



**STANDING COMMITTEE ON INFRASTRUCTURE,  
TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL  
GOVERNMENT**

**INQUIRY INTO A NEW REGIONAL DEVELOPMENT  
FUNDING PROGRAM**

**Submission of the Greater Western Sydney Economic  
Development Board to the Secretary, Standing Committee  
on Infrastructure, Transport Regional Development and  
Local Government, House of Representatives, Parliament  
House.**

**July 2008**

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## 1.0 Introduction

The Greater Western Sydney Economic Development Board (GWSEDB) supports the efforts of the Federal Government and the House of Representatives Standing committee on Infrastructure, Transport, Regional Development and Local Government, in reviewing the previous Regional Partnerships Program so as to make recommendations on better ways to invest funding in genuine regional development and community infrastructure. We also support the aim of enhancing the sustainability and livability of our regions in Australia - particularly the Greater Western Sydney region (GWS), which is and will be the most rapidly growing region within the Greater Metropolitan Region of Sydney (GMR) over the next 25 years.

The Boards' main focus is in relation to employment growth and economic development in the Greater Western Sydney (GWS) region, and our submission will focus on those aspects which impact on our regional area of interest: - developing existing and new emerging industries, managing population growth, building liveable communities, making better use of existing centres, strengthening employment centres, and how we can better connect and provide the most cost-effective infrastructure for Sydney.

The Board recognizes however, that an integrated approach by all levels of government and external stakeholders to the range of issues raised (across the region) is vital to ensuring regional community growth is managed sustainably into the future.

This submission outlines the Board's comments on the Terms of Reference for the inquiry namely:-

1. *Provide advice on future spending of regional spending programs in order to invest in genuine and accountable community infrastructure projects;*
2. *Examine ways to minimize administration costs and duplication for taxpayers;*
3. *Examine the former government practices and grants outlined in the Australian Audit Officer Report on Regional Partnerships with 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 Board is uniquely placed to provide comments, with members drawn from a diverse range of industries and backgrounds. Collectively they provide high levels of skill, expertise and knowledge in relevant economic development areas, including industry & business representation, employment and labour skills, education and training, local government, transport and other infrastructure, land use and development.

While the comments outlined relate to issues currently confronting the GWS region, the underlying principles can be applied more broadly to the Greater Metropolitan Region.

Overviews of the GWSEDB and GWS region are provided at [Appendix A](#) and [Appendix B](#).

## ***2.0 Strategic Vision for the Greater Western Sydney Region***

The Board hopes to see the Greater Western Sydney region as an integral part of the Greater Sydney Metropolitan region, develop into an economic powerhouse in its own right that will compete with the rest of Australia and the world. We envisage that there is an opportunity for the GWS region to become the major manufacturing and supply rim for Sydney with major transport corridors (both road and rail) providing north south bypass of the city centres, with interlinking transport corridors in and out of the city.

Already the region is home to sustainable industries that compete nationally and internationally. Western Sydney is the home of more than 72,000 businesses, employing over 1.1million out of the 2.2 million people employed in Sydney. It is home to the major activities of 100 of Australia's top 500 companies, with 30 of these having their Australian headquarters here.

The future of the region's ability to compete will be depend upon identifying and encouraging the development of existing and new leading-edge industries, which capitalize on the existing competitive strengths, natural assets and infrastructure of the region, and the particular industry strengths of industry precincts within the region.

Having in place appropriately planned transport infrastructure for our ports, road and rail systems; with well-located efficient container and general freight transportation networks will be an essential part of attracting and keeping leading edge industries within Western Sydney. In the future, this will be critical not only to the supply of goods and services to Sydney, but also to regional NSW and the rest of Australia!

It will be vital therefore that industry, governments, agencies, developers and educational institutions work together to plan and develop the right mix of skilled labour and transport infrastructure to support sustainable economic growth.

It will also be critical to develop the appropriate local community infrastructure for the whole of Metropolitan Sydney to support this growth, and to provide access to the wider community to participate in the benefits that this economic growth will bring.

The make up of the proposed RDA Network for Sydney will need to include representatives from all of the major regional stakeholders, including both federal, state and local agencies who have a key strategic interest in delivering and supporting major and local community infrastructure outcomes.

### **3.0 Framework for Regional & Community Infrastructure Program**

**What should be the purpose and objectives of the program?**

***Questions for discussion***

- *What should the overarching purpose and objectives of the new program be?*

We agree that the major purpose and objectives of the program should be major investments in regional & local community recreational and environmental initiatives.

