

## **SOUTH WEST GROUP**

### **SUBMISSION TO THE STANDING COMMITTEE ON INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT INQUIRY INTO A NEW REGIONAL DEVELOPMENT FUNDING PROGRAM**

#### **Introduction**

Local governments across Australia face challenges to meet the expectations of their communities, maintain existing infrastructure, access skills, develop positive community futures, conserve the environment and to respond to both growth and change.

The National Financial Sustainability Study of Local Government (PriceWaterhouseCoopers study) has identified that local government is under funded for the role it is expected to deliver. Grant funding is an important component of most local government operations. Local government typically has access to less than three per cent of the expenditure by the three spheres of government and significant, long term funding programs are particularly important for regions undergoing rapid growth or change.

Funding programs should:

- be simple to apply for, to manage and acquit
- be well publicised with at least twelve weeks notice given of closing dates for competitive applications
- have clear guidelines for eligibility and for the application process
- be facilitated by an agency that establishes nominated contacts for consistent advice on the application and assessment process
- have a consistent and transparent assessment processes
- be assessed and approved in under twelve weeks
- have at least a one in five chance of success for eligible projects
- have a balance between scoping studies and implementation projects
- promote leverage of other resources, participation and skills
- require that the project or activity is a priority within a community or region through a variety of strategies or processes
- allow for digital submission of applications
- provide feedback on the total number and value of applications received, the number and value of successful applications, and the locations of successful and unsuccessful applications
- be clearly separate from commitments made as part of a state or Federal election process
- operate over a minimum five year duration
- preferably have a mix of outcomes solving problems as well as creating opportunities, employment, community development and economic growth
- complement funding programs by other spheres of government and industry
- promote philanthropy

### **South West Group**

The South West Group, formed in November 1983, is a Voluntary Regional Organisation of Councils (VROC). It comprises the Cities of Cockburn, Fremantle, Melville, and Rockingham, and the Towns of East Fremantle and Kwinana. The South West Group is managed by a Board consisting of the Mayors and CEOs of its member local government authorities.

The South West Group seeks to work with these six local governments and through cooperation with industry, community and the other spheres of government to capture a wide range of opportunities to enhance economic growth as well as supporting a diversity of quality lifestyles whilst servicing and sustaining cohesive, productive communities in an enviable environmental setting.

Funding for the operation of the South West Group is sourced from its member councils. Project activity is partially funded by member councils and partially sourced from government funding programs.

### **Inquiry Terms of Reference**

*The Committee is to report on the Australian National Audit Office's Performance Audit of the Regional Partnerships Program and make recommendations on ways to invest funding in genuine regional economic development and community infrastructure with the aim of enhancing the sustainability and liveability of Australia's regions.*

In providing advice on future regional funding programs the Standing Committee should consider what is regional economic development and what constitutes a region.

The South West Group considers regional economic development is the process of sustainable wealth creation for a community recognising local environmental and social priorities as well as enhancing education, health and amenity. Regional economic development involves investment in infrastructure, skills, innovation and services whilst promoting community engagement and cohesion. Essential components of regional economic development are understanding the context for future growth and prosperity, identifying competitive strengths, establishing community values and priorities identifying pathways for community involvement and establishing partnerships to mobilise community resources.

Regional economic development needs to have sustained regional cooperation and coordination to be effective. Priority should be given to those regions with strong integrating structures that link local government, industry and the community.

Regions should include metropolitan regions and where possible be built up from aggregations of local government authorities. Support for regional economic development should be principally assessed on the long term outcomes of the project rather than the location.

**1. Provide advice on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects;** Regional programs need to fund more than community infrastructure projects. Regional economic development requires investment in infrastructure, skills, innovation and services as well as promoting community engagement and maintaining cohesion.

**The Better Regions Program will need to complement the Regional and Local Community Infrastructure Program (RLCIP) to be established by the Federal Government in 2009/10. The establishment of RLCIP needs to have significant input from local government at a state and regional level so that the program reflects the challenges and opportunities right across Australia.**

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

Partnership with local governments and groupings of local governments is a very effective way of avoiding duplication and reducing administrative costs. Partnership arrangements with State Governments could also reduce administrative costs. Many local governments operate their own community funding programs and could administer Federal funding programs in a similar way as the Natural Heritage Trust is operated.

Another well regarded administrative arrangement is the AusLink Roads to Recovery Program which operates uniformly across Australia. Under current arrangements, each council is guaranteed a share of the total available funding. Under simple administrative procedures whereby spending decisions are made locally and reported to the government, money is paid directly from the Australian Government to each council. Much of the administration is via the internet.

**The previous boundaries of the Area Consultative Committees (ACCs) did not align with regional boundaries in Western Australia. In particular the South West Group Region was split between the Perth ACC and the Peel ACC. The development of the Regional Development Australia (RDA) committees should reassess the size and boundaries of the RDA committees and their relationship with state and local government structures.**

**The South West Group Region is of sufficient scale to be a RDA Committee Region being one seventh of Western Australia's population and one seventh of Western Australia's economy. The South West Group should have membership on the RDA Committee.**

**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 Regional Partnerships Program funded 15 projects in the South West Corridor and provided over \$2.5 million support to the region. The South West Group has had a good relationship with the Area Consultative Committees and their staff and considers that they have been highly professional in their relationships with local governments in the region. Competitive funding programs should not be used for election commitments. The issues with Regional Partnerships would not have occurred if the approach to funding programs recommended in the introduction to this submission was used.

**It is recommended that future regional development funding programs:**

- 1) Have different guidelines and assessment criteria for different types and sizes of projects**
- 2) Have broad input from local government in the development of the programs particularly for the proposed RLCIP**
- 3) Be facilitated by an agency that establishes nominated contacts for consistent advice on the application and assessment process**
- 4) Be clearly separated from commitments made as part of a state or Federal election process**
- 5) Have feedback on the total number and value of applications received, the number and value of successful applications, and the locations of successful and unsuccessful applications**
- 6) Set targeted times for assessment and approval**
- 7) Require that the project or activity is a priority within a community or region through a variety of strategies or processes which will typically require endorsement by Local Governments or Voluntary Regional Organisations of Councils**
- 8) Identify a substantial separate allocation of grant funding for infrastructure development or renewal**
- 9) Identify a mix of outcomes such as solving problems as well as creating opportunities, employment, community development and economic growth**
- 10) Promote leverage of other resources, participation and skills**
- 11) Operate over a minimum of five years**
- 12) Support development of philanthropy within the region**

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