

CAPITAL REGION AREA CONSULTATIVE COMMITTEE

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Supplementary Submission
to the
House of Representatives Standing Committee
on Infrastructure, Transport, Regional
Development and Local Government Inquiry
into a
New Regional Development Funding Program

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INTRODUCTION

The Capital Region ACC (CRACC) has prepared this supplementary submission at the invitation of the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government and its Inquiry into a New Regional Development Funding Program.

The submission is prepared in two parts.

This part, Part One, expands on CRACC's earlier submission to the Inquiry in August, outlining principles and priorities for a new regional development funding program.

Part Two focuses on the status, needs and issues for infrastructure and related investments in the Capital Region. Infrastructure considered in this submission is both 'hard' physical and 'soft' social, including 'community infrastructure'. All contribute to the economic prosperity and liveability of regions. Each type of infrastructure discussed is supported with examples of forward investment needs. Some have been funded, in part, in various governments' forward budgets; however, many have not, particularly in the case of local government and community organisations.

PART 1

PRINCIPLES AND PRIORITIES FOR A NEW REGIONAL DEVELOPMENT FUNDING PROGRAM

Part One Summary

CRACC's key recommendations for a new Regional Development Funding Program:

- Recognize that one size does not fit all – the new program must be flexible to meet diverse regional community needs and types of projects
- All regions should be eligible
- Regional Development Australia involvement – project development, sponsorship
- Non-rounds based except for very large projects (ie those seeking >\$250k)
- Straightforward application, submission process and timely assessment (max 12 weeks)
- Streamlined assessment process and timeframe (max 8 weeks) for smaller projects (seeking funds up to \$50k)
- Open communication with applicant, including RDAs if involved with the new program
- Respect and give appropriate weighting for local advice and support for projects

Should the program target specific groups in the region?

- The program should be focused on targetting infrastructure priorities and types of investments rather than specific groups.

Which types of organisations should be eligible for funding?

- As per the former *Regional Partnerships* program, with the addition of RDA Committees.
- This included commercial, not for profit, statutory bodies, incorporated bodies, local and Territory governments etc.
- Cost shifting principles must be clarified in respect of local and territory (and State) governments AND in the context of each governing State's legislation and other key influences.

What types of projects would be most valuable for your communities?

- Investments in people, resources and infrastructure (hard and soft/social), economic and social/community projects, access to services, capacity building, planning projects. Some recurrent funding of projects would also be beneficial in certain cases.

Should there be a partnership approach to funding?

- Yes. But a degree of flexibility in assessment is necessary in respect to the nature of the partnership and the ability to leverage partner funding.
- Consideration be given to individual cases of need and the capacity to partner-monetary and/or InKind - may have limitations.
- Some flexibility in cash and InKind weightings in partnerships, in demonstrated hardship cases
- Local Government's in NSW are more constrained than those in other States to raise own revenue. Note page 11 in this submission, 'evidence suggests that the NSW Government has chosen a more significant constraining influence on the revenue raised by local governments than have other State governments'

Advice on the principles and priorities for a new Regional Development Funding Program

Defining 'regional'

Australia's regions are diverse, with complex, changing characteristics and relationships. Typically, understanding and communities of interest diminish with distance, differences in climate, topography, economies and size of communities.

The bio-physical, human and functional characteristics of regions and communities all play an important role and influence the type and cost of providing infrastructure.

Regions and regional 'performance' or progress can be benchmarked, compared and contrasted using a range or scale of measures and indicators such as socio economic indicators¹, well being indicators, measures of disadvantage, classes of remoteness, environmental sustainability and so on.

Definitions of regions vary considerably extending to debate about whether regions occur in the major cities or metropolitan areas and, if so, whether they too should be included in 'regional' funding programs. The Capital Region (CRACC's region), has a diversity of urban and rural settings. The city of Canberra (the national capital) plays a crucial economic and social role for the region's population that extends far beyond its city (and Territory) boundary to other smaller cities, towns and villages, localities and agricultural environs. The interdependence of the region's numerous communities cannot be dismissed; the city of Canberra cannot be excluded from the definition of this region.

