contracts were entered into with the Australian Government, was assisting with the launch of the project and occasional updates on its progress.

We believe that the new RDA's could take a much greater role in the monitoring of programs in a future program if resources were allocated.

Recommendation 2:

- 1. That any future regional funding programs have direct input from local RDA's by being a program delivery agency that includes on-ground support to help communities to develop good quality projects.***
- 2. That any future regional funding program has an assessment process included that enables local RDA's to advise decision makers on the relevance of the program to the region's future strategic direction.***
- 3. To reduce administrative costs, that RDA's be considered in taking on a greater role in contractual monitoring within their region.***
- 4. The program criteria and eligibility should be openly, widely and publicly advertised nationally from the department.***

Terms of Reference

- 3. Examine the Former Governments 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.**

Again we wish to highlight that we believe that in our experience the application development and assessment process was thorough, detailed, and carried out in a professional manner by both ACC's and the Department.

In regards to the Ministerial approval process of projects, we cannot make a judgement on this process as our ACC has no involvement other than the committee's recommendation of a project within the assessment process.

If there was a suggestion within the ANAO report that projects could have been approved in electorates for political gain, we would only make the comment that it would only be relevant in marginal seats which would not apply within our region.

Many applicants became very frustrated with the timeframe taken from submitting a project to a decision being made. The timelines for decisions on projects needs to be more robust to enable applicants the surety of an answer within a stated timeframe.

Recommendation 3:

- 1. That any future regional funding programs have a clear and transparent decision process without political bias.***
- 2. That a clear timeframe be given to applicants for decisions on projects.***

Terms of Reference

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.

In general we have been satisfied with the way Regional Partnerships has been delivered but we have had some concerns.

The Committee's main issues have been:

- The unacceptable timeframes from an applicant submitting a project to a decision being made by the Minister.
- The complex application process and departmental assessment process.
- The lack of knowledge within the Departmental assessment team of local regions and the factors affecting them.
- No flexibility for ACC's to approve small projects eg. Under \$20,000.

Sunraysia ACC also supports the following recommendations from the Senate Committee Report 2005:

Recommendation 20

"...no funding be approved for projects that do not meet the guidelines and fail other tests including proper due diligence."

Recommendation 21

"...that Ministers and their staff are kept strictly at arms length from decisions, including all relevant departmental advice, on applications from their own electorates. The Portfolio Ministers and his or her staff should not be included in the circulation of department advice on applications based in the Ministers Electorate."

Recommendation 22

"...that Ministers and Parliamentary Secretaries, and their staff, should be prohibited from intervening in the assessment of grants."

Invitation for Feedback

As part of this submission, the ACC requested comments from organisations within the community that had an experience with the Regional Partnership Program.

The feedback is below:

Jodie Arnold - Recreation Development Officer - Mildura Rural City Council

There is a definite need for funding towards infrastructure in regional communities. From my point of view, this is particularly vital in regards to recreation and sporting infrastructure. From previous outcomes achieved from other schemes it can be clearly demonstrated that substantial and decent infrastructure strengthens a community and ensures that a community is sustainable and able to move forward.

From my experience in dealing with the Regional Partnerships Program the application stage is made easier with local support. The local contact (from the Sunraysia Area Consultative Committee staff) is very beneficial. They provide advice and assistance with partnerships and completing the form. The form is relatively easy to complete except for the budget section this is somewhat confusing. However once the grant is successful the negotiation with contracts and milestones is over administrated by the Department (the Bendigo office). The reporting requirements are extensive and onerous. I realise the need for accountability and transparency but I have worked with many different grant schemes and this scheme would have the most reporting requirements I have ever dealt with. I believe the grant process could be streamlined and require less administration or reporting requirements. Each time a project gets behind in a milestone the Bendigo office require a whole lot of documentation to be completed and signed by the CEO for variations which is time consuming and bureaucratic. This time could be better spent on the ground completing the project.

Overall comments -:

I think there needs to be some sort of funding scheme to fill the gap of what was previously Regional Partnerships. I think that State and Local governments **cannot** be left to do it all. There needs to be some funding where all 3 tiers of governments can come together to achieve similar projects and goals. Infrastructure is an important aspect of any community fabric and many major projects will not be achieved in regional and rural areas unless the Federal Government is willing and able to join as partners.

Russell Murphy - Grants Project Officer - Mildura Rural City Council

I realize that submission responses may already be closed from the local perspective, but I thought I'd share these brief thoughts in supporting the needs of our regional area.

