

**Submission to the Inquiry  
into a New Regional  
Development Funding Program**

**Gold Coast City Council  
Economic Development and Major Projects**

*June 2008*

## 1.0 PURPOSE OF SUBMISSION

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The Gold Coast City Council (GCCC) welcomes the opportunity to provide comment to your request for submissions to the review of the new Regional Development Program. The submission is from a local government perspective and our experience, over the past eight years, of working with the Federal Government's regional development program previously known as Area Consultative Committees. The new name of Regional Development Australia (RDA) is acknowledged.

The comments provided in this submission are within the context of that working relationship and the recommendations indicated suggest ways that may improve coordination and delivery of RDA services.

The previous opportunities available to communities through the Regional Partnerships Program have enabled a broad range of projects to be considered and developed thus providing opportunity for regional and economic development to occur at a higher level through the leverage of funding from supporting partners. In areas such as the Gold Coast where sustained high growth rates occur this opportunity has provided excellent outcomes in terms of social infrastructure, industry development, employment and broadening of the economic base of the city. These have been of particular importance as Gold Coast City has an average population growth rate that is significantly higher than that for South East Queensland (2.1% projected from 2006-2026 and 1.8% projected for SEQ). In addition, the economic base of the city has an overwhelming reliance on tourism and construction industries. This reliance exposes the city, making it vulnerable to the vagaries of boom and bust cycles and to national and international impacts. Regional Partnerships Projects approved in Gold Coast City have resulted in improvements in community development, education, health, economic and environmental sustainability.

## 2.0 GOLD COAST CITY BACKGROUND

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Gold Coast City, with a resident population of over 500,000, is the sixth largest city in Australia and is located in the fastest growing region of the Queensland, South East Queensland. It is estimated that by 2037, Gold Coast City's population will be approximately 840,000. This represents a 60% increase in population from our current population base. Among all local government areas in Queensland, Gold Coast City is expected to have the largest population growth over the next 20 years (nearly 234,700 people). This equates to an average population growth of more than 11,700 people per year or more 200 people per week.

GCCC is Australia's second largest local authority and currently implements the largest economic development program at a local government level in the country. The Council operates under a directorate structure including the following areas:

- City Governance;
- Community Services;
- Economic Development and Major Projects;
- Engineering Services;

- Organisational Services; and
- Planning, Environment and Transport.

Council has a highly skilled workforce, employing approximately 3,000 people. The workforce comprises a strong representation of the community who share in a concern and passion for the city and its future. Employment is across a broad and diverse range from labourers to the city's CEO. The Council has extensive links into the community and business areas of the city and has conducted significant consultation across these areas in the development of key city strategies.

Gold Coast City, has existing, well researched and documented strategies and priorities that meet regional and local needs. In addition, a number of State Government Plans, influence and guide the work conducted. Key documents include:

- South East Queensland Regional Plan for 2007 to 2026;
- South East Queensland Infrastructure Plan and Program;
- GCCC Corporate Plan 2005-09;
- Local Growth Management Plan;
- Priority Infrastructure Plan;
- Gold Coast City Transport Plan;
- Activity Centre Strategy Review;
- Gold Coast Planning Scheme;
- GCCC Broadband Master Strategy;
- Gold Coast's Bold Future Plan (due for completion in Oct 2008); and
- GCCC Economic Development Strategy.

With community support and State government acknowledgement, these documents provide the framework for future social and economic development and community infrastructure. The following overviews highlight this:

*The S E Qld Regional Plan (2007 – 2026) is a framework to sustainably manage growth and change in the region. Priorities include: Infrastructure and Investment in Transport, Water, Energy, Health, Education, Vocational Education and Training, Regional Sport and Recreation, Justice Services.*

*Gold Coast City Council's Corporate Plan 2005-09 is the Council's primary contact with the community and sets out the strategic priorities considered key in the pursuit of social, environmental and economic sustainability. The Corporate Plan states the strategic direction for the city over the life of the plan.*

*Local Growth Management Strategy provides detailed guidance about the preferred nature and timing of development , within the Gold Coast's Urban footprint, and identifies enhancements to the city's planning scheme, and other key policy documents to ensure integration at a local level of the South East Queensland Regional Plan.*

*The Gold Coast's Bold Future Program will develop a blueprint for Gold Coast City for the next three decades to the year 2037. Council's vision is that the*

*city will be sustainable—economically, socially and environmentally. The Bold*

*Future Program is broken into 9 key themes that are of critical importance to the Gold Coast's future. The themes are energy, water, beaches, cultural, economic, environmental, transport, land use and the community. Extensive consultation with the community has been undertaken and current Bold Future Program activity is focussed on updating and development of strategic plans across these themes.*

*The Gold Coast 2010 Economic Development Strategy is designed to provide guidance and reference for Council and the community in relation to the city's economic development matters. The strategy aims to:*

- *Create the conditions necessary for regional economic growth and prosperity;*
- *Strengthen industries to enable growth, sustainability and success; and*
- *Create and sustain employment opportunities to meet the needs of industry and residents.*

These key strategic documents demonstrate Council's depth of understanding of local issues, their relationship at a state level and its capacity to retain currency and relevance of this information. Extensive community consultation has been undertaken by Council in the development of the Bold Future program and in the preparation of the Economic Development Strategy, Community Programs, Infrastructure assessments and priority planning .

