

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

The intention of this brief paper is to highlight elements of two parts of this inquiry, using the Issues Paper as a framework.

The comments will relate to the first two terms of reference:

- 1 Provide advice on future funding of regional development programs in order to invest in genuine and accountable community infrastructure projects: and
- 2 Examine ways to minimize administrative costs and duplication for taxpayers.

Based on some of the questions in the Issues Paper, the Commission provides the following views:

### **What is the purpose and objectives of the program?**

- 1 What should the overarching purpose and objective of the new program be?

In simple terms the purpose should be to provide a framework for the Federal Government to direct funds into projects and programs benefitting regional Australia

The objective/s should be to ensure that the program is well-linked to the identified strategies of a region and able to support and complement the commitment of other parties to fund necessary works and activities.

- 2 Where are the gaps in community infrastructure funding and how should such funding be defined?

On the realistic basis of considerable diversity of needs in regional Australia, the answer should lie in a process, rather than attempt to define types of missing infrastructure.

Using the above objective, the strategies of a region should assist to identify the gaps.

Accurate identification of the gaps is more likely through simple, quick discussion with regional partners. The Federal Government has the capacity and the obligation to then focus on delivering assistance for its areas of administrative responsibility.

- 3 Should the Australian government's regional funding program be targeted? What are the benefits/disadvantages of targeting?

Our experience of national targeting is pretty poor. Such targeting seems never to have been undertaken with the strategies of the region foremost. It also overlooks key regional issues, through poor understanding and parameters at a stratospheric level.

- 4 How should regional be defined?

Get bogged on this and nothing will happen.

Keep it simple. The ABS and the BTRE definitions and boundaries provide a sound national framework between them. They also provide base data in an accepted spatial framework.

Clients don't care about this – they just want support and action.

If more is required, seek information from the years of university research and/or contact the Australian New Zealand Regional Science Association.

- 5 What outcomes should be met?

Something which meets the outcomes of 1 above.

- 6 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?

Very little, very basic and very clear.

- 7 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?

The question is seeking to get away from the notion of one size fits all, which is commendable.

In doing so it limits the options as the strategies of Australia's regions should show.

The five pillars of regional development remain as:

- Employment
- Housing
- Education and training

- Health services
- Infrastructure

These are the foci.

- 8 Once specific funding objectives have been set, is there scope for developing a program mode which has in place, or allows for the creation of sub-programs, which can be used to target special areas of need?

Possibly, but the targeting of special areas of need should be undertaken in accordance with 1, 2, and 3 above

### **What eligibility criteria should apply?**

- 1 Who should be eligible to apply for the new Regional Funding Program?

Regional organisations, as determined by the above principles and organisations which demonstrate some affinity with regional strategies and their objectives.

As this is a very simple answer, the need to focus on regional rather than local is a distinguishing point in any regional funding. Therefore some sense of collective structure and behaviour seems paramount.

- 2 Should private-for-profit enterprises be allowed to receive funding under the new program?

Probably not.

If so, the need to secure the intellectual property rights and make all information received by the private-for-profit applicant available publicly, tends to deter them from acting outside regional interests.

- 3 Should the Australian government provide funds to less-viable, risky projects?

No

- 4 Should priorities be given to different types of regions?

This would continue to be fraught with issues of inequity.

If the existence of a regional strategy and collaborative behaviour are the basis of the policy and its funding, then targeting types of regions would be outside the decision-making matrix. Decisions would be made on the basis of the five pillars

of regional development, strategies and the points of common policy among the collaborators.

If a spatial matrix is to be used, then it is a fundamentally different process. For instance, all peri-urban areas would be aggregated in some way and the process would be repeated for different spatial types.

This assumes that the needs of peri-urban Perth are similar to those of peri-urban Hobart or Brisbane, and the needs of provincial Ballarat are similar to those of Kalgoorlie-Boulder or Rockhampton.

Further, it would be difficult to objectively compare these categories against each other, in some form of analysis, to produce justifiable results.

Regions are not homogeneous in this way either. The Western Australian Wheatbelt has seventy-five percent of Perth's peri-urban frontage and is also fifty percent of the state's broadacre farming land.

This past is not simple.

- 5 Given the program will be a discretionary grants program, what expectations should the applications have of the published eligibility criteria?

That they make sense and they are adhered to.

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

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

The commission can only comment on the State aspects of this.

Without some agreement between a State and the Federal government at a Regional Development portfolio level, there is likely to be continuing friction on duplication and on funding projects with differing priorities.

Given such an agreement, it would be feasible to achieve collaborative objectives and actions between the various regional organisations.

Although the Wheatbelt Development Commission is able to administer funds on behalf of other regional bodies, which can contract that to us, it is unlikely that

there would be any merging of Federal and State financial administration for regional development work.

Experience shows that our commission has been able to fulfill a regional development role without any engagement with the Federal organisations, for many years.

This is not necessarily the optimum situation for the region, but the difficulties of engagement have been outweighed by the advantages of staying apart.

By circumstance, the Wheatbelt ACC has eventually focused its service delivery on matters which the commission chose not to duplicate. In earlier times, the ACC chose to compete on some topics. The commission then decided not to compete and withdrew from them.

Within our State framework there are means to work in a collaborative funding arrangement.

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

Communication at the earliest point, at all levels of the process. Ensure that there is initial agreement on policies, objectives and strategies before any funding process starts.

Need to overcome the inclination to individually control, instead of sharing and caring.

Put the client (the region) first.

- 3 What involvement should State regional bodies have in prioritising or assessing projects?

This question should presuppose that there is already collaboration between the Federal and State Regional Development Ministers.

It should also come after the question of how the collaboration will work to collectively identify to possible projects (in accordance with regional strategies) which could qualify for funding.

Then, the funding decision-making process should allow for advice/participation from the State regional bodies in this prioritizing and assessment.

**How will the new funding program work with the new Regional Development Australia network?**

- 1 What will the role of the RDA's be in assisting and assessing applications for the new Regional and Local Community infrastructure Fund?

It should be central and work in conjunction with other regional organisations.

- 2 How should future relations be pursued between new RDA committees and State and local government? What mechanisms could be utilised or put into place to enhance communication and cooperation between the RDA committees and State and local government over project priorities?

Assuming portfolio Ministerial agreement, there are a number of valid ways to achieve this. A single model solution will bring failures.

There are many options, but mutual board membership is inconsequential in our experience.

We had a shared chair and three shared board members years ago and we have none now. There has been no benefit from either.

The regional development task varies in its definition among the states, so the federal government will need to have flexibility here. Prescribing a model, such as the highly discredited (in Western Australia) REDO's will deliver more failures.

Regional Development succeeds with clear, shared philosophy and good strategies.

- 3 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?

Depends on the region and the professional, financial and community linkage capacities of the RDA network?

Consultation is second best – this requires collaboration and group/partnership commitments.

No idea.

