



The Secretary  
Standing Committee  
Dept of Infrastructure, Transport, Regional Development and Local Government  
House of Representatives  
Parliament House  
CANBERRA ACT 2601

## **Re: Submission to Inquiry into a new regional development funding program**

Mackay Region ACC appreciates the opportunity to provide input into this inquiry.

Mackay Region ACC has assisted community organisations, councils and businesses in the development of project proposals for programmes such as Regional Assistance Program, Regional Solutions and Regional Partnerships. Many of these proposals were successful in receiving funding and as a result the Mackay region has greatly benefited, experiencing resultant social and economic development. Funding into regional projects such as the CQ Rescue Helicopter hangar has ensured the continuation and growth of this essential service, benefiting not only our region, but our neighbours also.

Mackay Region ACC is situated in a growth region due mainly to the coal mining boom which shows no sign of slowing and with indications of accelerating. To ensure our region is able to sustain this growth, funding is required to encourage and support economic development and provide social infrastructure.

Creating an attractive liveable community is essential to attract and retain workers for continued healthy growth in our region. Hence Mackay Region ACC sees the introduction of a new regional development funding program as imperative to assist in enhancing our region's sustainability and liveability.

Former grant applicants have been consulted to discuss issues with the Regional Partnerships program and their input has been included in this submission.

### **Summary of Recommendations**

- Projects need to be identified as regional/local priorities that align with regional / local plans.
- Projects need to have tangible outcomes, be sustainable, be value for the Australian taxpayers' money, have project and applicant viability and not be a duplication of existing services.
- Implement an application process that does not disadvantage small organisations due to complexity of the application and guidelines
- Implement an assessment process that includes capacity to understand issues unique to regions
- Introduce a decision making process that is transparent and accountable with the consideration of introducing an independent panel to make the final decision on projects





Mackay Region ACC takes this opportunity to make the following observations and recommendations regarding a new regional development funding program.

## **Future funding of Regional Programs**

### **Genuine and Accountable Projects**

Projects need to align with relevant regional and/or council strategic plans. This needs to be a criterion included in the application. During assessment this alignment needs to be confirmed via a check through a mechanism at community level. Mackay Region ACC suggests that this could be the new Regional Development Australia committee as it will be well positioned to undertake this role, having local bipartisan knowledge across the region.

As with the Regional Partnerships program, projects will also need to be able to stand the rigour of assessment in the areas of tangible outcomes, project sustainability, value for the Australian taxpayers' money, project and applicant viability and not be a duplication of existing services.

The types of projects to be funded under the new program need to be flexible enough to allow:

- innovative ways to achieve genuine economic development
- unique individual regional issues be addressed
- regionally significant priority projects that cannot be funded elsewhere be funded

Projects need not be major, but ones that will make a difference to the community by achieving sustainability, social cohesion, and improving the liveability of the local community. In rural areas, this may ensure families remain in the local rural area rather than moving to the larger regional centres where there are more amenities.

### **Application Process**

Under any new regional development funding program, there needs to be a consumer friendly application process including form and provision of assistance/advice. Application forms and accompanying guidelines need to be clear, free of ambiguity and easy to use and understood.

If an electronic process of application is to be used, there needs to be a reliable system with 1800 telephone support.

Applicants should not be disadvantaged due to the complexity of the application and guidelines. Complex application forms may result in only larger more capable organisations with resources to write grant proposals dominating as successful applicants. On ground support provided by ACC's in the past has assisted in ensuring that all organisations have the ability to provide clear, succinct applications, providing the more disadvantaged with a more equitable footing in the application process. As the Australian Government has intimated that this support will no longer be provided by the new Regional Development Australia organisations, there needs to be a mechanism set in place to ensure that there is equitable opportunity in the submission of applications.





Any new funding program needs to consider how organisations provide costings for their projects. In a region experiencing skills shortages in the construction industry, grant applicants have extreme difficulty in obtaining three quotes at time of application submission. Mackay Region ACC recommends that there be greater flexibility in this area. For larger projects, a quantity surveyor report may be an acceptable alternative to three quotes.

Construction cost escalations are an issue and delays in assessments can lead to additional construction costs. Mackay Region ACC recommends that reasonable allowances for cost escalations be considered. With current steel costs spiralling, project costs can increase dramatically over a short period of time.

## **Assessment and Decision Making**

### **Assessments**

Consideration needs to be given to the most appropriate location for assessments to be undertaken – regional or centralised – and the implications in terms of cost and appropriateness of each location. Regionalised assessments provide a degree of confidence in the community that their projects are being assessed by people who have some familiarity with their regional issues and community needs. Centralised assessment has to be questioned when under Regional Partnerships program, regional offices were required to provide comment on each project, along with the ACC's. This appears to be duplication and may have been unnecessary if assessment occurred at regional level.