### **3.0 LOCAL ECONOMIC AND SOCIAL CHALLENGES**

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Over the next 30 years the challenge set for Gold Coast City is to create 7,735 jobs per year, of which approximately 30 per cent must be in export-oriented, knowledge-based sectors of the economy. The magnitude of this task cannot be underestimated nor can the level of commitment and leadership required by Council, State and Federal Governments and the community in implementing a strong and export-oriented economic development action agenda. The importance of Federal programs such as the new regional development funding program cannot be underrated in terms of their importance and contribution to all aspects of a regions development - economic, social, and environmental.

Social needs include the ability to fund core infrastructure such as community centres, youth centres, senior citizens centres, libraries and aquatic centres. Major shortfalls are occurring in greenfield areas but also in brownfield areas undergoing rapid population growth, where existing infrastructure is ageing and unsuited to contemporary community needs. The city is cognisant of the need to provide communities and their current and future residents with social infrastructure as a means to retain and attract the workforce to the city.

All three levels of government in Australian have some responsibility for funding social infrastructure. Core social infrastructure has traditionally been funded by local government with support from State Government through schemes such as the Local Government Capital Works Subsidy Scheme which ceased in June 2008. Funding for libraries, swimming pools and community centres could be

applied for under this scheme with surety of between 10-20% contribution from the State. However since the cessation of this program Councils must now compete competitively through funding programs such as the Queensland Government Department of Sport and Recreation Major Facilities program. In South East Queensland this is impacted severely by the combined effect of a huge rate of population growth, the limited revenue base of local government, and the diversity of services expected of local government.

This submission emphasizes the importance of inclusiveness in the role that local government (and does) formally play in implementing policies and programs to enable sustainable economic and social development. While this situation may not apply to all local government areas it is particularly the case for Gold Coast City Council.

The Regional Partnerships Program has jointly funded a range of projects in the city in recent years. Gold Coast City Council has seen tangible economic benefits from jointly funded projects such as:

- Beenleigh Your Town Your Future
- Regional Motor Sports Study
- Backpacker Industry Development
- Marketing and Economic Development Strategies for Burleigh and Southern Gold Coast
- Surf Industry Cluster Development
- Transport Aviation Hub.

Each of these projects have provided enormous social and economic benefits to the Gold Coast community.

## 4.0 THE WAY FORWARD

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The following recommendations provide ideas for potential changes in the delivery of Regional Development services and the administration of the program in a major urban area. A remodelling of the Regional Development Funding Program, could include a strategy to assist and partner these projects significant to a major urban city, such as the Gold Coast, thereby ensuring that funding investment is for genuine and accountable community infrastructure projects.

In light of this the following comments provide :

- recommendations; and
- alternative service delivery options for future regional programs.

### 4.1 Recommendations:

- **More efficient models of program delivery.** For example, Gold Coast City Council currently has a contract with the Federal Government's Austrade organisation to operate TradeStart export services. The

advantages of linking with a large organisation such as Gold Coast City Council with substantial economies of scale, local knowledge and extensive contacts within the business community has resulted in a highly successful operation that is achieving outstanding results.

- **Development of clearer and more simplified guidelines** with checklists for proponents to quickly assess their project and organisational eligibility for funding. This may include the separation of projects across economic, social, and environmental areas; small, medium and large projects with those over \$80,000 requiring additional information and scrutiny in the assessment phase; and soft and hard infrastructure projects.
- **Removal of the discretionary nature of the program**- this has historically resulted in a lack of clarity regarding program guidelines as the influences of government altered the perception of what projects met the criteria and what projects didn't. The program should be on a cyclical and competitive basis thereby minimising potential political influence.
- **Projects to be submitted directly to the Government** as is the case with most competitive funding programs.
- **Local Government must have a strong role to play in the identification of projects and identification of local priorities.** An effective understanding of regional need is an issue that must be assessed from a local perspective. With a city the size of the Gold Coast it is believed that this knowledge cannot be effectively provided through one small community organisation- the RDA.

The following models provide suggestions that might improve coordination and delivery of Regional Development Funding and ACC services.

