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The Parliament of the Commonwealth of Australia

# Funding regional and local community infrastructure

**Principles for the development of a regional and local community  
infrastructure funding program**

**Final Report**

House of Representatives

Standing Committee on Infrastructure Transport Regional Development and  
Local Government

June 2009  
Canberra

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## Foreword

In the period between the Committee's interim report and its final report, infrastructure spending has continued to be a cornerstone of the Government's agenda and a vital response to the global financial crisis (GFC). This Committee supports continued investment in the nation's infrastructure, in times of crisis, recovery and growth, but it is particularly interested in ensuring that regional Australia continues to see investment in community infrastructure by the Commonwealth Government.

Substantial funds have begun to flow from Federal to Local Government through the Regional and Local Community Infrastructure Program (RLCIP), resulting in increased community infrastructure building activities in the regions; however, the Committee encourages the Commonwealth Government in this report to develop and maintain an ongoing funding program for regional and local community infrastructure. In doing so, the Committee also flags the importance of ensuring that non-profit organisations receive funding through such a program.

This report does not revisit each one of the interim report recommendations in detail. Rather, it places the Committee's previous recommendations within the context of some overarching principles which the Committee believes are fundamental to the development of any new regional and local community infrastructure funding program. These principles have been grouped under three headings: availability, accessibility and accountability.

Availability refers to a set of program guidelines which clearly establish what types of projects will be funded, who is eligible for funding and how the funds will be distributed. The principle of accessibility focuses on developing a simple, streamlined application process supported by application development assistance. Accountability stresses the importance of ensuring that decisions made throughout the funding process are well documented and can be adequately explained.

Three of the five recommendations in this report are focused on these principles. The Committee recommends that the Government consider the need for clarity and simplicity when structuring program guidelines that address an application's eligibility and the manner in which an application will be assessed and funds awarded. It recommends the creation of an accessible program which provides useful information through multiple sources and an application process which stresses personal support for the applicant. The Committee concludes with a recommendation supporting increased program accountability through the employment of a centralised assessment process administered with appropriate resources. This would be supplemented by an acquittal process which utilises well-structured funding agreements, where expenditure is based on a thorough examination of project milestones.

The speed in which the GFC hit Australia also impacted this Committee's deliberations into the development of regional infrastructure funding programs. As such, the Committee issued an interim report with specific recommendations intended to assist the Government as it responded to the crisis. The final report has afforded the Committee the opportunity to reflect further on the evidence it received during this inquiry and make some recommendations of a general and principled nature. When considered together, the Committee expects that both reports will assist the Government to develop an on-going regional infrastructure funding program that meets the needs and expectations of the regions.

Once again, I would like to thank all those who participated in this inquiry. The level of participation and assistance provided to this Committee by regional Australia has been exceptional.

Ms Catherine King MP  
Chair



## Membership of the Committee

Chair Ms Catherine King MP

Deputy Chair Mr Paul Neville MP

Members	Mr Tony Windsor MP (from 28/05/08)	Mr Darren Cheeseman MP
	Ms Jodie Campbell MP	Mr Jon Sullivan MP
	Mr Jason Clare MP	Hon Dr Sharman Stone MP (until 10/11/08)
	Mrs Sophie Mirabella MP (until 10/11/08)	Mrs Joanna Gash MP
	Mr Brett Raguse MP	Hon Andrew Robb AO, MP (from 10/11/08)
	Mr Don Randall MP (from 10/11/08)	

## Committee Secretariat

Secretary                      Mr Peter Keele

Inquiry Secretary              Mr Michael Crawford

Administrative Officer        Ms Kane Moir





## Terms of reference

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 livability of Australia's regions.

The Committee's report is to:

1. Provide advice on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects;
2. Examine ways to minimise administrative costs and duplication for taxpayers;
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; and
4. 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.





## List of abbreviations

ACC	Area Consultative Committee
ANAO	Australian National Audit Office
BCF-CC	Building Canada Fund – Communities Component
CIF	Community Infrastructure Fund
DITRDLG	Department of Infrastructure, Transport, Regional Development and Local Government
EDA	Economic Development Administration
EOI	Expression of Interest
FMA	<i>Financial Management and Accountability Regulations 1997</i>
GFC	Global Financial Crisis
RDA	Regional Development Australia
RLCIP	Regional and Local Community Infrastructure Program
RPP	Regional Partnerships Programme
UK	United Kingdom
US	United States





# List of recommendations

## Recommendation 1

The Committee recommends that the Government replace the Regional Partnerships Programme with a new program designed to provide ongoing funding support for regional and local community infrastructure.

## 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.

## 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.

## 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 provided by knowledgeable staff.

### 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.