Whatever the final outcome of program design, if any area or 'region' is to be excluded or deemed ineligible, it and the reasons why must be clearly stated.

Defining 'infrastructure'

- Equitable access to infrastructure (economic and social) is vital to optimizing productivity, regional growth, prosperity and liveability in regions.²
- Infrastructure³ can be defined as 'hard' physical and 'soft' social, including 'community infrastructure'
- Each contributes to the economic prosperity and liveability of regions
 - Examples of hard infrastructure include the built physical infrastructure needs of regions such as transport, telecommunications, water and energy, to support industry and business growth and development and liveability in regions

¹ The ABS Socio-Economic Indexes for Areas 2006 (SEIFA 2006) is a product developed especially for those interested in the assessment of the welfare of Australian communities. The ABS has developed indexes to allow ranking of regions/areas, providing a method of determining the level of social and economic well-being in that region.
<http://www.abs.gov.au/websitedbs/d3310114.nsf/4a256353001af3ed4b2562bb00121564/cbc195deddc8d84eca25740f0010e378!OpenDocument>

² *Inquiry to Infrastructure and the Development of Australia's Regions* HOR Standing Committee on Primary Industries and Regional Services Time Running Out: Shaping Regional Australia's Future March 2000
<http://www.aph.gov.au/house/committee/primind/rding/report/chap1.pdf> Chapter 1.8 and 1.12

³ Ibid Executive Summary <http://www.aph.gov.au/house/committee/primind/rding/sub167-e.pdf> P.1.

- Examples of 'soft' social (physical and intangible community, infrastructure) include vocational/tertiary AND community (life-long) Education and Training facilities and services, capacity building and leadership, cultural services and industries, support for growth of information technologies and knowledge based industries, health facilities and services, housing, emergency services facilities and services, community centres and services, the arts and cultural activities, technology hubs and rural transaction centres, business support and services.
 - 'Soft' infrastructure investments would include funding for building and facilities, moveable assets (eg community transport vehicles) as well as human resources to facilitate action (eg economic, community and grants officers) and for activities that add value to community economic and social development.

Part 2 of this Supplementary Submission ie - Priorities for Types of Infrastructure outlines numerous examples of infrastructure, hard and soft, that characterize and reflect the needs of the Capital Region.

- Ownership of infrastructure is another key consideration and how this might impact on eligibility for funding. This is particularly pertinent for 'cost shifting' considerations with respect to funding for hard or built infrastructure, some of which is owned by government or under monopoly control.
 - Differences in land ownership issues with respect to infrastructure also need to be taken into account. For instance, a freehold land ownership system operates in NSW while in the ACT, a different system operates. Practically all land in the ACT is crown land and use of that land is through a system of leasehold administered by the ACT Government.
- *Refer also to the Eligibility and Partnership Approaches Sections in this Submission for more comments relating to cost shifting and local/territory government pp 6-7; 10-11.*

Targetting the program

- It is still unclear what the policy framework is for the new program. Is the program to be narrowly defined as capital investment in physical built infrastructure or more broadly as investment for hard and soft infrastructure investment? That is, investment that addresses regional development issues, such as those that constrain or foster economic conditions for sustainable growth and competitive advantage, transportation, energy, communications, skills, market failure, disadvantage, economic participation and liveability of regions.
 - *Part 2 of this Supplementary Submission outlines a wide range of infrastructure types and investments needed in the Capital Region.*
- Regions everywhere are in need of various types of infrastructure investment. The need for 'infrastructure' is reflected in the geographic concentration of the population, social conditions, the biophysical and functional characteristics.
- Impacts of climate change on built infrastructure and people and communities in regions and adaptation to those changes, are also important considerations.
- The program should be based on merit and need, but still be flexible enough to take account of the diversity of communities and regions which all have distinct needs specific to their area.
- In areas of high need perhaps an additional specific fund should be devised.
 - For example, as in the former *Regional Partnerships* program, for communities to adjust to extraordinary changes in economic and/ or social circumstances; and