#### 4.2 Proposed Models:

A brief overview of alternative models of service delivery are provided below with a summary of their advantages and disadvantages also provided. Models are based on the premise that government guidelines and contracts would be in place inclusive of budgets, plans and reporting requirements and take into consideration the need to minimise costs and duplication to taxpayers.

##### 4.2.1 Organisational Structure Models:

**Model A:** Preferred model - Gold Coast City Council recommends funding is provided to established organisations, such as Councils, with the demonstrated skills and expertise, and access to a broad range of community and business contacts. Funding would be used to employ suitably qualified staff with sound local knowledge and an understanding of local and state strategic agendas. A local Advisory Board is formed comprising membership with social, economic and environmental expertise. This Board would also include key departmental staff representation and would provide an oversight role of the activities of the staff members. This model is based on the highly successful TradeStart Officer role funded by Austrade and located within Council.

Potential advantages: Reduction in required resources; Advisory Panel have excellent skills and knowledge; tried and tested model (Trade Start Officer housed in GCCC premises and employed by Council and funded by Austrade); excellent linkages with community and business sectors; access to broad skills

and knowledge base. Potential disadvantages: Monitoring of activities would be required to ensure adequate representation across the city.

**Model B:** Current RDA Structure: The Federal Minister employs a leading community member as Chair. Committee members are appointed. An Executive Officer and Staff are employed based on budget and project needs to implement activities. The RDA is co-housed with like minded business and/or community groups.

Potential Advantages: Provides independent direction from local leaders; Co-housing leading to reduced costs. Potential Disadvantages: .Costly to establish; Committee Members and Executive Officer may not have sufficient skills to perform their role.

**Model C:** Shared Structure: RDA Committee is appointed as per the Government guidelines. A local Advisory Panel comprising key departmental staff representing local and Federal Government is appointed. The RDA Committee and Advisory Panel work jointly to oversee the RDA activities and implement the Regional Development Funding guidelines. A suitably qualified Executive Officer and other staff are employed and located a agreed existing premises, such as Councils, with access to existing administration staff and facilities.

Potential Advantages: Reduction in required resources. RDA Board and Advisory Panel have excellent skills and knowledge; there is an opportunity to respond quickly and effectively to change; minimal set up costs; and reduction in required resources. Potential Disadvantages: Requires careful managing and monitoring by Advisory Panel

## 5.0 CONCLUSION

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Gold Coast City Council has a sound knowledge and understanding of the key issues facing the city. The Council is keenly aware of the current and impending infrastructure growth issues facing the city. Extensive community consultation and internal research has been conducted to clearly articulate the issues and challenges ahead. This understanding is demonstrated through the Corporate Plan, Strategic Plans, Local Growth Management strategy and importantly the Bold Future program. Bold Future will provide the community with a coherent blueprint that clearly states the future direction for Council over the next thirty years. Challenges for the city include:

- Significant population growth from the current 500,000 to 840,000 projected population in 2037, representing a 60% increase over 20 years.
- Reliance and vulnerability on tourism and construction industries. Research has shown that the city needs to create 7,735 jobs per year with 30% required in export oriented and knowledge based sectors of the economy.
- The need to meet the social infrastructure needs of our residents in an environment of shortfalls in green and brownfield sites and reduced funding opportunities through other levels of government.

Council acknowledges the opportunities available to communities through programs such as Regional Partnerships. Gold Coast has benefited from an economic, social and environmental perspective from this funding.

The following recommendations are submitted for consideration of the Review Panel:

- **More efficient models of program delivery.** For example, Gold Coast City Council currently has a contract with the Federal Government's Austrade organisation to operate TradeStart export services. The advantages of linking with a large organisation such as Gold Coast City Council with substantial economies of scale, knowledge and extensive contacts with business and community sectors has resulted in a highly successful operation that is achieving outstanding results.
- **Development of clearer and more simplified guidelines** with checklists for proponents to quickly assess their project and organisational eligibility for funding. This may include the separation of projects across economic, social, and environmental areas; small, medium and large projects with those over \$80,000 requiring additional information and scrutiny in the assessment phase; and soft and hard infrastructure projects.
- **Removal of the discretionary nature of the program-** this has historically resulted in a lack of clarity regarding program guidelines as the influences of government altered the perception of what projects met the criteria and what projects didn't. The program should be on a cyclical and competitive basis thereby minimising potential political influence.
- **Projects to be submitted directly to the Government** as is the case with most competitive funding programs.
- **Local Government must have a strong role to play in the identification of projects and identification of local priorities.** An effective understanding of regional need is an issue that must be assessed from a local perspective. With a city the size of the Gold Coast it is believed that this knowledge cannot be effectively provided through one small community organisation- the RDA.

In closing Council is keen to have an active involvement in the new regional development funding program and working collaboratively with the Federal Government to provide opportunities for the economic, social and environmental benefit of Australia with particular interest and commitment to the Gold Coast.