

GOVERNMENT RESPONSE

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

**Interim and Final Reports of Inquiry into
Funding Regional and Local Community
Infrastructure**

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BACKGROUND

The Australian Government announced in the 2008-09 Federal Budget that the Regional Partnerships Program would be replaced by the new Regional and Local Community Infrastructure Program, to fund major investments in regional and local community, recreational and environmental infrastructure initiatives.

The Minister for Infrastructure, Transport, Regional Development and Local Government subsequently referred the following terms of reference to the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government:

The Committee is to report on the Australian National Audit Office's Performance Audit of the Regional Partnerships Program and make recommendations on ways to invest funding in genuine regional economic development and community infrastructure with the aim of enhancing the sustainability and liveability of Australia's regions.

The Committee's report is to:

- provide advice on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects;
- examine ways to minimise administrative costs and duplication for taxpayers;
- 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; and
- 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 Committee released an Interim Report on 5 November 2008, *Funding Regional and Local Community Infrastructure – Proposals for the New Regional and Local Community Infrastructure Program*, which included recommendations for the framework and administrative process of the new program. These recommendations were subsequently consolidated into the 5 recommendations presented in the Final Report.

The Committee's Final Report, *Funding Regional and Local Community Infrastructure – Principles for the Development of a Regional and Local Community Infrastructure Funding Program*, was tabled in the House of Representatives on 1 June 2009. The Final Report's recommendations focussed on the principles of availability, accessibility and accountability for the development of grants programs.

Recommendation 2

The Committee recommends that the Government examine RLCIP applications received from local government and quantify the amount of funding which is being allocated to non-profit organisations.

Response

Agree in part. The Government will quantify the amount of approved funding which has been allocated to non-profit organisations through the Local Government recipient (as identified by the Local Government in the application form).

Recommendation 3

The Committee recommends that the Government, in establishing a new regional infrastructure funding program, consider the need for clarity and simplicity when structuring guidelines that address an application's eligibility and the manner in which it will be assessed and funds awarded.

Response

Agree. Publicly available guidelines, objectives of the program and a document which answers Frequently Asked Questions are available on the Department's website.

Recommendation 4

The Committee recommends that the Government, in establishing a new regional infrastructure funding program, considers the needs of program applicants and ensures that the program is accessible by providing useful information through a variety of sources and access to an application development process which places an emphasis on personal support provide by knowledge staff.

Response

Agree in part. An information line has been established to assist applicants with their enquiries. Publicly available guidelines, objectives of the program and a document which answers Frequently Asked Questions are available on the Department's website. The Department does not have a role in providing applicants with feedback on their application writing and development capabilities. However, Regional Development Australia (RDA) committees will be able to assist applicants through grant writing workshops and ad hoc advice.

Recommendation 5

The Committee recommends that the Government, in establishing a new regional infrastructure funding program, ensure that in addition to changes which have already occurred, a new funding program should employ:

- *a centralised assessment process administered with the appropriate resources; and*
- *an acquittal process utilising well-structured funding agreements, where expenditure is based on a thorough examination of each milestone.*

Response

Agree. Assessments of projects are currently undertaken through the Department's national office.

Funds will be paid incrementally depending upon achievement of negotiated milestones.