They should continue to focus on strengthening growth and opportunities, improving access to services, supporting a national coordinated and collaborative approach to planning between federal, state and local government), and where appropriate assisting structural adjustment.

Whilst recognizing the importance of local community infrastructure, much of the national major new infrastructure required in areas such as:-

- Road, rail and air transport;
- Health services;
- Communication services;
- Utilities; and
- Water storage and climate change environmental issues

need a national coordinated planned approach with the State governments.

We believe that these should be prioritized as part of the Infrastructure Australia audit and then a national coordinated strategy developed with the State governments for implementation.

- *Where are the gaps in community infrastructure funding?*

Access to public transport, health, education, affordable housing, business, skills training, and welfare and support services

Access to community sporting and recreational facilities & lifestyle support.

- *How should community infrastructure be defined for the purpose of the new Federal program?*

Major infrastructure initiatives which require a national approach should be defined and implemented via a national strategy. Other more local community infrastructure including those identified gaps above, could then be defined as community infrastructure for the purpose of this New Program.

- Should the Australian government's regional funding program be targeted? What are the benefits / disadvantages of targeting?  
Program should be targeted to an overall budget for that area or region with the RDA and stakeholders agreeing to work out their overall priorities for project expenditure within that budget for a specified period.
- How should regional be defined?  
Major cities of Australia, Inner Regional Australia, Outer Regional Australia, Remote Australia, and very Remote Australia
- What outcomes should be met?  
Long term financial and tangible economic benefits to that region as identified by the regional stakeholders
- What information needs to be included in an Australian government policy statement in order for the objectives of a regional development funding program to be clearly understood by all stakeholders?  
  
Clear and transparent objectives, guidelines for application, responsibilities for all parties in implementation.
- Should a new program be focused on providing funding for projects which promote the growth of regional communities (job creation) or the liveability of regional communities?  
Programs should focus for both job creation as well as liveability, but with priorities decided by local regional stakeholders.
- Once specific funding objectives have been set is there scope for developing a program model which has in place, or allows for the creation of sub-programs which can be used to target specific areas of need as they arise?  
Yes.

## What eligibility criteria should apply?

### Questions for discussion

- Who should be eligible to apply for the new Regional Funding Program?  
  
Regional economic development boards, local government authorities, community groups, not for profit groups, private sector organizations, registered charities, and cooperatives who can provide regional outcomes.
- Should private for-profit enterprises be allowed to receive funding under the new program?  
Yes, where working in conjunction with one of the above in bringing about change in the national interest.

- Should the Australian government provide funds to less viable, risky projects?  
Yes, where it can be shown that seed funding will assist in bringing about change that is in the national interest, and has the support of the local regional stakeholders request for expenditure to their budget.
- Should priorities be given to different types of regions eg. urban, rural, remote, water catchment areas, agriculture areas?  
Yes, Initial budgets requested by all regions should be debated and assessed based on population and need. Having determined the budget, the individual regions would then have to spend according to the priorities they set for their region.
- Given the program will be a discretionary grants program, what expectations should applications have of the published eligibility criteria?  
Clear and transparent guidelines for applications, the application process, the timeliness for approvals, and the responsibilities for all parties as to implementation, and achieving project outcomes.

## **How will the new funding program work with State government regional development funding programs?**

### **Questions for discussion**

- In establishing the framework for a new regional development funding program, how does the government avoid duplication with other Federal, state or local funding projects; and how can a new program work in cooperation with other funding programs?

As stated previously, major national coordinated infrastructure should be implemented in conjunction with state and local government via Infrastructure Australia. Local RDA working with local state and local government stakeholders should then develop local community infrastructure projects to the potential available budget, so as to coordinate project identification and implementation that fits with other local state and local government programs and objectives.

- What are the most effective ways to minimise administrative costs and avoid duplication to taxpayers when developing a regional funding program?

Identify early with the project proponent the various project cost components and the potential funding mechanisms that could be used to fund that activity according to the various state, local or federal program. Develop a project funding model and application that satisfies the various state program funding criteria so as to minimize duplication.

- What involvement should State regional bodies have in prioritising or assessing projects?  
State Regional bodies should be part of the RDA stakeholder strategy team that develops the region budget and ultimately the priorities for the projects selected to be delivered within that budget.

