



ACC

Central New South Wales
AREA CONSULTATIVE COMMITTEE



10th July 2008

**The Secretary
Standing Committee on Infrastructure,
Transport, Regional Development & Local Government
House of Representatives
Parliament House
CANBERRA ACT 2600**

Central NSW ACC Submission - Inquiry into new Regional Development Funding Program

PREAMBLE

The Central NSW Area Consultative Committee thanks you for the opportunity to provide a submission to this inquiry.

The Central NSW ACC is part of a nation-wide network of 54 community based organisations providing an important link between rural communities and the Australian Government. Specifically the Central NSW ACC currently covers eleven local government areas including Bathurst Regional, Blayney, Cabonne, Cowra, Forbes, Lachlan, Lithgow City, Oberon, Orange City, Parkes and Weddin.

Our incorporated, not-for-profit organisation has a membership with a diverse skills base and is representative of the Central NSW Region. All members undertake their membership role on a voluntary basis and bring demonstrated networks and alliances. Representatives from local government, not-for-profit community groups, industry groups and the private sector are present on the Board.

While the development of projects for funding under the Regional Partnerships (RP) Program and associated Rural Medical Infrastructure Fund was our core charter, increasingly our role has involved facilitating the development of partnerships, assisting with the development of project and business plans, building capacity to enable the applicants to complete applications and gaining support for projects within the community and broader region.

In addition, a key component of our work has been the referral or development of applications for funding through a wide range of programs offered by Federal, State and Local Government, as well as by philanthropic and private sector organisations. This has enabled the Central NSW ACC to ensure that applicants have not only exhausted all likely funding sources, but also developed the skills necessary to determine how their project could be structured to meet the criteria of specific funding. ACC involvement has added value to the RP Program by enabling the development of better applications, resulting in projects that focus rural communities on issues impacting on their long term sustainability



The role of the Central NSW ACC has further extended to providing the following services within the Central NSW Region:

- Grant Writing and Community Capacity Building workshops for community, business and Local Government.
- A resource for the Economic Development Officers Network.
- Working with the three levels of Government to provide input on issues impacting on regional development (transport, health services, telecommunications and infrastructure).
- A sounding board for regional projects.
- Hosting the Small Business Field Officer Program, and
- Undertaking contracts through Federal Government Departments to provide services to our communities such as the Wise Work Force Program.

It is with this background that we welcome the opportunity to provide the following feedback on the terms of reference of the inquiry.

CENTRAL NSW ACC RESPONSE TO THE TERMS OF REFERENCE

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

The Central NSW ACC has three key recommendations on future funding of regional programs:

Local Community Funding

There continues to be a strong need for a funding program to address local community infrastructure needs where the asset is not necessarily owned by Local Council.

RECOMMENDATION 1

That a non-discretionary eligibility based regional development funding program be developed specifically targeted to not-for-profit, community based organisations with a funding cap of up to \$100,000.

It is essential that this program has a simple application form with clear guidelines and an eligibility checklist that enables potential applicants to self assess. Once these applications have been submitted, a simple process of assessment against the established criteria needs to be undertaken. Assessment must be timely and transparent. No funding rounds for this program should be applied.

In addition, the Central NSW ACC has continued to field inquiries from across the region to assist in identifying funding avenues for larger scale projects such as Regional Conservatoriums, Community Hubs, Community Pre-Schools, Community Cultural Precincts, etc. These projects quite often fall outside Local Council jurisdiction but in many communities, this social infrastructure is a key component to economic development.

RECOMMENDATION 2

That to a regional development funding program be developed for projects seeking in excess of \$100,000.

While more detailed information will be required it is still essential that this program has a simple application form with clear guidelines and an eligibility checklist that enables potential applicants to self assess. Once these applications have been submitted, a simple process of assessment against the established criteria needs to be undertaken. A minimum of two funding rounds should be offered per year.

RECOMMENDATION 3

That the new local Regional Development Australia (RDA) committees retain responsibility for working with communities to assist in the development of projects and applications.

The new RDA committee can assist communities to consider the bigger picture and assist with developing networks, linkages, partnerships, synergy, consolidation of resources and best practice.

Local communities particularly in the more remote rural areas appreciate face-to-face contact with organisations able to assist in developing projects and applications.

The involvement of the local RDA committee in assisting communities in developing projects ensures that alternate funding sources are exhausted, that projects are viable and sustainable, that they meet the long term needs of the community and provide value for money for the Government's investment.

A funding program that offers a strong interface with applicants in their communities will be more likely to benefit a broad range of organisations that represent disadvantaged groups or that target areas of genuine need rather than large well resourced organisations with access to professional grant-writing resources.

