

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

[itrdlg.reps@aph.gov.au](mailto:itrdlg.reps@aph.gov.au)

11 July 2008

To Whom it May Concern,

**RE: SUBMISSION TO INQUIRY INTO A NEW REGIONAL DEVELOPMENT  
FUNDING PROGRAM**

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The Northern Rivers Regional Development Board (NRRDB) welcomes the opportunity to comment on the Inquiry into a New Regional Development Funding Program. This submission provides a brief overview on the role, capacity and expertise of the NRRDB to set the context for the Board's comments on the following Terms of Reference for the Inquiry:

1. provide advice on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects; and
2. examine ways to minimise administrative costs and duplication for taxpayers.

**NRRDB Role, Capacity and Expertise**

The NRRDB is one of thirteen Boards established in NSW by the Department of State and Regional Development as incorporated associations under the *NSW Associations Incorporations Act 1994*. Members of the Board are representatives of the region's business, governance and community sectors and appointed by the NSW Cabinet on advice from the Minister for Regional Development. These members have strong connections to the region's industries and with Local Government.

The Development Board has operated for over 15 years to assist in the future growth of the Northern Rivers region. Our key role is to facilitate and foster sustainable economic development, long term employment and regional prosperity based on the comparative advantage of the Northern Rivers region. The Board has working relationships with:

- Local, State and Federal Government agencies;
- local and regional economic, business, social and community development organisations, including Chambers of Commerce and industry associations;
- regional communities;
- the regional university (Southern Cross University) and other major training providers (including TAFE);

- Indigenous communities;
- environmental organisations; and
- leaders and champions within the region.

Our specialisation involves over 15 years of practical experience in advising Government and leading local collaborative efforts in economic development, industry development, investment attraction, advocacy and leadership development initiatives in the Northern Rivers. This has resulted in the development of research capability, data sets, investment and industry intelligence, industry development programs, stakeholder partnerships and extensive regional networks. The Board develops, manages and implements projects that are consistent with regional development objectives and hosts a number of projects at any given time.

From 2003 to 2006, the Development Board coordinated an extensive regional development planning exercise in partnership with Local Government, Northern Rivers Area Consultative Committee (now Regional Development Australia), industry and State Government stakeholders to determine industry and development information, issues and strategic directions for the region. The Northern Rivers Regional Industry and Economic Plan (RIEP)<sup>i</sup> is a comprehensive framework and tool for all stakeholders in regional development (refer to Attachment 1) and has consequently provided the base information for the ACC three-year Strategic Regional Plan for the Northern Rivers region. The RIEP has also informed a wide variety of other regional development initiatives and been integrated into the NSW Government's Far North Coast Regional Strategy and State Plan Priority P6 Regional Business Growth Plan, as well as a number of industry and Local Government economic development plans. The RIEP identifies regional infrastructure requirements and includes specific recommendations on:

- road and rail networks and infrastructure;
- information, communications and telecommunications technologies;
- industrial land;
- lifestyle infrastructure;
- energy, water and sewerage requirements.

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

Regional Australia is often prone to a range of disparities between metropolitan areas, particularly regarding employment and training opportunities, income levels, housing affordability, transport and accessibility (including telecommunications) and infrastructure availability and capacity. The global dynamics in terms of peak oil and climate change are likely to have a similar disproportionate impact in regional communities in Australia. Coastal regions are subject to high population growth rates, an increasingly ageing population and seasonal tourism peaks impacting on infrastructure loads; whereas inland regions tend to be experiencing decline in population and economic opportunity.

Developing a national program to invest in regional programs and infrastructure projects requires strong knowledge of local and/or regional needs, issues, capabilities and requirements. Processes to establish this sort of information require a solid information base for the determination of local priorities. Stakeholder consultation can be influenced by the coverage and comprehensiveness of stakeholders included and means of communication and data gathering, and can result in “squeaky wheels” or gaps being overlooked if not supplemented with appropriate research. Any regional development program also needs to support the development of leadership and capacity development within the regions, by building on existing regional development structures and systems.

