

Perth **acc**

Perth Area Consultative Committee Inc.

Submission to

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

*Inquiry into a New Regional Development Funding
Program*

July 2008



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

Perth Area Consultative Committee Inc.

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 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
4. Examine the former governments 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.

Perth ACC will address Terms of Reference 3 and 4 in the spirit of the heading – *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 one of the few funding programs available in metropolitan areas for economic and community development initiatives and as such was very valuable for community groups and local government. Regional Partnerships provided funding in excess of \$5.1million for projects across the Perth region and also for projects delivered and impacting throughout the state. In real terms, this funding contributed to community projects with a value in excess of \$20.8 million for the Perth region and beyond.

Policy and program initiatives need to reflect the reality of the distribution of the Australian population in the 21st Century and acknowledge that 85% of the population live within 100 km of the coast.

Unemployment levels, skill shortages, inadequate infrastructure, industry attraction and retention are all issues that impact equally on metropolitan and non-metropolitan areas. Access to appropriate levels of funding should not be determined by geography, but rather by meeting a clearly defined set of criteria that are equally applicable to metropolitan, regional and remote areas.

Effective regional development requires policy and programs that are integrated and deal with the provision of infrastructure, industry development, expansion and diversification and measures to address a skilled and flexible workforce. The “glue” for effective and long term regional development activity is community capacity building and cohesion and this crucial element should also be considered as investment in community infrastructure.

The definition or parameters of a funding program for “community infrastructure” needs not only to be clearly articulated and defined as being clearly related to economic development; but to be expanded out to include the recognised integrated components of economic development, including community capacity building.

Infrastructure refers to the network of services in society which are the essential structural foundation or supporting system for the social and economic functions of regions. Within this definition there are two levels of infrastructure:

- i) Hard infrastructure refers to the physical and built structures such as transport, water, energy and telecommunications services.
- ii) Soft infrastructure includes education, health, environment, recreation and culture

The provision, updating and maintenance of infrastructure cuts across the responsibilities of all tiers of government and as such partnerships from all levels of government and the proponents demonstrate genuine community commitment and ownership.

Feedback from Perth ACC stakeholders note that;

“Funding needs to be backed with a justified business case for projects that align with Federal government objectives and the aspirations of the community. This rewards stakeholders who have undertaken investigation and consulted with their stakeholders. Funds should also be available for investigation to assist those with limited capacity to undertake such work.

Programs need to have a process of bringing in state government projects and funding priorities and identifying any leveraging funds. Also to identify projects unlikely to proceed without a shared agreement. Projects could be given a priority or assessment criteria weighed accordingly.”

Recommendations

1. Future regional funding programs should ensure an integrated approach to economic development with designated streams such as community and public infrastructure, economic and community development related projects, education and skills based projects.
2. Future regional funding programs to clearly define the parameters of “community infrastructure” and define that it is infrastructure which is directly linked to economic development.
3. Future regional funding programs for community infrastructure projects to require strong partnerships arrangements and that community infrastructure built with public money to remain in public ownership.

Terms of Reference

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

The ACC network has effectively promoted the Regional Partnerships program since its inception in 2003. In providing assistance to applicants to develop applications that meet the guidelines and contain the required supporting documentation, the network has reduced the assessment burden on Canberra and provided independent and apolitical advice on local projects.

Feedback from Perth ACC stakeholders note that a RDA role to assist successful applicants to set up projects with appropriate milestones, payment schedules and reporting arrangements would be valued. This is in addition to the support with advice on program eligibility, criteria and application development provided as part of the Regional Partnerships program delivery. These arrangements minimise project development and administration costs for applicants.