I would concur with Jodie Arnold from Mildura Rural City Council, regarding her comments about the management and enquiry handling of the Regional Partnership program by staff based here in Mildura. Although I have had limited exposure to the RP funding, I have found that whenever I have made enquiries for assistance, this has always been managed very effectively by both Jenny and yourself.

My experiences with RP applications and guidelines are that they are cumbersome in their nature, when compared to local and State level requests for similar funding opportunities. The decision to limit responses to a 250 word limit was also, I believe not in the best interests of addressing specific criteria effectively in the submissions.

Timing and turnaround responses for local, State and Federal funding opportunities can often cause difficulty in the capacity to form effective linkages and partnerships with various layers of Government to address one or more components of a project. This is particularly so in the early stages of project planning/grant submission stages, when one has differing submission deadlines, or potential delays in funding announcements occur. This can negatively impact on the scale of partnerships, sponsorship requirements and capacity for the project to achieve its full potential. For these reasons, the approval of any future style RP funding limits, at the local regional level, should also be investigated.

The Sunraysia ACC has played a pivotal role in assisting this regional community with opportunities to establish and support new businesses, as well as encouraging world class leadership and community speakers to the area for broader community benefit. The recent demise of the Small Business Field Officer funding program (and its impact on its support network to regional business) was not greeted enthusiastically. I believe leadership development, local business support and community infrastructure projects should all be essential components included in any new Growing Regions Programme for the future.

As a Grant writer from both a small community group, large Not for Profit organization and now Council perspective, I would hope that the inquiry examine consistencies (where possible) in grant alignment, integration, financial accountabilities and reporting outcomes of project objectives across available local, State and Federal systems. This would be of enormous benefit to volunteers, applicants, Council staff and Grant Managers, in helping streamline joint initiatives and their associated accountabilities, in supporting their goals for future regional growth and development. After all, this is what Regional Partnerships are all about!

Geoffrey Burr - Community Liaison Officer - Mildura Rural City Council

There is a definite need for infrastructure funds being available for regional communities. I have been involved with all the drought funding provided from State Government that has been given to our Exceptional Circumstances declared areas. This was provided, in the main, for completion of local infrastructure projects. This funding was provided over the past 2.5 years and I have seen all the small communities manage this money and maximised the benefit fully on each project. From these projects I have seen the communities grow in confidence, their feelings of self worth has dramatically increased and has built their resilience and capacity to cope with adversity to an extremely high level. The Federal grants I have been involved with can also be slotted into these same results. The smaller communities don't look for much but when they can achieve projects they only felt were dreams, their excitement is quite tangible.

When I have been working through the process of submitting applications for funding from the Regional Partnerships Program the local contact was invaluable. With their local knowledge I was able to work through all issues easily and cannot stress enough how important they were in our successful applications. Local knowledge and just having the involvement within this community has ensured the best outcomes for the sparse communities within Mildura Rural City Council boundaries.

The only criticism I have is the difficulty we have with completing the budget section of the applications and then the reporting against significant milestones. If this could be simplified would be a good start. I would like it noted that I have also had a great working relationship with Neil Rowan (Bendigo Office) and Mark Perdon (Bendigo Office) and have been able to work through those reporting issues with a minimum of fuss.

To summarise all I have said above I can do in two dot points;

- a funding scheme run along similar lines as to the Regional Partnerships Program **is a must** and
- a **local office is vital** for our continued successes when applying for our share of the buckets of funding out there.

I hope these thoughts are of some assistance in any submission you make and I can always be contacted to clarify anything I have included.

Andrew Millen – CEO – Sunraysia Economic Development Board

1. Please provide your thoughts on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects;
 - Look at projects that will also impact other regions as priorities eg. transport networks, rail links
 - Important to include demonstrated need and/or a difference it will make to the community and how this will be measured
 - Volunteer development for sustainability
 - Encourage applications for industry diversification in regions eg. solar energy operations in the Mildura region
 - Look at ways in which regions can attract investment through other channels, eg. business, foreign
 - Feasibility studies, marketing initiatives (for regions or for LGA's)

2. How should the Federal Government design regional programs in a way to minimize administrative costs and duplication for taxpayers;
 - For major projects seeking large amounts of federal funding, Regional Development Australia should have the ability to work with the applicant, State and local government representatives as a working party to develop the budget and the amount of matching funds provided by each government program.
 - Provide examples of successful projects and highlight any key priorities for the distribution of funding.
 - Streamlined application processes with quick decision timelines
 - Improve on-line application forms, difficult to complete and amend