Issues that Development Board has recognised from the Regional Partnerships Program that any future funding program should be cognisant of, include:

- small communities and some regional areas may find it difficult to match Federal funding, particularly without matching State Government funding;
- an expectation that community or industry development projects will be “sustainable” once project funding ceases (generally a maximum of three years). Experience in emerging industry sectors in the Northern Rivers has identified that emerging industries require ongoing support for a minimum of five years before sufficient depth can be established to support a base level of regional viability. Industry development and leadership building is a legitimate contribution to regional infrastructure;
- competitive neutrality requirements have impacted on projects with strong regional value if there was anyone, anywhere in Australia that might be affected, even if there was no existing or competing service within the region;
- complexity of application process, lack of clarity in assessment guidelines and criteria;
- inconsistency in regional boundaries by State and Federal Governments; and
- rigorous auditing and project acquittal processes are restrictive for not-for-profit and community based organisations.

*Recommendations:*

- Continue to provide Federal Government funding to support the economic viability and development of regional Australia.
- Determine regional priorities using regionally specific data and research to focus government support and intervention. This requires reviewing, updating and building on established regional development data sets and plans where these exist (e.g. Northern Rivers RIEP). Investment should build regional leadership and focus on existing regional strengths.
- Ensure that regional funding programs support communities to adjust to changing global conditions and support sustainability outcomes.
- Develop flexibility to provide ongoing support to programs that work with new and emerging industry sectors that diversify the regional economic base.

- Ensure capacity to attract matched funding by aligning and not duplicating Federal Government funding programs and capabilities with relevant State Government funding programs.
- Align Federal Government funding priorities with the plans of Regional Development Boards as these are consistent with the NSW State Plan.
- Provide clear guidelines and decision making criteria to assist applicants understand requirements, the basis for decisions and ensure accountability with program administration.
- Ensure consistency between Federal RDAs and State Regional Development Board boundaries.
- Establish strong and credible links between Regional Development Australia (RDA) and Regional Development Boards.

### **Examine ways to minimise administrative costs and duplication for taxpayers**

The most effective way to minimise administrative costs and duplication is to consider the use of existing structures to support program delivery. The NRRDB has a history of providing administrative, secretariat, financial management and project management services to local and regional not-for-profit organisations, Government agencies and project partners to deliver economic development outcomes in the region, including Regional Partnerships projects.

Development Boards are resourced by the NSW Department of State and Regional Development and abide by a code of conduct. In NSW, Regional Development Councils provide a similar function in the delivery of social and community development programs. In addition, Regional Development Boards are audited regularly (generally every two years) by the Internal Audit Bureau to ensure all governance, management, financial and administrative systems adhere to State and Federal Government requirements and maintain independent accountability of Government funding and expenditure.

Another consideration is to review mechanisms that ensure government investment targets programs that will be realised and minimises risk. For example, the NSW Environmental Trust has established a system that could be worth considering. The Environmental Trust offers a range of competitive grants programs for sustainability and environmental projects. A Trust has a mechanism for significant project proposals (for example greater than \$1 million) that requires the submission of a project application to make an initial determination on the merits of the project proposal. If the Trust chooses to support the proposal, there will be an allocation of an identified maximum amount of funding to be used over a specified period (e.g. \$100,000 in 12 months) for the development of a project and business plan for project implementation (this includes time for stakeholder communication and partnership formalisation). The allocation and delivery of the total of the project funding is then reviewed and assessed following the completion of the planning process. This methodology ensures that all the detailed planning and consultative requirements to ensure the success of a major project are completed prior to investment in project implementation.

*Recommendations*

- Use the current and existing infrastructure in place through the NSW Regional Development Boards for the delivery of regional economic development projects and Regional Social Development Councils for community development and social infrastructure projects.
- Consider the use of the existing Regional Development Boards infrastructure to provide the administrative and secretariat functions for RDAs.
- Consider adoption of the NSW Environmental Trust grant process for significant project proposals to ensure planning is adequate for successful project implementation.

**Conclusion**

The Development Board encourages the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government to ensure consideration of these comments in the inquiry. For further information on any of the matters raised in this submission, please contact Katrina Luckie on 02 6622 4011.