## **How will the new funding program work with Local Government infrastructure funding and planning both at a regional and individual council level?**

### **Questions for discussion**

- How can the Australian government best engage with existing local and regional organisations on the new Regional and Local Community Infrastructure Program?  
The Australian government can best engage local and regional organizations, by having representatives from those local and regional groups as part of the RDA stakeholder team.
- In what way could a future program be structured to ensure that it was flexible enough to take into account the local needs in specific regions while maintaining clear parameters regarding objectives and outcomes?  
By spelling out clearly the parameters by which local community infrastructure projects can be defined and the specific objectives and outcomes that have to be achieved.
- How can a new program best coordinate regional objectives between federal, state and local agencies?  
The Australian government can best engage local and regional organizations, by having representatives from those local and regional groups as part of the RDA stakeholder team.
- Are projects that cross ACC regional boundaries considered? Do ACCs get together to apply for funding? Can collaborative, multi-region projects be encouraged?  
Yes, could be where appropriate but they would still need to work through priorities so as to stay within their initial budget.



## How will the new funding program work with the new Regional Development Australia Network?

### Questions for discussion

- What will the role of RDAs be in assisting and assessing applications for the new Regional and Local Community Infrastructure Fund.

We would agree that the RDA play a part with the other State and Local agencies in determining the following:-

- Advise on community infrastructure,
  - Advise on regional issues and opportunities,
  - Advise on local implementation of specific Commonwealth initiatives in the region, as requested,
  - Facilitate economic development planning and investment attraction,
  - Identify any unique local attributes that would favour the development of new and innovative industries,
  - Promote initiatives to retain and expand skills and local businesses and industries,
  - Disseminate information about Commonwealth programs,
  - Undertake ad hoc consultations on behalf of Federal agencies where a regional network is required,
  - Advise on adequacy of service delivery in regions,
  - Build networks and relationships with other levels of government and key stakeholders in the region,
  - Advise government on social inclusion issues, and
  - Advise on ways to improve the efficiency, effectiveness and coordination of Commonwealth regional initiatives.
- How should future relations be pursued between new RDA Committees and state and local governments? What mechanisms could be utilised or put into place to enhance communication and cooperative between the RDA Committees and state and local government over project priorities?

As stated previously, RDA committees should have representatives from regional boards, state and local governments. This RDA committee would then be able to ensure good communications and project priorities.

- Will there be a requirement for Strategic Regional Plan to be developed by RDA Network? What consultation process should be followed in developing the plan? How will this interact with priorities for funding?

Yes, a Strategic Regional Plan would need to be developed by the RDA network. A wide ranging group of stakeholders, including local government representatives and other regional community groups would need to be consulted.

## How will the fund be promoted?

### Questions for discussion

- Was information about the RPP adequately dispersed? How can we ensure all potential applicants have knowledge about and have access to the future regional development funding program?

Use both the RDA Committee as well as other regional and local community groups to disseminate information as to the Regional Funding Program.

Use dedicated website with full details about the program and application information.

- How should the objectives of the program be documented and communicated to all stakeholders? Were the objectives and criteria of the RPP easy to understand?

Use both dedicated internet site as well as hard copy brochures. The RPP objectives and criteria were not easily understood. More time will need to be spent to make it clearer and more transparent.

## 4.0 Applications and Assessments

### Who should assess applications initially and who should recommend that the application progress?

#### Questions for discussion

- What assessment process would you like to see for the Regional Funding Program?

Initially projects would be assessed by the RDA Committee to see that they fit the Strategic Plan objectives, fit the guidelines and objectives of the funding program, and will be able to be accommodated within the agreed annual budget for the region.

If they do, they would be recommended to the RDA Head office for final assessment.

- Who should be assessing applications initially – ACCs, Regional Officers, Federal Departmental Officers, other bodies, or a combination of these?

As above, a combination of these.

- When should external viability assessments be sought?

Yes, when external technical assessment is necessary to determine technical viability, and to provide advice to the local RDA Committee, or the National RDA office as to the technical merits where appropriate.

- *In assessing applications, what should be the role of local Members and Senators? How should State Regional Development bodies be involved? How can local government be involved?*

In pleading the case for the budget for a region, individual RDA committees, local members and or Senators should be able to participate. Once the budget has been allocated however the projects should be assessed against the merits of the case, the costs, objectives and outcomes of the project, and how well the project meets the strategic objectives of the Strategic plan for that region and other national Program objectives.

State Regional Development bodies and local government should be involved as part of the RDA Committee in developing the Strategic Plan, and in making the original assessments.

