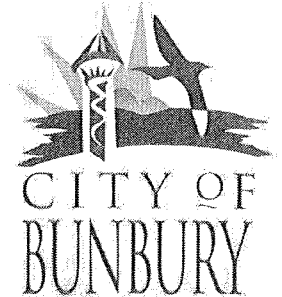Our Ref: SM:A964-22
Enquiries: ☎ (08) 9792 7031
E-Mail: ceo@bunbury.wa.gov.au

CITY OF
BUNBURY

23rd June 2008

Ms Janet Holmes
The Secretary of the Committee
Inquiry into a New Regional Development Funding Program
By Email: itrdlg.reps@aph.gov.au

Dear Ms Holmes

The City of Bunbury is pleased to have the opportunity to have input into future funding programs for regional economic and community development. The first two terms of reference have been focussed on as these are the most relevant to our organisation.

While the theory behind reviewing the delivery of regional funding programs is supported, a major concern with regards to this process is the virtual two year hiatus in regional development project funding due to the cessation of the 2007/08 Regional Partnerships and Sustainable Regions programs following the Federal election and the lack of any Regional Development Australia program funding for the 2008/09 year. This gap puts at risk projects, especially of an economic development nature, that have a limited window of opportunity.

Some of the points below are written independently of each other and therefore cover different eventualities. As an example, options are provided for embedding Regional Development Australia programmes within other organisations rather than continuing with the stand alone regional ACC model that currently exists, while comments on improving RDA (former ACC) offices are also included in the event that the decision is made to continue down that path.

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

- Simplification of the application process can be achieved by a series of categories. Five categories appear appropriate:
  1. Infrastructure under $50,000
  2. Infrastructure over $50,000
  3. Non-infrastructure projects and programmes under $50,000
  4. Non-infrastructure projects and programmes over $50,000
  5. Point-in-Time opportunities (occasionally opportunities arise, especially with a regional economic development focus, where a very short lead time exists in order to take advantage of the opportunity. A mechanism is required to allow grant applications to be immediately submitted and

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4 Stephen Street
PO Box 21 Bunbury WA 6231
Telephone: (08) 9792 7031
TTY: (08) 9792 7370
Facsimile: (08) 9792 7040
www.bunbury.wa.gov.au

assessed with short turn around times in these instances – without reducing the rigour of assessment process).

The first four categories could be assessed on a round basis with the fifth being available only for genuine opportunities that became available unexpectedly and would be lost if the application was delayed until the next funding round. Under this model it would not be necessary to set up separate funding pools, although availability of the Point-in-Time funding would need to be considered.

- All projects should identify how they clearly fit into a genuine and appropriate Strategic Plan or similar. This would eliminate add hoc projects and improve the overall regional outcomes delivered through funded projects. Purely relying on the current ACC (future RDA?) strategic plan is not always relevant at a local or micro level, therefore more of a focus on local or sub-regional plans make sense.

- The previous Regional Partnerships online application form may have made the capture of information for reporting processes much simpler for the Federal Government, however it made the process much lengthier for the average applicant due to slow download speeds in many regional areas and limited online knowledge within a number of community organisations.

2. Examine ways to minimize administrative costs and duplication for taxpayers.

- A one-size-fits-all service delivery model across the breadth of Australia is not particularly efficient or equitable with regards to regional funding programs. In fact the one-size-fits-all model is not necessarily even appropriate across individual states (for example, what works in the Southern corner of Western Australia is unlikely to also work in remote areas of the North of Western Australia). It would therefore be sensible to have several delivery models and tailor the most appropriate to the specific needs of each individual area (whether they all come under the banner of Regional Development Australia or otherwise).

  This includes the structure and staffing of RDA offices. From comments made during and after the last Federal election, it would appear that the intention is to convert the existing ACC structure to RDA. An option is to plan the optimum structure and then use existing ACC entities only where they best meet the required structure.

- Options for consideration include RDA operating more akin to other regionally focussed programmes that have operated successfully within our region such as:

  o AusIndustry, with regional staff employed directly by the relevant Federal department and tasked with identifying appropriate projects and assisting proponents to complete grant applications. In instances where government programmes are to be delivered through RDA these regional offices would allow the Federal government to maintain a more effective control of programme delivery.

o Tradestart and the previous Broadband Broker Program, where the officers are embedded within existing local organisations with synergies in their focus. The Tradestart officer is located within the South West Development Commission (SWDC), which gives access to both the infrastructure of the SWDC, rather than having to completely set up a new office, as well as the knowledge of the SWDC officers regarding businesses throughout the region. The outcome of this is a very successful Tradestart programme in the South West of WA.

o Similarly, when the Broadband Broker Program was operating, the broker was located within Connect South West (CSW), a state government funded not-for-profit organisation charged with increasing the knowledge and access to technology of businesses and individuals in the South West. The broker was able to access CSW's infrastructure and equipment as well as leverage off existing knowledge and linkages already built up in the region by CSW. This resulted in the South West of WA Broker being one of the most successful brokers in Australia.

The key to the success of both the Tradestart and Broadband Broker programmes has been the appropriate synergies between the host entities and the programmes. It is likely that there are just as many negative experiences from this type of approach as positive, however this is probably heavily dependent on host organisations being chosen for what they bring to the programme, which once again underlines the need for a flexible approach to the delivery of RDA, rather than a one-size-fits-all approach.
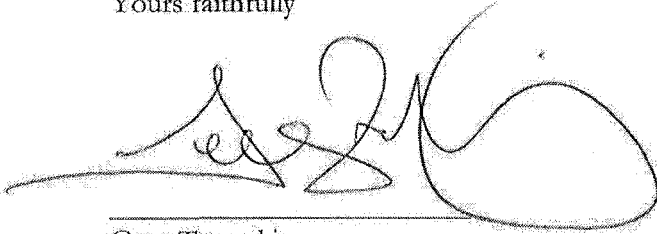
The only significant negative change to the existing structure would be the removal of the local community board currently managing the ACC, another mechanism for community feedback however should not be difficult to create. However, divorcing the community feedback process from overarching management of the local delivery arm does give the opportunity for more independent and honest feedback on the successes and difficulties being encountered with the delivery model at a local level.

It is important to note that this recommendation isn't a criticism of the efforts of current staff or board members of ACC's. The efforts of both staff and board members are very much appreciated. The idea is based around maintaining the involvement of the same people, but in a manner that hopefully integrates better with Federal systems.

• Regional Development Australia Offices should only undertake projects and programmes themselves if another better placed organisation doesn't exist in their region. An example of this is business assistance programs. In areas in Western Australia serviced by a Small Business Centre the region would be better serviced by RDA funding these organisations to deliver programs on their behalf as it could be done much more efficiently given these organisations are already equipped with the necessary expertise etc. for this purpose.

- Not having each RDA office set up as a separate incorporated body would reduce the operational costs as back office functions such as payroll etc. could be centrally administered.

- A simpler process for applications (especially the smaller ones) would reduce administrative costs, especially if the program was undertaken in a series of rounds. The simplified application process for small applications was addressed within Regional Partnerships late last year and a continuation of this would be well received.

Yours faithfully

Greg Trevaskis
CHIEF EXECUTIVE OFFICER

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