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

As regional development is delivered at the State, Federal and Local level, the Central NSW Area Consultative Committee has worked to maintain strong alliances across the three levels of Government. Through a close working relationship between the Central NSW Area Consultative Committee, the Central Regional Organisation of Councils, Central West Regional Development Board and the Department of State and Regional Development, regional development in the Central NSW region has worked well to date ensuring no duplication but rather collaboration to achieve positive outcomes for our region.

The Central NSW Area Consultative Committee recommends the following be incorporated into future regional development funding to minimise administrative costs and duplication:

RECOMMENDATION 4

That clear and concise program guidelines be developed that can be easily adhered to by potential applicants.

This will enable the development of an eligibility checklist that will enable potential applicants to self-assess upfront, avoiding time and money wasted in developing and assessing an application that was clearly ineligible.

It has been our experience that where guidelines are left open to interpretation projects have been submitted against our advice in the hope that they will be approved. The ability for applicants to self assess will avoid ineligible projects getting into the system in the first place, relieving pressures on project assessment. It is estimated that the cost of assessing projects, whether they were eligible or not under RP, was around \$5,000 per application.

RECOMMENDATION 5

That the new RDA committees assist National Office in assessment by providing additional information required on projects. This will minimise costs associated with assessment teams spending time trying to understand the nature of individual projects in regional communities that RDAs are well acquainted with.

After the audit period of 2003-2006 when the assessment process was centralised to National Office, there seemed to be a lack of understanding of issues facing regional communities. This led to, what appeared at the local level, to be a waste of administrative resources spent grappling with complex place based issues.

RECOMMENDATION 6

That the new RDA committees be established as "solution brokers" assisting regional communities to access Government programs and initiatives.

Taxpayers will receive great value for money through the utilisation of the RDA network to commence on 1st January 2009. In the past the Central NSW ACC has worked as a "solution broker" assisting regional communities to access a wide range of government programs and initiatives. We have developed a wealth of knowledge and strong networks throughout our Region providing value for money as a "one-stop-shop" for referrals and advice.

Involving the new RDA in assisting communities in developing projects will ensure that alternate funding sources are exhausted, that projects are viable and sustainable, that they meet the long term needs of the community and provide value for money for the Government's investment.

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

The Central NSW Area Consultative Committee would like to make comment on the following aspects of the Regional Partnership Program outlined in the Australian National Audit Office report.

Decision-making processes

RECOMMENDATION 7

That the decision to fund a project under any new program be based on the projects ability to meet the guidelines and assessment criteria.

Decisions should not be based on discretionary power or political affiliations. Any panel needs to be independent of ministers, local members, etc.

After the due diligence has been under taken by the department, it would then only need formal sign off (eg: by the Parliamentary Secretary). If a proponent's project sits outside the guidelines they should be advised accordingly and directed to a more suitable funding program where appropriate.

RECOMMENDATION 8

That a funding cap be put on the program to ensure that it is not open to unrealistic requests and unbalanced partnership contributions.

A decision made on projects that do not have an application and have not gone through the assessment process is extremely detrimental to the program as a whole. It undermines the work that has been done by other applicants and the ACC, particularly, where approvals were fast tracked for projects with limited or, at worst, no application while worthy projects in development for anything up to 12 months were required to provide detailed applications and subject to long delays in the assessment process. This reflected badly on all the genuine and worthy projects developed under RP and led to unfair accusations of "rotting" the system.

The discretionary nature of the approval process and the inability to get clear advice on guideline interpretation from the department impacted on the perceived professionalism of those involved in assisting in the development of applications.

Departmental assessment and administration of projects

Delays in assessment had implications for applicants who had funding from other partners to manage as well as quotes, builders booked etc. Lack of communication with ACC's and the applicant by National Office during the assessment process resulted in confusion and frustration and often placed the ACC in an embarrassing position at the local level trying to reassure applicants that the process was underway. Where a project was not approved there were sometimes long delays in advising the applicant.

Once approval was granted the process of advising the applicant was haphazard and inconsistent, with ACC's usually the last to know despite being the face-to-face contact with the applicant. As a result ACCs were unable to use project announcements as an opportunity to promote the Government or themselves and future initiatives. We also lost the ability to promote the ongoing benefits and outcomes of projects once contracted as we were not kept in the loop after the submission when follow up should be mandatory.

Every application irrespective of the level of funding being sought was subject to the same assessment process both at the local and departmental level with final funding approval granted by the Minister. This led to questions over the administration of the program and accusations of political bias at the local level. It also led to long delays (up to six months and longer) in the assessment of projects.

RECOMMENDATION 9

That a transparent assessment process be put into place to allow applicants to know how long they may need to wait for an outcome.

If applicants can make an inquiry about what stage the assessment is at, it will avoid the risk of their being forced to make a start on components of their project to avoid losing builders, guaranteeing costs or meeting deadlines imposed by other funding bodies etc. Hence risking the project being funded, correctly, or at all.

RECOMMENDATION 10

That the unsuccessful applicant be provided with a detailed explanation of non-approval.