- *What was the effect of removing assessment responsibilities from Regional Offices? What has been the effect of closing Regional Offices?*

Project assessors became too remote from the project proponents. This caused delays in understanding the detail of the project, with other stakeholders becoming very frustrated with the process and any final decisions.

- *What was the relationship between Regional Officers and the ACCs? Should Regional Officers be members of RDA? Should departmental staff be collocated with RDA?*

Regional officers should be known to ACC or RDA network Committee but not part of it, so that they can be and be seen to be able to independently assess projects recommended to them by the local RDA network.

- *Under the previous RPP, the ACCs had a dual role:*
  - *promoting and facilitating projects, including application development; and*
  - *providing advice to the Australian Government on applications in their region.**Was there a conflict of interest with ACCs providing assistance for applications and being the assessor?*

Yes, there needs to a separate function within RDA program for those staff dedicated to promoting the funding program, as to those whose role is to assess the merits of the case.

## **Who should make the final decision?**

A national RDA Program funding committee with a broad base of expertise, fully trained in all aspects of the Funding Program, established to finally assess all projects recommended to them by local RDA networks committees, based on the project criteria discussed above.

## What should be the timeframes for assessment and final decisions?

### Questions for discussion

- *If an assessment process is to be rigorous and transparent, can final decisions be made within shorter timeframes than the RPP?*

It is believed that if the application process proposed by us is adopted, then the overall process will be more rigorous and transparent and allow for final decisions to be made within a shorter time period.

The local Regional RDA Committee will evaluate the project for strategic fit to both the regional strategic plan, their regional budget and to the commitment and support that the project will need for commercial success.

The RDA Head office will then only have to satisfy themselves as to the merits of the case, and the fit to the overall project guidelines, and to the relative merits to national funding objectives and outcomes.

- *How can the timeliness of application assessments be improved?*

Maintain a continuous assessment process but with outcomes announced every 3-4 weeks. Follow the two stage application process outlined above.

## How should applications be submitted?

### Questions for discussion

- *Do you prefer an on-line or hard-copy application process?*

We agree the application process should be as straightforward as possible, and that the most deserving projects receive funding rather than the applications prepared by the best grant writers.

We prefer the use of a simple, easy-to-use hard copy application template, available on-line which guides applicants to address the key issues and funding program objectives.

- *Who should receive the application?*

The local RDA Network in the first instance.

## What assistance should be available to applicants?

### Questions for discussion

- How can the application process be made simpler?  
Having a well constructed dedicated website with clear guidelines and instructions, and a FAQ section. Website to provide details of support hotline and regional RDA network offices.  
  
Having national hotline 1300 support service to back up website
- Were applicants happy with assistance they received in making applications to the Regional Partnerships Program?  
Not always. Many found the application process tedious, lengthy and difficult to understand. Inconsistent advice sometimes led to confusion about the project viability- particularly re project expectations& outcomes
- Was the process of making applications to the Regional Partnerships Program easy? What made it easy or difficult?  
No. In many cases it was not easy for many applicants for the reasons outlined above.
- To assist in making an application, what information should be available to you and in what form?  
Clear template and guidelines (online), with backup 1300 national support service and regional RDA network offices details.

## What information should be contained in a funding application?

### Questions for discussion

- What should be the essential features of an application to the new Regional and Local Community Infrastructure Program?  
Project objectives & description (How they meet Funding program criteria and objectives, and local Regional Strategic Plan objectives)  
Project outcomes, time frame and identifiable project milestones  
Project plan and budget showing contributions of partnerships – in-kind and financial commitments- how? what?, when?  
Project risks- plans to minimize risks, mitigate and contain
- Should there be prerequisites that must be met before an application will be considered? for example, incorporation, planning permission, matching funding etc  
Application should identify key prerequisites that need to be completed as part of the continuance of the project subject to funding availability.
- Should there be an opportunity at any stage in the process for applicants to submit additional information?  
Yes, subject to agreed reporting guidelines and milestones. e.g. reporting changes to progress or need to vary the agreement.

