

SUBMISSION

to the

House of Representatives

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

Inquiry into a New Regional Development Funding Program

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Call for Submissions

This Submission prepared by KESAB *environmental solutions* responds to The Minister for Infrastructure, Transport, Regional Development and Local Government requesting an inquiry to review and prepare a report on the Regional Partnership Program;

and further requesting

Recommendations on ways to invest funding in genuine regional economic development and community infrastructure with the aim of enhancing sustainability and liveability of Australia's regions

Terms of Reference

- 1) Provide advice on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects;
- 2) Examine ways to minimize administrative costs and duplication by taxpayers;
- 3) Examine the former governments 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
- 4) Examine the former government's practices and grants in the Regional partnerships Program after the audit period 2003 – 2006 with the aim of providing advice on future funding of regional programs.

Overview

Regional Partnership Program Application (No RPO3632)

The comments detailed in the submission relate to the Regional Partnership Program with specific focus (Application No. RP03632 Palya Clean Communities) relative to the preparation, assessment, and approval processes.

The RPP application demonstrated strong support from participating partners, significant research and stakeholder liaison leading to the application, and considerable real dollar and in kind value adding to deliver a capacity building environmental improvement program over 3 years benefiting 11 remote indigenous communities.

Communities located on the remote Anangu Pitjantjatjara Yankunytjatjara Lands (APY) had a clear need and support for the proposed Regional Partnership Program to fund and implement waste management and resource recovery initiatives to improve community capacity, health, education and infrastructure in sync with the current South Australian Waste Strategy.

The time critical nature of the project and failure to achieve project approval (or otherwise) over an 18 month development, communication and assessment period (Dec 06 – May 08) reflects poorly on the decision making process by both the former and current governments, and impacts negatively on the communities and stakeholder's drive to apply for such funding in the future.

Opportunities to engage remote communities at this level are limited, and faith to participate in action based community infrastructure and capacity building initiatives have been significantly defrayed due to the lengthy RPP assessment process and subsequent abandonment of the program.

Implementation of any replacement or future RPP type program must ensure that the assessment process recognises the importance of timelines relative to both applicant and project, and identified community engagement given common objectives to enhance the sustainability and liveability of Australia's remote regions.

Response to Terms of Reference

- 1 Provide advice on future funding or regional programs in order to invest in genuine and accountable community infrastructure projects.**

Comment

Organisations such as KESAB (NGO) do not take preparing lengthy and detailed applications lightly.

Applications take considerable time and effort to develop with strong focus on identifying support stakeholders contributing through value adding dollar and/or in kind support to achieve outcomes at the regional level.

It is not assumed by KESAB that by developing a detailed grants funding application that it will ultimately be approved.

However the submission was developed after significant discussion with potential partnership stakeholders and government agency personnel working to their respective briefs and guidelines.

These included;

- APY Administration (APY Lands Umawa)
- FRACC (Flinders Region Areal Consultative Committee)
- Dept Aboriginal Affairs and Reconciliation (AARD)
- Keep Australia Beautiful National Association
- Keep Australia Beautiful Council (NT)
- Packaging Stewardship Forum (PSF)
- Ministers Hunt, Lloyd, and Advisors
- Dept Premier and Cabinet (SA)
- DOTAR (Pt Augusta)
- DOTAR (Canberra)
- Zero Waste SA

The RPP APY Lands Palya application prepared by KESAB and stakeholders could not have been more genuine and accountable.

Budget outcomes announced by the Government in May 2008 failed to allow proper consideration of applications that were in a state of flux.

Recommendation

Future regional funding programs must embrace improved communication between applicants and respective government agency relative to understanding and assessing projects and stakeholder(s) integrity and accountability and;

Adopt a time critical factor embracing realistic assessment and turn around timelines for applicants (to be approved or otherwise) without being compromised through political expediency.

2 Examine ways to minimize administrative costs and duplication by taxpayers.

Comment

The impacts of administrative costs and potential duplication to taxpayers are significant.

Administrative costs are incurred by both the government and the applicant during all facets of project application and implementation.

The government incurs cost as a matter of due course by offering grant initiatives and ensuring accountability, assessment criteria and delivery outcomes etc are achieved to the highest level.

The applicant incurs significant time and other real costs to develop an application meeting guideline criteria. The RPP APY Palya application required an estimated 200 hours plus remote areas travel to prepare.

Management and administrative input is valued at approximately \$20k just to prepare and submit the application.

The application demonstrated significant value adding that stakeholders were prepared to provide thereby enhancing project outcomes and reducing use and duplication of tax payer funds.

The “overnight” cessation of the Regional Partnership Program failed the applicant in the context of not being able to deliver the program (assuming assessment approval) and by not providing feed back and commentary in respective to value and worthiness of the project.

This outcome has impacted negatively towards the value adding and goodwill promulgated through stakeholders support thereby costing the taxpayer against future implementation of any similar program.

It will further impact on cost to the applicant and taxpayer should it be resolved to develop another submission based on revised criteria for a new program, assuming that new program sits within said criteria.

Recommendation

Government embrace the concept that all applicants incur significant costs to prepare funding submissions.

New program criteria ensure appropriate consideration be given to evaluating the level of real or in kind value adding contained within the application in respect to the real savings and minimisation of duplication to the taxpayer.

That proper feedback be provided to all applicants that are unsuccessful through either the assessment process or abandonment of the program midstream due to changing government policy.

- 3. 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.**

Comment

KESAB is unable to comment on the former governments practices relative to the Regional Partnerships Program decision making or other processes..

The application process adopted by KESAB as per criteria requirement engaged government agencies at the Federal and State levels, and a broad range of program partner stakeholders to ensure all project elements were accountable.

It is noted that changes to the Regional Partnerships Program were implemented in November 2005, May 2007 and September 2007.

It is further noted that in terms of application assessments undertaken by DOTARS and approval by responsible Ministers, delays appeared to be experienced through 2006 and 2007. Significant improvement initiatives were introduced in 2007 as detailed in the ANAO Performance Audit Report.

The lack of outcome commensurate to the time and effort by KESAB to prepare the application and the subsequent decision making and assessment process is cause for concern to both the former and current government leading to the RPP being abandoned.

- 4. Examine the former government's practices and grants in the Regional Partnerships Program after the audit period 2003 – 2006 with the aim of providing advice on future funding of regional programs.**

Comment

Comments contained in 1, 2, 3 cover KESAB views relative to future funding.

Any new regional program must ensure appropriate criteria enabling engagement and implementation of the project (if approved) within a reasonable time frame from the date of application.

Funding criteria of the program must encourage elements within the application framework to ensure improved understanding by the assessment agency specific to project aspects such as remoteness and cultural expectation including high dependence for administration or project officer support as a percentage of total funds applied for.