With the closure of the Department Infrastructure, Transport, Regional Development and Local Government Metropolitan Regional Offices, RDA will provide the following advantages and minimise administrative cost and duplication for tax payers:

- RDA is the Commonwealth's regional body and it is appropriate that it is involved with regional program funding just as other bodies deal with programs relevant to their areas of work;
- RDA can deliver a whole of government approach to regional development through processes that are transparent, accountable and equitable.
- RDA can cover the region as a part of usual business, capitalizing on their extensive and interconnected networks and delivering value for money;
- RDA (Metro) can facilitate programs and projects that cover multiple regions.
- RDA provides extensive professional and practical regional economic development skills and experience for the Commonwealth with both staff and management committee members having many years combined knowledge and skills in regional development.
- RDA will filter out ineligible projects, saving assessment time in Canberra.
- RDA will improve badly written applications, again saving assessment time in Canberra and ensuring that the most worthy projects are supported (not necessarily the best written);
- RDAs are apolitical and independent, allowing rigorous debate and examination of issues and projects.
- RDAs provide a strategic, macro and independent perspective of their regions beyond individual local government boundaries.
- RDA boundaries and roles should reflect and be complementary to, the jurisdictions and roles of other Australian Government agencies such as Office of Northern Australia, the Major Cities Unit and Commonwealth Urban Offices¹.
- RDA boundaries should be aligned with state planning boundaries and regional development boundaries.

¹ ALP National Platform and Constitution 2007 Chapter 15 - Strengthening Regional Communities

Terms of Reference 3 and 4

Providing advice on future funding of regional programs.

1. Application Process

The application form and electronic submission process under Regional Partnerships was seen by both applicants and the ACCs as complex and cumbersome. A simplified, streamlined application process will reduce the amount of assistance required to applicants, the resources required for assessment and also the lengthy timeframes involved.

The application process should include clearly defined processes and timelines for assessment and announcements to avoid the perception of projects being approved for political processes particularly in the pre election period.

The efficiency and delivery of the program could be improved by being openly, widely and publicly advertised nationally by the Department. It is important that the application process is amenable to community need and the timeframe for their partners and project, rather than to be built around imposed funding priorities and access only to limited structured rounds.

Since the last election it has been unclear on the status of the Regional Partnerships program. ACC's were advised that it was "business as usual" until such time that a ministerial directive was received to the contrary. Projects were developed and submitted in good faith that they would be assessed in line with the published Regional Partnership program guidelines.

These projects along with those submitted prior to the election have not been assessed in line with guidelines and have been discarded as a consequence of the cessation of the program in the Budget paper announcements of May 13th. This has caused considerable angst for ACCs and their stakeholders due to lack of information from the Government on the future of the program and the process with which applications would be dealt with in the event of both an election and the winding up of the program.

Future funding program guidelines should clearly state the process for the program during caretaker mode and the process to be undertaken in the event that the program is wound up.

Recommendations:

1. Application process (whether electronic or in word format) should be user friendly, simplified and easily understood
2. Eligibility for the program and criteria used to fund projects should be clear, consistent and transparent.
3. RDA network to act as a program delivery agency to market the new funding program and assist proponents prepare submissions.
4. The program criteria and eligibility should be openly, widely and publicly advertised nationally from the Department.
5. Future funding program guidelines should clearly state the process for the program during caretaker mode and the process to be undertaken in the event that the program is wound up.

Terms of Reference 3 and 4***Providing advice on future funding of regional programs*****2. Assessment Process**

All projects should be judged on their merits in relation to the significance to the region, alignment with agreed strategic regional direction and level of community support for the project. Advice should be sought from RDA Committees as they have in depth local knowledge, considerable regional development experience and local networks to competently assess both the project and applicant viability. RDAs provide a strategic and independent perspective of their regions beyond individual local government boundaries and are apolitical allowing for rigorous debate and examination of issues and projects.

All projects should meet the criteria of the program and assessed against clearly documented processes. Funding decisions should be merit based and made against published eligibility and assessment criteria to ensure there is transparency in the process.

The previous informal ad hoc announcement process without clear approval timelines being adhered to has placed applicants in situations where they have no certainty of when funding may be offered. Regular announcement dates would lead to announcements that are independent of political expediency and provide applicants with some certainty of approval timeframes.

Recommendations:

1. RDA Committees to provide advice and recommendations on projects to the Department and Minister
2. All projects should meet the criteria of the program and be assessed against clearly documented processes.
3. Funding decisions should be merit based and made against published eligibility and assessment criteria.
4. Announcement time frames should be openly and publicly advertised and adhered to without exception.

Perth 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."