## **5.0 Management of Funding Agreements**

### **What should be contained in a funding agreement?**

#### **Questions for discussion**

- How prescriptive should a new funding agreement be?  
We agree with the ANAO recommendation that Commonwealth funding agreements should be drafted in plain English and provide for:
  - a clear understanding between parties on required outcomes;
  - protection and accountability for Commonwealth funds;
  - legal protection for the grant giver and receiver;
  - agreed terms and conditions and well defined roles and responsibilities for all participants.
  - a clear definition as of partner contributions (both in-cash or in-kind) into funding agreements
- Are more guidelines helpful or do they confuse?  
No, as long as they are clear and concise

### **How should the funding agreement be monitored?**

#### **Questions for discussion**

#### What kinds of performance monitoring mechanisms should be contained in a new funding agreement?

We support recommendations that monitoring requirements be clearly outlined in the funding guidelines and that the requirements are easily satisfied.

We believe that agreement between grantor and grantee need to be reached regarding the frequency and extent of monitoring, particularly where project proponents are reporting other matching funding partners as part of the project.

Project monitoring should be in the form of reporting against the project plan, the project milestones and outcomes, and financial expenditure against budget.

#### Do different types of projects require different performance measures?

In some cases, but where actions are required now but where objectives and outcomes may be realized and measured in the future.

#### Should a monitoring plan prepared by potential grant recipients be a required part of the funding application?

Yes.

What specific benchmarks, outcomes and outputs should a monitoring process measure?

Whatever is required to capture the measure of relative success in both in time, output, and project milestones compared with the project objectives and project plan.

Should there be a regular audit program for projects and if so how often should that occur?

Yes, but agreed on an individual project basis based on the value and complexity of the project, and subject to scrutiny of the local RDA network committee.

Is there a need to have project audits presented to Parliament, either individually or a part of a volume of regular reports?

Suggest that they be part of a volume of regular reports.

How can performance monitoring overcome delays which might arise with a project?

Periodic performance reports that would be monitored by the local RDA network committee as well as the HO project monitoring group, would help the local RDA Network assist the project participants to address issues and support corrective action.

How can a project's effectiveness best be measured?

Project meeting objectives and outcomes, on time and on budget.

**Who should manage the funding agreement and how?**

We agree Funding agreements should be monitored by staff whose responsibilities for monitoring individual grants are clearly defined and the staff responsible should possess the appropriate skills and knowledge to undertake the monitoring role.

We also agree with the ANAO recommendation that funding agreements are managed in the following way:

- establish clearly defined terms and conditions within legally enforceable funding agreements;
- design and use a suitable management information system with shared information as appropriate;
- ensure monitoring arrangements are linked to a fraud control plan;
- review financial and progress reports regularly;
- take appropriate action when necessary;
- ensure procedures to acquit grants are developed, understood and effectively implemented;
- ensure recovery or other procedures are adequate and applied where necessary in a timely and effective manner; and
- ensure monitoring staff are adequately trained and have access to expert advice if required.

We do agree that the local RDA Network should be kept in the loop as to the performance of the projects that are operating within their region, delivering key outputs

against the Local Regional Strategic Plan. In this way they have a vested interest in assisting the project participants achieving success.

### **Questions for discussion**

*What kinds of skills are required to manage a funding agreement?*

Clear understanding as to the funding program objectives and guidelines

Commercial acumen

Good understanding as to formation and functionality of networks & partnerships

Project management skills

Good communication skills

*Are local people better equipped to manage a funding agreement or does it matter?*

*What kinds of resources are required to manage a funding agreement?*

Dedicated case manager needed to be appointed to each project. RDA network to be kept informed as to progress (as per above) to assist with local input as and when required.

*If a program is created that provides funds for a wide range of projects, are there generic processes for managing funding agreements which can address the varied nature of the program?*

Yes, as discussed above.



## **6 Appendices**

### **Appendix A – Overview of the GWSEDB**

The GWSEDB is one of 13 Regional Development Boards reporting to the Minister for Regional Development on economic development matters. It represents the business, government and community interests of the 14 local government areas, which form the GWS region.

Its vision is that the region be acknowledged as an economic powerhouse within Australia, featuring a dynamic and modern business environment that attracts national and international investment.