- in LGAs with low income communities where the average propensity to consume local government services tends to be higher than in LGAs with high income communities⁴
- The program might be best divided into a number of funds to target specific types or priorities, for example, as in the Victorian Government's Regional Infrastructure Development Fund (see *Part One, Attachment One - RIDF Guidelines- Priority Initiatives*).

Types of organisations that should be eligible for funding

- Types of organisations vary considerably and in their responsibility and obligations.
- They can include for profit, commercial entities eg companies limited by guarantee, governments, and non-profits eg incorporated associations (some are not incorporated). Many have Australian Business Numbers and are registered for GST – however, there are still quite a number that do not; typically these are the very small community organisations.
- All have a role to play, whether it is direct or indirect, in contributing to the economic and community development of their regions and therefore should be eligible for funding.
- Industry and business are vital to the economic prosperity of regions. Policies and programs that seek to foster regional prosperity should be made available to regional industry and business to enable them to innovate, and respond to change⁵. Funds for Infrastructure, both hard and soft, to improve the environment for business retention, expansion and recruitment and for building human capital (ie skills) through ongoing education, attracting and retaining skilled workers to liveable regions that provide a high quality life are all important. Regional engagement and efficient infrastructure mechanisms that enable interaction, communication and collaboration are now more than ever vital in an increasingly competitive and globalised world.
 - See also *Part 2 of this Supplementary Submission for more information on Business Services and needs*.
- If local government is to be eligible for funding, then the Territory governments, eg the ACT Government, must similarly be able to access the new program because of its local government functions.
 - The ACT is a self governing territory under the Australian Capital Territory (Self-Government) Act 1988 (Cwlth). The Act does not provide for a separate local government entity in the ACT. The ACT Government undertakes those functions that would otherwise be performed at the council level, including collection of property rates. It is not possible to separate its Territory functions from its local government functions. This also makes it difficult to analyse or compare the ACT with other local government's functions and revenue sources – it was the Productivity Commission's decision not to try to disaggregate the ACT in its report on local government revenue raising⁶.
 - Differentiating between cost shifting and local government (and territory/local government) functions and responsibilities could be an issue that needs to be addressed recognizing that:

⁴ Productivity Commission *Assessing Local Government Revenue Raising Capacity Research* Report April 2008 Page 143
<http://www.pc.gov.au/projects/study/localgovernment/docs/finalreport>

⁵ Department of Transport and Regional Services '*Regional Business Development Literature Review*' June 2002

⁶ Productivity Commission *Assessing Local Government Revenue Raising Capacity Research* Report April 2008

- Local Governments are diverse across a number of characteristics⁷.
 - Generally speaking local government functions and service provision has changed significantly over time⁸.
 - Most local governments are statutory bodies created under their individual States' governing legislations to provide good governance and a range of services to their communities.
 - Other government's and community expectations of local governments are increasing such that today Councils are expected to do much more in the provision of social and community services than they have done traditionally, and in an environment of increasing financial limitations.
 - The reasons for increases in local government service provision and expenditure have been identified to include devolution (from other tiers of government), raising the bar, cost shifting, increased community expectations and policy choice.⁹
 - *Refer also to the Partnership Approaches Section in this Submission for more comments relating to local government (pages 10-11).*
- If Regional Development Australia (RDA) Committees are to have no role with the new program then it may be appropriate that they too could be made eligible applicants, particularly for community capacity building and support related projects.