Regards



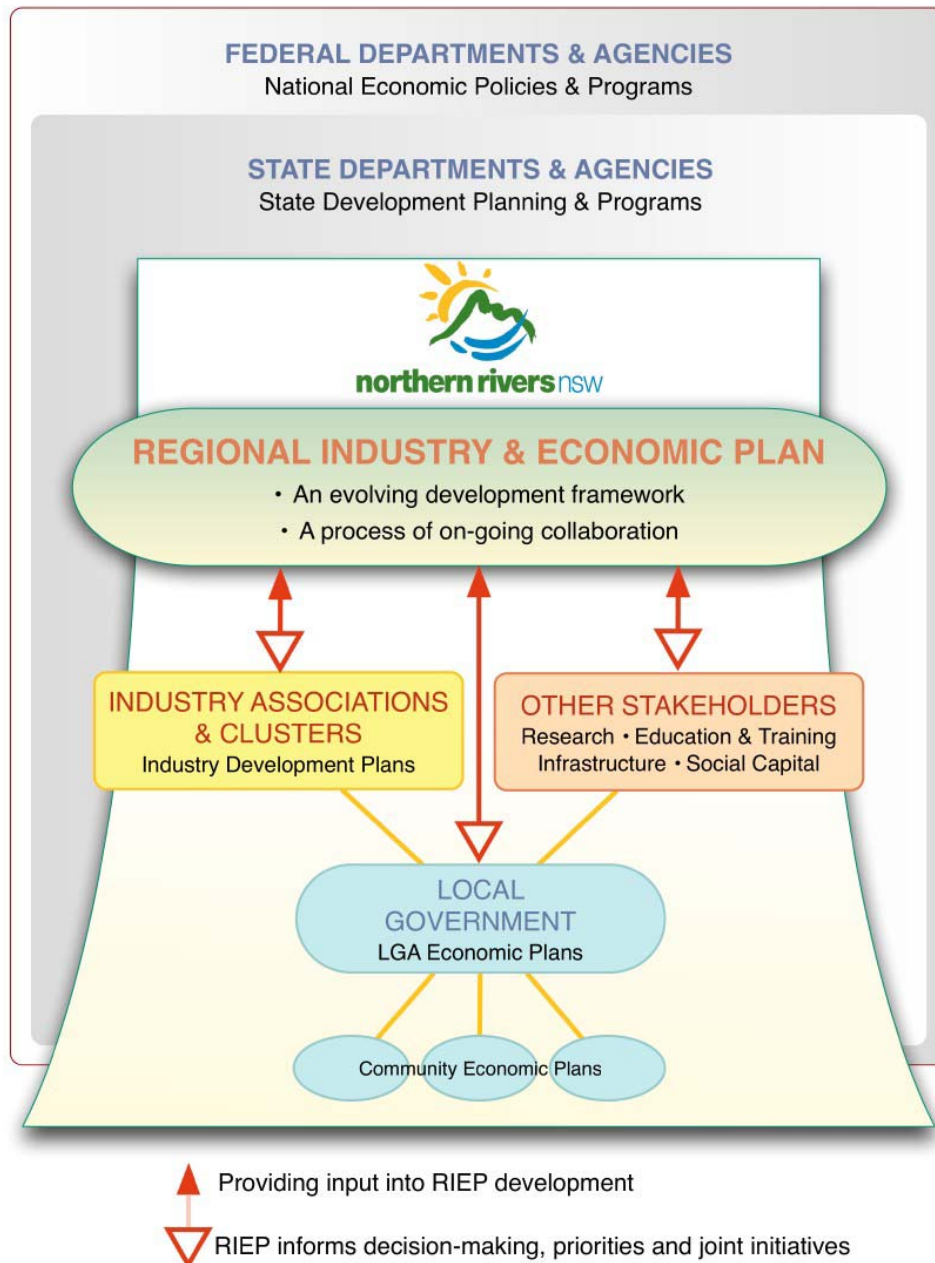
Katrina Luckie  
**Executive Director**

Encl:

- Working Paper for a Regional Industry and Economic Plan, November 2003
- Regional Industry & Economic Plan for the Northern Rivers, November 2005
- Regional Industry & Economic Plan 2006 Progress Report, 2006.

## ATTACHMENT 1

## Creating a Framework for Regional Economic Development



RIEP provides a common development framework for use by all industry partners to inform and guide their decision-making. It is designed to facilitate on-going collaboration and alliances.

<sup>1</sup> The Northern Rivers Regional Industry and Economic Plan (RIEP) reports are attached for the Inquiry's information and include:

- Working Paper for a Regional Industry and Economic Plan, November 2003;
- Regional Industry & Economic Plan for the Northern Rivers, November 2005; and
- Regional Industry & Economic Plan 2006 Progress Report.