



(SA) SOUTH CENTRAL AREA CONSULTATIVE COMMITTEE
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10 July 2008

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

Dear Sir,

RE: Inquiry into a new Regional Development Funding Program

The Committee of the (SA) South Central Area Consultative Committee (SCACC) welcomes the opportunity to make a submission into this inquiry.

The SCACC has worked with the community in our region for 11 years and during this time has gained an intimate knowledge of the region and its needs.

The South Central Region covers the sub-regions of Adelaide Hills, Fleurieu, Kangaroo Island, Murraylands and Southern Adelaide. It is a large and diverse region of 36,500 square kilometres, stretching from the western tip of Kangaroo Island to the edge of the Murray Mallee on the Victorian border. 97% of the land area is rural. In addition to large tracts of wilderness, grazing and cropping land, and the lower reaches of the Murray system, the region includes the large conurbation of Southern Adelaide and important regional centres in Victor Harbor, Mount Barker and Murray Bridge. Other major towns include Goolwa, Strathalbyn and the urban village of Stirling. 18% of South Australians live in the region, and it supplies 18% of South Australia's workforce. It includes 11 local government areas.

The committee is made up of local government Mayors, members from other regional development organisations, business owners and active community members. As such it is strategically placed to offer service and advice both to the community and to the government on issues facing rural and regional Australia.

Over the past 11 years we have observed first hand the enormous benefit of regional funding programs, most recently the Regional Partnership Program. The benefit to regional Australia of this program cannot be understated. We can confirm the significant positive impact that this program has had not only on our region, but the whole of South Australia. As one of the smaller states it has been an important part of regional and economic development for all regions.

Reference 1: Provide advice on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects.

- Clearly defined objectives with measurable outcomes that meet the needs of rural/remote communities.
 - The benefits of RPP were guidelines that were not restrictive. This allows communities to apply for funding for projects that meet local infrastructure needs including ‘soft’ or social infrastructure aimed at building community capacity and the social fabric of rural and/or remote areas. Many of these types of projects have difficulty in accessing funding from other areas even though it can be shown that they are beneficial in helping to build a more successful community.
 - Any new funding program must take into account the diversity of regions around Australia so that programs are equitable and accessible to all, regardless of their physical location or circumstances. Some parts of the RP guidelines disadvantaged those small remote communities where the rate base is very small and partnerships are hard to achieve. This does not recognize that their needs, nevertheless, are just as critical.
 - Attention must be given to the definition of ‘core business’ as it relates to local government in any Federal funding program. One size does not fit all, as these definitions vary marketably from state to state.
- Partnership arrangements.
 - The partnership arrangements should be maintained in any future funding as this was one of the strong parts of the RP program. This not only helped to build the necessary funds, but also brought applicants in contact with a wider network of people to assist with their project. However, consideration should be given to the merits of each application when assessed in conjunction with the ability of small remote areas to form partnership arrangements.

Reference 2: Examine ways to minimize administrative costs and duplication for taxpayers.

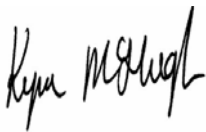
- Local input.
 - Place a greater emphasis on local input in the decision making process. Local Area Consultative Committees have the necessary people (through their staff and board members) to provide relevant and informative input of applications. In the past ACCs have helped to produce applications that are better aligned with guidelines and priorities, and using that local knowledge, can show how they will benefit the community. This advice has often been ignored, thereby adding to administrative costs as nationally based staff try to make assessments without understanding the local landscape.
 - It should be clear that ACCs did not assess applications but provided applicants with technical assistance, helping to align projects with their region, and provided the government with an independent report on the proponent and the application.
 - Input from the community places great value on having on the ground assistance in understanding the application process. Small communities do not have the funds to employ professional grant writers, so therefore a simplified application process and continued support from a locally based organisation is important.
 - A centralized program with timed funding rounds could lead to unprepared and ineligible projects. Timed funding rounds limit the ability to link with other partners. An ongoing submission process removes the difficulty of matching the timing of several different applications at the one time.

- Input from a regionally based organisation such as RDA, with the development of applications, and the ability to make applications ‘assessment ready’, helps with reducing administrative costs centrally. This must be accompanied by a Department and Minister willing to take note of local information and advice as provided by an RDA or other such body. The Department must also be held more accountable in meeting realistic assessment timeframes.

Reference 2 & 3: Examine the former government’s practices and grants outlined in the ANAO report. Examine the former government’s practices and grants in the RP Program after the audit period of 2003-06.

- The successes of the Regional Partnership Program must be acknowledged. In South Australia generally, success far outweighed any shortcomings.
- The South Australian experience has shown that the program was very successful in filling a gap in existing funding opportunities. Feedback from local government and the community confirms that the program was highly placed and successful.
- Areas of concern are where the department is trying to meet assessment criteria along with the changing priorities of various Ministers. A clear, independent and transparent process in approvals is necessary. This would be better served by a totally independent body, at arms length from the political process. ACCs have always been seen in their communities as a-political, giving valuable independent assistance and this process should be carried through the entire process.
- The Regional Partnership Program was not broken beyond repair. The basis of the program, the guidelines, criteria and objectives of the program were basically sound. Assessment, timeframes and transparency are the main areas of consideration in any new funding program.
- It should be acknowledged that the ALP 2007, Regional Development for a Sustainable Future provides a sound basis for targeting the needs of Regional Australia.

Yours faithfully,



Mayor Kym McHugh
Chair, South Central ACC