Decision making processes to be considered in the assessment of applications

- Commitment to and honouring a timely process for assessment and transparent decision making.
- Delegated authority, particularly for smaller projects, to Departmental officials and an expert panel for larger projects.
- Minister to determine priorities for funding with flexibility to recognize that regions have unique sets of circumstances.
- A clearly stated and advertised process is in place for the caretaker provisions that apply when a Parliament has been prorogued, funding decisions made pre election, what happens when there is a change of government and a decision to fund overturned, and timeliness of contracting – very important in light of what happened with the *Regional Partnerships* program and the effect changes to decisions had on communities and project partners.
- Post approval contracting to be completed promptly.
- MOUs between departments with regards the regional development role of government and cross portfolio relevance to regions eg industry, health, environment, education.

⁷ Ibid Page XXI. Diversity of local government areas is exhibited across a number of characteristics including differences in individual State's legislative frameworks, aggregate community income per resident, grants per resident received from other spheres of government, local geographic and demographic attributes, extent and nature of economic activity, preferences and expectations of communities and capacity and skills of elected Councillors and staff, as well as historical /evolutionary circumstances.

⁸ Ibid Page 15 Table 2.2 Local Government functions and services typically range from providing engineering and infrastructure, property services, public administration, regulation and planning, environment and health, community and social, recreation, cultural and education and other.

⁹ Ibid Page 17

Ways of distributing funding

- Many factors need to be taken into account such as need, merit, fiscal capacity of local governments¹⁰, local capacity to raise revenue and provide resources, regional or community disadvantage and level of reliance on publicly provided infrastructure¹¹, local government revenue, regional income and expenditure.
- A fully competitive national program may disadvantage communities in some states and territories. For instance, if a requirement of the new program is to seek funding partnerships, not all communities have a capacity to contribute or leverage other funding equally from their corresponding State government eg Victoria and Queensland each have regional infrastructure programs; a NSW Rural and Regional Taskforce Inquiry report recommended that the NSW government introduced an Infrastructure program¹².
- *Refer also to the Section in this Submission - comments relating to Partnership Approaches (pp 10-11).*

Merits of funding rounds vs a continuous application process

There are pros and cons in each process for government and for the applicant.

FUNDING ROUNDS

Pros of Funding Rounds

For government

- Helps promote fair, merit-based assessment process and facilitates transparency.
- If streams for small and large grant funding program are introduced. The smaller grant stream could have fixed submission dates (eg 3-4 rounds annually) while the larger grant stream could be continuous (to cater for additional complexity eg require multiple stakeholder sign-off and/or where securing complementary funding or other project investment).
- Better enables Department to plan for and manage (assessment) resources. Encourages more timely assessment of applications and notification to applicants within set timeframes.
- Allows for set amount of funding to be allocated to a particular round.
- Like projects can be called for in a particular round.

For applicant

- Enables like projects to be considered in a particular round (if government chooses to go this way), perhaps sending a stronger signal to the community that the assessment process is merit based, and thus transparent.

¹⁰ Fiscal capacity of local governments is measured as the aggregate after tax income (broadly defined) of its local community – capital cities (particularly CBD areas) have the highest capacity, on average urban developed, urban regional and rural councils have intermediate fiscal capacity while on average urban fringe have the lowest. Source: Productivity Commission Assessing Local Government Revenue Raising Capacity Research Report April 2008 Page XXV

¹¹ When the ABS computes a low socio-economic score for an LGA then the population of that LGA, can be expected to have a greater need/ make more use of public facilities such as community halls and sporting facilities.

¹² Rural Regional Taskforce Report 2008 – the NSW Government has yet to formally respond. The NSW Government announced a number of Infrastructure funds for Country NSW on November 1. This appears to be related to the Taskforce recommendation that a Regional Infrastructure program be introduced; however, there was no specific reference to the Taskforce in the announcement. Detailed guidelines for the Country NSW Infrastructure funds to commence from 1 January 2009 are yet to be released.

- Potentially offers more timely assessment of application and notification to applicant within set timeframes since the Department should better be able to plan and provide for assessment resources.

