

Committee Secretary
Standing Committee on Infrastructure, Transport, Regional Development
and Local Government
PO Box 6021
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Committee,

Re: Inquiry into a new regional development funding program

The Sturt Area Consultative Committee (Sturt ACC) is submitting this response on the inquiry into a new regional development funding program. Please note that the Sturt ACC will also be undertaking its specific requirements with reference to tasks outlined in our work plan with the recently signed variation to operational funding with the Commonwealth of Australia.

This variation includes providing a report by 31 October 2008 on the following two points:

1. Provide advice on principals and priorities for a new Regional and Local Community Infrastructure Program
2. Provide advice on priorities for the types of local community infrastructure that could encourage economic development

In finalising the report on these two topics there will be a series of consultations undertaking with our communities, Local and State Government authorities and key regional bodies. As such the Sturt ACC wishes to indicate that there may be variations to what is contained in the 31 October 2008 report to what is contained in this response to the inquiry.

Background

The Sturt region of South Australia covers an area of 35,072 square kilometres (representing around 3% of the state's land mass) north and east of the capital city of Adelaide, through to the border with Victoria. The region is situated at the southern end of the Murray Darling Basin.

Most of the region is inland apart from a small section of coastline fronting the Gulf of St. Vincent. The topography of the region is mainly flat to undulating and is bisected, from the border to Mannum, by the River Murray. The country is very attractive, with a large percentage under cultivation, either for cropping or pasture; or vines and other horticultural crops. The exceptions are areas to the north and north east; and south west, which have large stands of native mallee and scrubland.

According to the 2006 ABS Census, the region supports a population of just over 104,000 people (just under 7% of the State's population). Unemployment is low at 5.5%, but there is a high level of part-time workers and increasing casualisation. Over thirty-five percent of the population is over 45 years of age, with more than 40% earning an income of less than \$300 per week.

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Time taken on decisions:

By far the biggest frustration found by organisations such as Local Government and Regional Development Boards (who have indicated on many occasions that they did not consider trying to obtain Regional partnership funding) was due to the complexities involved in trying to manage budgets across financial years, and the length of time taken to evaluate and finally approve or not approve applications. This was a constant frustration for the Sturt ACC staff and committee and hampered our efforts to progress applications.

The result of this was cancellation or the placing in jeopardy of some very worthwhile projects within the Sturt ACC region.

Assessment of project

The Sturt ACC through its staff was an important asset to proponents by assisting applications to ensure they met the criteria. The Sturt ACC committee were proactive in their regional assessment using the needs and strategic plans for the region as their base. In many instances applications would not have progressed beyond an idea except for the support of the Project Officer and Executive Officers who provided a valuable asset to the region.

Both the committee and staff found when projects were not approved after meeting the criteria, fitting into the regional strategies and being supported by other tiers of government that there was little feed back or detailed reasons why they were not approved.

The Sturt ACC did try to implement strategies which ensured that would not waste the time, efforts and aspirations of applicants. The region was not over subscribed with applications and the Sturt ACC made every effort to make sure applications of the highest quality were submitted and when a 1 page letter containing 2-3 lines on the reasons for not being approved was the response it made marketing of Regional Partnerships even harder.

Closure of the Regional Partnerships Program

There are many communities who have identified major local community infrastructure projects under the former program that had their applications approved, submitted or were works in progress. With the closure of Regional Partnerships many of these projects are now in jeopardy of not progressing as they were reliant on securing the funding to ensure the project progresses. Plus there are many which may proceed but will not be able to delivery fully to their potential.

Some of the Local Governments and State Government Departments may no longer be able to honour commitments to local communities or hold money over for 18-24 months waiting on decisions about what any new fund may be.

There had been constant responses for applications to continue to be forwarded for assessment and the false hope this lead has been devastating to some applicants.

Programs administration

In recognising the summary of the Australian National Audit Office with regards the acceptable standard of transparency, accountability and equitability falling short of acceptable standards. The Sturt ACC believes this was not the case with the management of our responsibilities.

The Sturt ACC believes that a level of flexibility is required and that all projects should be considered on merit and against set criteria. The Sturt ACC believes development of applications could be managed at the regional level in alignment with regional strategies with final recommendations forwarded for assessment and approval by the Department.

A prerequisite for private sector funding support would be the need for applicants to indicate positive support is for them to show project is formally supported by at least two regional statutory bodies e.g. Local Government and State Government. This could provide a multilateral level of support and assist with the removal of political bias or inappropriate behaviour.

Minimise administrative costs and duplication for tax payers

There appeared to be 3 layers of administration in the former system and the Sturt ACC believes that under a new system the new Regional Development Australia (RDA) committees would be an ideal local layer which provides support in marketing and developing applications.

Applicants should be able to demonstrate that a project is consistent with the objectives for their regions development. To determine this, applicants should review Strategic Infrastructure Plans and contact their RDA committee to provide assistance with relevant plans and strategies. The RDA would then provide a written letter / pro forma which indicate the relevant linkages and their support.

The development of 3 closing rounds would allow time lines to be managed and all applications would be assessed by a central office within a prescribed time line and the RDA could be the ideal conduit for information between assessors and applicants. This would allow a clear delineation between assessors and applicants reducing the layers of administration and not leaving organisations in the cold.


The online application process was very complicated and at times appeared to lengthen the process and a more stream lined application format is required.

Examination of former governments practices and grants outlined in ANAO report and Regional Partnerships Program 2003-2006

The Sturt ACC at this stage does not seek to provide a response on these points apart from the information which is already contained within this letter.

We hope our response has been of value to the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government.

Yours sincerely



John Chase
CHAIRMAN

2 July 2008