Phil Chidgzy – CEO – Australian Dried Fruits Association

The four areas:

1. **Please provide your thoughts on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects;**
 - Funding must be adequate so that worthwhile infrastructure projects can occur
 - Projects to be funded should be shown to be a response to genuine community needs
 - Projects should include non-profit and public infrastructure – not only physical assets/structures but also components of community based social programs
 - Continued community based involvement vital in assessing priority projects
 - Accountability – appropriate reporting of the final project via RDA (to the Minister).

2. **How should the Federal Government design regional programs in a way to minimize administrative costs and duplication for taxpayers;**
 - Requires strong local community involvement, to help ensure relevance of project applications for all types of grants
 - Central body such as RDA can deliver programs across various Government departments

No comment on 3 & 4.

Colin Beer - President - Murrayville Community Inc.

Inquiry into a new Regional Development Program

The Murrayville Public Hall was successful in receiving a grant from the old Regional Partnerships program. The project to renovate our hall was vital to our community and took over 1000 volunteer hours to complete. The Mildura Rural City Council officially recognized the importance of this project to our community with a Community Events Award on the completion of this project.

The Murrayville community is small and isolated in the north west of Victoria. Droughts, loss of services and population decline meant we had lost a generation of leaders needed to run our community. No one on our committee had ever applied for funding before, had very little experience in running a committee and only one person had a high level of education (this was an issue when trying to understand the application forms).

The Sunraysia Area Consultative Committee was vital in understanding us, our needs and leading us through the application process. It is not an exaggeration to say this project would not have seen the light of day without the hard work and support of the staff in this group who went above and beyond their jobs to lead us step by step through the process.

The revitalization of a very important community building has been essential for us but perhaps a more important development has been the empowerment of a new group of community leaders.

We are very proud to be leading our region through a community planning process which has received incredible community support, which again the Mildura Rural City Council have recognized and given in principle support to but more importantly set up a grants program to assist us to achieve our goals. Our demographic is changing we want to lead the way and make that change better for our community.

We are hoping that the phoenix arising from the ashes of the Regional Partnerships Program is also a part of our community's future.

Having been part of what we believe was an incredible success story we would like to comment on what we think is essential for groups like ours.

- Regionally based groups like the Sunraysia Area Consultative Committee must be maintained and strengthened. Their local knowledge and support is vital.
- Rural communities must not compete for funding with urban communities our lack of population means we can never win even though our projects are worthy and may make the difference between us surviving and thriving.
- Rural communities can lack professionals with higher educational levels if the criteria are toughened up to crack down on a perceived lack of accountability then more support must be given or risk losing some of the more inspirational outcomes.
- It would be a tragedy for lower socio-economic regions to miss out on help as punishment for a perceived lack of accountability.

I and our community have been very proud to be involved with the Regional Development Program and the Sunraysia Area Consultative committee and I cordially invite anyone to discuss our story with us.

Brian J Grogan O.A.M. - Chairman - Murray Darling Environmental Foundation

Thanks for the invitation to make an input response. Accordingly, I make a short contribution to the obvious round up occurring all over Australia, including here from Sunraysia to the new Federal Govt` s review of the Regional Funding program that has been operating for the last decade or so.

1. Providing Commonwealth monies to the Regions to be single support, or complimenting other State/s, Councils, Agencies or indeed local community Groups for approved localised small to medium Projects & activities has been a very positive morale assistance, cost/benefit investment in Regional and overall national development .

Without such support many such Project activities would not get off the ground & the communities would be the poorer for their absence .

Such Investments regularly multiplies beyond the original plan and as a result generates a huge overall cost/benefit.

2. With each passing year the continuance of such program promotes an active community feel that will not except stagnation, but be empowered to keep renewing extending its capacities and importantly small vital infrastructure Projects .
3. It is my contention, and indeed experience that such support should be flexible and be for both Infrastructure or worthy activities (can also be long lasting!)
4. Finally- very, very importantly such Commonwealth \$ funding support is best delivered not directly but through a localised filter organisation.

The example of the existing ACC`s is a good model. They have provided the local knowledge to best adjudge competing priorities and importantly to also provide a localised supervisory & accountability role.

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