Cons of Funding Rounds

For government

- Due to competitive nature, nuances of local situations may be lost - context of local imperatives is important.
- May induce lesser quality, rushed projects and poorer quality applications.
- Doesn't pay proper regard for priorities of a particular region or applicant.
- If there is a call for like-minded applications, this will require the Minister/ Department to set priorities of focus for each funding round.

For applicant

- Due to competitive nature, nuances of local situations may be lost - context of local imperatives is important.
- Works on premise that applicants are sufficiently well advanced and/or resourced to respond within a short timeframe. Disadvantages applicants/ communities that don't have the resources/ skills to meet all detailed requirements and prepare and lodge applications. (Regular ie 3-4 rounds per year could alleviate inequity.)
- May necessitate more applicants needing to engage professional grant application writers – at a cost which may not be able to be met by more disadvantaged communities.

CONTINUOUS APPLICATION PROCESS

Pros of Continuous Application Process

For government

- Minimises bureaucratic workload – only need run a continuous marketing campaign.
- Minimises peaks and troughs re workload.
- Doesn't require Department to distort "market place" – ie enables regions to determine what should come forward and when.

For applicant

- Enables application to be lodged at a time that suits the project/ applicant and partners.
- Better facilitates other tiers of governments where there are different windows for grant funding applications.
- Well received by regional communities.
- Reduces risk of other partner funding being withdrawn because of lengthy delay in timing of funding round.
- Reduces risk of significant cost escalation pending next funding round.
- Doesn't work against applicants in communities less well resourced to meet artificially set deadlines.

Cons of Continuous Application Process

For government

- Does not allow for comparative assessment of projects.
- Doesn't enable government to ensure funds are directed to highest priority projects.
- Government is less able to control funds management, eg anticipate demand.

For applicant

- Success of a project may be more a matter of chance, Ministerial whim or political expediency.
- Unless Department has strong guidelines and benchmarks for assessment and decision-making and these are adhered to – risk that process will not be as punctual as round-based system.

A partnership approach to funding models

- Key words to be defined include Partnerships (funding partners, project partners) – Support – Cost shifting – Collaboration.
 - A partnership approach is often one of the most contentious issues in project applications.
 - Expectations and the meaning of ‘partnerships’ must be unambiguously explained – when is a partner a partner and not deemed to be cost shifting?
 - Clarity of the term ‘cost shifting’ – often deemed to be subjective. CRACC notes the Intergovernmental Agreement on Principles Guiding Intergovernmental Relations on Local Government Matters (signed in 2006), establishes a framework for the delivery and funding of services and functions to the community at the local level on behalf of other levels of government¹³.
- In CRACC’s experience partner involvement is important and one of the keys to project success; it also serves as an indication of the support for an initiative.
- A partner can be represented in a monetary sense (cash contribution) and as an Inkind or volunteer contribution through the provision of goods and/or services to a project rather than monetary contributions.
 - Often the Inkind contribution, vital in community initiatives and notable in small community projects and projects auspiced by community not-for-profit groups, is undervalued or dismissed in the assessment process, almost in the same way that volunteers seem to be, and this needs to be reversed. These projects warrant a more favorable consideration, including considerations of hardship, and a relaxing of the financial contribution requirement.
 - In CRACC’s experience, Inkind contributions to projects have been significantly underestimated at the funding application stage. It is not until the conclusion of a project that the true value of Inkind contribution to a project is appreciated. While one can document the Inkind hours of volunteer time in a project it is the other contributions and the resulting intangible benefits, that are difficult to measure eg capacity and skill of community members that are enhanced through the project experience, the uplifting of community spirit and the sense of achievement in a job well done.
- The program must take into account the capacity and resources of other tiers of governments to partner.
- Some States have dedicated Infrastructure programs, eg Victoria, to target as potential funding partners; the NSW Government announced a number of Infrastructure funds for Country NSW on November 1 (details are yet to be finalised).
- Additionally and perhaps even more important is the approach with respect to the capacity of the very diverse local government sector to partner with the Australian government:
 - As mentioned previously (pages 6-7), functions and range of services delivered by Councils in Australia varies widely, as well as their revenue raising capacity and influences of external factors such as structural changes, decisions of other levels of governments and amalgamations as has been the case in the Capital Region - each of the then 8 LGAs were effected by the 2004 amalgamations.
 - ‘The levels and shares of local government revenue sources vary considerably at the state level differences in legislative frameworks, the functions of