Under RP there were sometimes long delays in the lead up to a negative outcome, which not only reflected badly on the ACC, the Department and Government, but put the community at risk.

Programme improvements

Prior to program changes resulting from the ANAO report, RP applicants were required to complete the same application form irrespective of the funding being sought. This often led to criticism that the smaller not-for-profit community groups were disadvantaged having to compete on an uneven playing field against projects developed by more highly skilled and resourced organisations.

RECOMMENDATION 11

That the application form be simple enough for not-for-profit community groups based in small rural communities to complete themselves without the services of costly professional grant-writers.

The completion of an RP application was a challenging task, even for organisations such as Local Councils that possessed a high level of administrative and research capability.

A regional development funding program that specifically targets not-for-profit community based organisations with a funding cap of up to \$100,000 and that has an accessible application form is essential. Refer to recommendation 1.

In our experience professional grant writers, while able to complete an application to a professional standard, are not always able to impart the need and passion that the community have for their project or capture some of the detail that demonstrates the contributions that communities make in securing their futures.

The "TRAX" system implemented to assist in the application process was a deterrent for many and made the submission of an application completely impossible without the assistance of an ACC.

RECOMMENDATION 12

That an application does not require a high degree of computer know-how or Broadband speed which is not currently available in many more remote rural communities.

RECOMMENDATION 13

That the new regional development funding program retain in some form an RP style program that requires applicants to develop partnerships with other groups including those within their own community, Local Government, other funding bodies and the private sector.

Apart from sharing the risk, it also ensures that applicants are forced to consider how to help themselves and to develop a project that will be sustainable while also developing skills that will assist them to undertake other projects.

RECOMMENDATION 14

That a new program should have greater timeframe flexibility enabling projects to be funded beyond twelve months.

Under RP, projects were generally required to be completed within a twelve month period. Projects extending beyond this timeframe were discouraged and required an additional level of assessment making them onerous. Greater flexibility in timeframes for project completion will assist with, for example, regionally focussed projects where there are a number of stakeholders contributing to various stages of a project. This will ensure project outcomes are met and the project remains viable.

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 major changes resulting from the Regional Partnerships Program audit of 2003-2006, included the following:

Establishment of a panel of ministers for decision making on projects

From our understanding a panel comprising three ministers, was established to streamline the decision making process and take the responsibility for decisions away from one individual minister. Applications were circulated to each panel member and if a consensus could not be reached, the application had to go before a panel session for closer consideration and discussion.

Circulating applications to each panel member and coordinating meetings with panel members and departmental staff caused delays in assessments. The panel reviewed every application regardless of size, thereby exacerbating delays.

RECOMMENDATION 15

That projects requesting funding below \$100,000 be assessed and approved by departmental staff. Projects requesting above \$100,000 be assessed and recommendations made by the department with decisions for funding confirmed by an independent panel, enabling the Minister to remain at arms length from individual funding decisions while still being able to monitor that the Government's program objectives are met.

Centralisation of assessment to national office

Previously National Office undertook quality assurance checks on applications after they had been assessed by Regional Offices. We were of the view that the centralisation of assessments to National Office enabled the Minister to have greater control through a single assessment process with the aim to make the process more efficient. This did not expedite the assessment process, in fact it made it worse. This could have been as a result of a new team assessing applications who did not have the knowledge and understanding of the communities whose projects they were assessing.

National Office appeared to be disconnected from the role RP was supposed to play in the regions. There seemed to be a lack of understanding of issues facing regional communities, unrealistic expectations of communities to prepare quality grant applications and of their ability to raise large funds for project partnerships.

It is essential that feedback/recommendations be sought from RDAs for a regional/local perspective during project assessments. Refer recommendation 5.

Revised and expanded guidelines

It was understood that the revised guidelines were going to provide clear and concise direction for potential applicants and ACCs in providing advice. This was to help raise the quality of projects being developed and applications submitted.

The length of the revised guidelines sometimes acted as a deterrent making the application process seem inaccessible for small communities. The interpretation of the guidelines remained vague and inconsistent. A review of the guidelines seemed pointless while decisions on projects continued to be made by ministerial discretion.

RECOMMENDATION 16

That any new regional development funding program be an eligibility based or competitive grants program with a clearer, stronger set of guidelines that applicants can adhere to with relative ease. This should also enable more streamlined decision making processes with assessors able to make recommendations with a greater degree of certainty where projects meet program guidelines.

Thank you again for the opportunity to participate.

We would be pleased to provide any additional information and answer any questions you may have regarding the content of this submission.

Yours sincerely,



RON PENNY
Chairman



SHARON BENTICK
Executive Officer

**CENTRAL NSW AREA CONSULTATIVE COMMITTEE
SUBMISSION TO THE INQUIRY INTO A NEW REGIONAL DEVELOPMENT FUNDING PROGRAM**

SUMMARY OF RECOMMENDATIONS

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