The role of the Board is to assist in creating a platform for sustained levels of jobs growth and economic development in GWS. In support of this, it has developed four strategic goals for the region as follows:

- Securing employment through retention and growth of existing industries
- Increasing employment and investment from new industries
- Support to employment through improved education, land and infrastructure
- Enhance the Region's profile through marketing and promotional initiatives

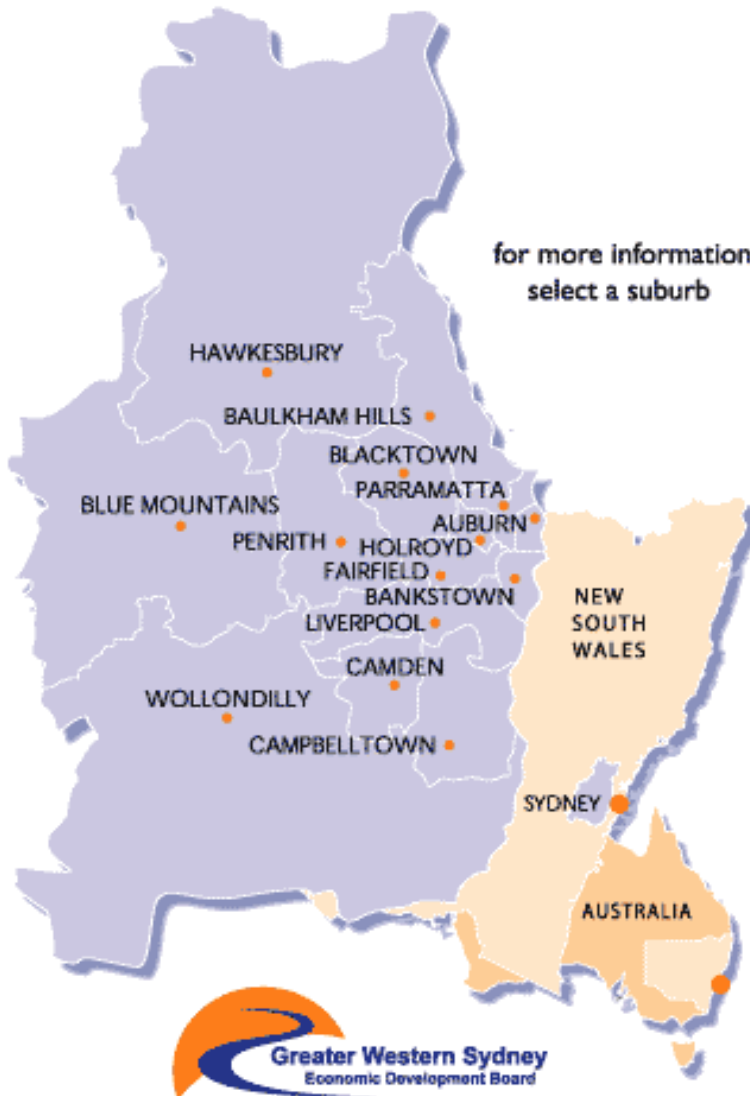
The current Board is made up of the following members:

- Clr Alan Pendleton, Blacktown City Council, (Chair)
- Prof Tong Wu, Urban Development and International, University of Western Sydney
- Mr Paul Ogilvy, The CU Professionals
- Mr David Puckeridge, CEO, Grow Sydney
- Ms Yvonne Howie, CEO, The CEO Institute
- Ms Susan Hartigan, Director, TAFE Western Sydney
- Ms Pamela Smith, CEO, Young Achiever's Australia
- Clr Frank Oliveri, Fairfield Council, and Manager CBRE Richard Ellis
- Clr Meg Oates, Campbelltown Council

## Appendix B - Overview of the GWS Region

The GWS region has a population of approximately 1.8 million people representing around 25% of the State's population. Geographically it is defined by the 14 local government areas of Auburn, Bankstown, Baulkham Hills, Blacktown, Blue Mountains, Camden, Campbelltown, Fairfield, Hawkesbury, Holroyd, Liverpool, Parramatta, Penrith and Wollondilly. It covers an area of 8,817.3 sq km. A map of the region is provided below.

Map of the GWS Region



Almost one in ten Australians live in western Sydney. It is the home of more than 1.8 million people and is expected to reach two million by 2010. It attracts 30,000 new residents every year.

The region's output is \$76.0 billion per annum, expected to grow to \$85 billion by 2013. It has over 70,000 businesses and employs over 600,000 people. It is the third largest and

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fastest growing economy in Australia. More than 100 of Australia's top 500 companies are located within the region. It is a major economic hub for both Sydney and New South Wales economies, contributing 41.3% and 29.8% respectively to the gross regional products of Sydney and New South Wales.

Major industry sectors include manufacturing, retail, health and community services, construction, property and business services, education and transport and storage. Growing industry sectors include biomedical, information and communication technologies, tourism and recreation and food manufacturing.

Further details are set out in the Greater Western Sydney Regional Economic Summary and the Greater Western Sydney Regional Economic Profile (attached).