¹³ Productivity Commission Assessing Local Government Revenue Raising Capacity Research Report April 2008 Pages 17 - 18

local government in different jurisdictions and patterns of demography and regional development'.¹⁴

- The variation in expenditure by function and services is another important consideration in understanding the priorities of and capacity for Councils to partner..... 'across ACLG classes, as well as across functions and services within each Council class'¹⁵:
 - Across local governments expenditure per person varies considerably. Generally rural and remote councils have higher expenditure per person, on average, and raise more own-source revenue per person compared to urban councils which might be due to higher costs of service provision, diseconomies of scale and differences in ranges of services offered¹⁶
 - Disturbingly, ratios of local government rates revenue to gross state product declined in a number of Australian states and territories between 1998-99 and 2005-2006 'exclusively in NSW, Queensland, Western Australia, Tasmania and the Northern Territory'¹⁷
 - In the case of NSW, 'the rate of growth in rates revenue has been among the lowest of all jurisdictions over the past seven years... and rate revenue per person below that of most other jurisdictions. The evidence suggests that the NSW Government has chosen a more significant constraining influence on the revenue raised by local governments than have other State governments'¹⁸
 - This trend is reflected in the decision of local governments in the Capital Region to focus their expenditure decisions mostly on essential infrastructure, and primarily on repair and maintenance. Renewal and new investments in hard and soft infrastructure are simply beyond them and, while they are priorities for their communities, they typically remain unfunded.
 - The situation has been exacerbated by the amalgamation of Local Government Areas (LGAs) which involved physically substantial changes to three of the (now) five LGAs in the Capital Region, revealed significant gaps in infrastructure and in the case of one, produced a Shire that was almost insolvent.
- The program must consider the capacity and resources of community groups and others to partner, taking into account the above considerations of local government and their decisions/ priorities / contribution to provision of community infrastructure.
- It must also include a degree of flexibility for hardship situations as in the former *Regional Partnerships* (revised 2006) guidelines if dollar ratios still count. Barriers to financing may be too difficult to overcome for some communities / applicants who may not have the capacity to source or access matching funds for projects.

¹⁴ Source: Productivity Commission Assessing Local Government Revenue Raising Capacity Research Report April 2008
Page 7

¹⁵ Ibid Page 48

¹⁶ Ibid pages 33 and 49 (Finding 3.5)

¹⁷ Ibid Page 7

¹⁸ Ibid Pages XXXIII/IV

Making links to the future direction of particular regions

- Planning, coordination and cooperation are the key elements of effective regional development
 - In the Capital Region, consideration needs to be given to alignment of NSW and ACT government's planning and infrastructure priorities including such cross border agreements that are now in place eg the Joint Cross Border Settlement Strategy and the Water Agreement.
 - The application of the principles of Integrated Local Area Planning (ILAP) model across region wide settings would be an appropriate approach. The ILAP is a 'whole of government, whole of community approach to strategic local and regional planning'¹⁹ and the principles of ILAP are supported by the Australian Local Government Association²⁰. The key principles involve partnerships, linkages across sectors, agreed key issues/shared vision, community participation, coordinated action, local government leadership and acknowledgement of diversity amongst localities.
 - Resources (physical and human infrastructure capital) can be allocated according to specific regional circumstances whether it is regions that are lagging and needing to create opportunities to move up the competitive rankings, or growing regions needing to overcome constraints for optimising growth.
 - Success will be dependent on each tier of government's commitment, plans and capacity, and that of the wider community, for investing in regional and community infrastructure and services coinciding with national program objectives.