With the pending closure of some regional offices, it is to be assumed that any new regional development funding programme is to be assessed centrally. The question needs to be asked "how will a centralised assessor ensure that information provided in an application is valid?" This may be an opportunity for the new Regional Development Australia committees to be involved. This could be a similar process to the Auslink program where ACC's provided comment on individual projects in their region.

### **Decision Making**

The current decision making process of Ministerial discretion needs to be reviewed to determine whether this process provides the most transparent, accountable and equitable method to decide successful projects.

Mackay Region ACC suggests that decisions made by an independent panel, consisting of representatives from across the country, may be a more appropriate form of decision making, bringing accountability and transparency to the process. Publicly accessible documentation of decisions would enhance this. Decisions need to be based on merit, benefit to the community and value for the Australian taxpayers' money.





## **Practices in the Regional Partnerships program after the audit period of 2003-2006**

Mackay Region ACC finds it prudent to comment on the former government's practices in the Regional Partnerships program after the audit period of 2003-2006.

The following needs to be noted when considering future funding programs:

### **Applying for Regional Partnerships funding**

Grant applicants found the Regional Partnerships application challenging. Most community organisations required assistance with completion of numerous sections of the application. The application needs to be simplified to ensure applicants with good project ideas are not disadvantaged because they do not have the capacity to engage a grant writer. In the Mackay region, most applicants sought assistance from the ACC in preparing and lodging their submission, be it for a small or large project, community organisation or local council.

The introduction of eGrants did not simplify the application process. Some questions in this application process were ambiguous and again the proponents required assistance from the ACC to complete. Should any new funding program be administered via electronic submission, consideration needs to be given to community IT capacity and the system needs to be fault free prior to going live to the public. eGrants regularly failed for the client, wasting time and resources. The TRAX system of application lodgement was also difficult for proponents to use and these issues need to be addressed for any new regional development funding program.

### **Regional Partnerships Guidelines**

Interpretation of Regional Partnerships guidelines posed challenges for grant applicants. There appeared to be "grey areas" for which one could not source a clear answer. These areas included eligible/appropriate projects and how much funding could be requested, particularly when a project required large sums of money when knowing that Regional Partnerships funds were finite.

The amount of time and resources taken to submit a Regional Partnerships application warranted a much clearer set of parameters.

Guidelines need to be easy to interpret and then adhered to in the assessment and decision making process.

### **Assessment and Decision Making**

#### **Assessment**

Towards the end of the Regional Partnerships program, it became evident that some departmental assessors were quite inexperienced evidenced by their requesting from the grant applicant information quite clearly provided in their submission. This was not a one off experience. Mackay Region ACC recommends assessors be trained so that they are fully conversant with the program guidelines and application process including any electronic system used in processing. Grant applicants need to have confidence that their application is being assessed competently.





Mackay Region ACC recommends that project and applicant viability checks for larger projects continue. Whether this process needs to be outsourced needs to be investigated by taking into consideration appropriately qualified departmental staffing compared to outsourcing costs.

### **Decision Making**

Mackay Region ACC feels that perceived or actual political interference had muddied the Regional Partnerships program and placed organisations that managed Regional Partnerships into disrepute. Decision making processes of any new funding program need to demonstrate transparency, accountability and equity.

### **Delays in Decision Making**

Timeliness of decisions on applications needs to be addressed. Decisions taking much longer than the nominated timeframe in the guidelines did not reflect well on the program or the department. Ministerial decisions (made by three Ministers) depended on Ministers' availability, leading to additional delays in funding announcements due to Ministers being committed to other priority activities.

The great number of Regional Partnerships applications that needed to be reviewed by the Ministers also impacted on timeliness of decisions.

Should approved projects under a new regional development funding program be determined by Ministerial decision, the process needs to be reviewed. Large delays in decisions can be costly to projects and can affect project viability.

### **Conclusion**

In summary, Mackay Region ACC respectfully makes the following recommendations for the standing committee to consider when formulating a report on a new regional development funding program.

- Projects need to be identified as regional/local priorities that align with regional / local plans.
- Projects need to have tangible outcomes, be sustainable, be value for the Australian taxpayers' money, have project and applicant viability and not be a duplication of existing services.
- Implement an application process that does not disadvantage small organisations due to complexity of the application and guidelines
- Implement an assessment process that includes capacity to understand issues unique to regions
- Introduce a decision making process that is transparent and accountable with the consideration of introducing an independent panel to make the final decision on projects

Adam Doull  
Deputy Chair  
Mackay Region ACC Inc  
14 July 2008

Di Rollo  
Executive Officer  
Mackay Region ACC Inc