Determining the level of priority for projects

- There is presently no mechanism in place for communities to determine the level of priority for projects, or for coordination of infrastructure priorities in regions.
- Local governments develop a variety of plans – eg annual management plans, longer term social and local environment plans, involving some form of community 'consultation' (local government reforms in NSW require that planning instruments are now to be incorporated into 3 year management plans). Yet often the initiatives contained within them fall outside local government's capacity to fund, implement or maintain and so don't make it on to priority funding lists and budgets, remaining instead simply as 'goals'.
- Aligning with their responsibilities, local government tends to differentiate between 'essential' (eg water and sewerage) and 'discretionary' (eg cultural, sport or recreation purpose) infrastructure. Local government's limited resources are stretched to cater for essential annual maintenance, let alone renewal, of the essentials with little surplus to invest in the discretionary.
 - A region-wide services hierarchy model approach could be incorporated in the mapping of future community infrastructure requirements and prioritization of projects which takes into account the needs of all communities from very small to large - see Attachment Two, Hierarchy of Location Services, as an example.

¹⁹ Department of the Environment, Water, Heritage and the Arts Case Study - Integrated Local Area Planning
<http://www.environment.gov.au/commitments/uncsd/publications/csd1995/case4.html>

²⁰ Australian Local Government Association General Assembly 2004
<http://nga.alga.asn.au/generalAssembly/2004/ngaBusiness/nationalAgenda/intergovernmental.php>

Community's capacity to be involved in different stages of the program

- In CRACC's experience with the *Regional Partnerships* program, few communities were equipped to deal with the program's complexity
- There needs to be realistic expectations of the capacity of community organisations and a reduction in the burden of 'red tape'.
 - Some regional grant programs particularly at the State level seem to be far less complex and generally much quicker turnaround of applications is achieved eg NSW Main Streets.
 - Reporting requirements and cost imposts of some contracts can be quite daunting, particularly for small dollar value projects.
- Publication of paper-based guidelines as well as electronic tools is still essential – not everyone can use or has access to a computer, or reliable access to the internet or broadband.
- Recurrent funding - Contribution to selective operating costs in the early period
 - It is not uncommon for projects to require a mix of funding for capital infrastructure and, at least for a short time, beyond the 'doors being opened' to pay for at least one resource to help bed down operations over a period of 12 months or so. Under the guidelines of the former *Regional Partnerships* program this early stage soft infrastructure expenditure had to be met solely by the applicant and its partners. In some cases, this created great hardship. To assist projects get on their feet and consolidate in the early period, consideration might be given to including this as an activity eligible for funding.
- Capacity Building
 - Funding of Grants Officers: The community and all local governments in the region would like to see Grants Officers funded in the region to assist in the identification and submission of suitable projects deemed to be priority in the region. In 2007-8, several Councils in the Capital Region partnered in a pilot to fund a Grants Officer who (at times with technical support from this ACC's Secretariat) assisted Councils and the general community in identifying suitable funding sources, provided help with business case considerations, project development and in the preparation of wide ranging grant funding applications. The position also provided an opportunity to help build community capacity in the region. Unfortunately Councils could not continue to fund the position in the long term.
 - Capacity Building initiative included in the former *Regional Partnerships* program: provided funding assistance to help build project management and other skills relevant to the conduct of the *Regional Partnerships* project. We recommend this important and valuable approach be continued in the new regional grant funding program.

Overall expectations of the new program

- Bi-partisan support for the new program is essential if all levels of government are to be involved. The greater the commitment at the federal level from both sides of the Parliament, the more likely the program (and the commitment to invest by all levels of government) is to be sustainable in the longer term. CRACC understands that investing for the long-term future of Australia's regions is a key objective of the Rudd government.