14th July 2008

The Secretary
Standing Committee on Infrastructure, Transport,
Regional Development and Local Government
House of Representatives
PO Box 6021
Canberra ACT 2600

RE: Submission to the Inquiry into a new Regional Development Program

The Ipswich and Regional Area Consultative Committee (I&RACC) appreciate the opportunity to contribute to this inquiry and the Government's commitment to transition ACC's to become Regional Development Australia Committees. Attached as part of our submission are letters received from recipients of funding under the Regional Partnerships Program and other previous funding programs that were encompassed into this program. They have provided some comments and highlighted the changes that have occurred and outcomes achieved over time since they were funded.

Background:

The Ipswich & Regional Area Consultative Committee Inc. (I&RACC) has played a key role in the Regional Partnerships Program and other Australian Government programs since its inception. The I&RACC has;

- A well developed strong network and membership of regional representatives that are committed to regional development.
- An extensive range of local knowledge and established networks, including a comprehensive client database of community groups, agencies, organisations and department representatives from all levels of Government at the regional level.
- Provided representation on a range of regional development committees including the coordination network for Regional Managers of State Government, planning committees and community and business consultation forums. This provides a strong basis to understand the needs of the region and identify priorities that are unique to and compliment the strategic direction for the area.

- Operated as an apolitical body that provides a gateway for assistance, support, access and referral to a range of Australian Government programs, and through existing networks, has facilitated whole of government assistance across a region.
- Has managed and delivered other Australian Government programs and provided assistance to community and business in accessing a range of grant programs.
- Given priority to a high level of governance, ensuring equality, rigour and transparency in recommendations for funding through its constitutional structure and processes.
- Membership policy frameworks imbedded into the constitution to ensure members are derived from all parts of the region and across all sectors including community, business and government.
- Identified projects that align with the strategic plan of the region and provide benefit to a wide range of people.
- Assisted in the development and recommendations of projects utilising its strong networks and regional representatives to establish opportunities for collective input and where possible contribution from all levels of government in partnership with the community.
- Not been aware of any past projects in the I&RACC region which were funded outside of the guidelines or normal course of due process established by the former Department of Transport and Regional Services except for the most recent election, where projects were announced by the incoming government for submitted projects that were under assessment and a decision had not yet been announced by the former government.
- Achieved a record of all recommended projects that were approved having an average rate of only 37% of funding contribution provided by the regional partnerships programme allocated for all projects i.e. 63% funded by partners and the applicant organisation or business. Range was from 12% to 67% of which only two projects required slightly more than 50% but had clearly articulated rationale for community benefits.
- Provided a boundary submission recommendation for the I&RACC following the recent Local Government amalgamations in Queensland.

Regional Profile:

Ipswich and surrounding regions of Boonah, Laidley, Gatton and Esk are a significant part of the Western Corridor which is a major growth corridor that will require significant infrastructure to meet future growth forecasts outlined in the South East Queensland Regional Plan and Department of Local Government and Planning. This region has a forecasted population increase of 178,491 in 2001 to 424,266 in 2026. This represents a population growth rate of 3.5% compared to the State average of 1.7%. Already these figures are being considered as conservative and are likely to be even higher once revised planning is undertaken.

The Ipswich region provides a critical solution as an alternative growth corridor for managing the unprecedented growth being experienced across SEQ. This growth

which is usually realised in the urban city centres is causing degradation of the environment, diminished open space, gridlocked transport, limited provision for expansion with services reaching capacity, which collectively is threatening the liveability in the usually targeted major urban centres and is now impacting on the I&RACC region.

Ipswich and the surrounding areas provide options for new residential space and industrial land in close proximity to the Gold Coast, Brisbane, Toowoomba and the Sunshine Coast. There is a conscious effort and careful land use planning decisions that have been made as part of the SEQ Regional Plan to redirect the growth away from the larger city centres out through the Western Corridor.

Ipswich has the largest designated industrial land space available in close proximity to urban residential land ready for development. This provides for the establishment of community hubs that can be self sufficient for housing, jobs and recreation. It will reduce traffic congestion to the other major cities. The redirection of this growth to the western corridor will require significant investment especially in the corridor from Ipswich to the Darling Downs for major infrastructure, housing, health, road, rail and air transport, recreation, education, water and other related services.

Currently critical shortages exist in available funds for key infrastructure required in the western corridor of SEQ. There is an identified rationale for opening up new residential and industrial land for development that will have a positive impact on SEQ as a whole. The new development is articulated in the SEQ Regional Plan. State and Local Government have acknowledged the need for such development to occur; the land is developer ready however community infrastructure to support these developments cannot be met for many years given the current impost on State and Local Governments to meet unprecedented growth.

Recent decisions to locate a prison in the Lockyer Valley and the University of Queensland's decision to move their Veterinary Science School to Gatton Campus, just to name a few, have had a sudden and unforseen impact on this region's future infrastructure requirements for additional housing, infrastructure and services to the area.

There is an opportunity for the Australian Government through new regional development Community Infrastructure Program to work across all levels of Government to assist these regions through shared resourcing arrangements. This would allow critical timeframes to be brought forward for required infrastructure and help to establish sustainable communities. Hence such action would reduce risk of reactive provision of funds for social issues and additional costs to Government that arise when communities are not well serviced.

Advice and Recommendations:

As per the terms of reference outlined in the Standing Committee's Enquiry into a new regional development program, we offer the following information.

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

   a) **Advice for a program for targeting community infrastructure in regions impacted by growth.**

   Provision of a regional development funding program is required for assisting high growth areas such as those in the SEQ Western Corridor. The Community Infrastructure Program for high growth areas should provide access to funds for large scale high cost infrastructure items. This should be targeted to projects where there are insufficient funds available at the local and state level to meet timelines for implementation to address key regional priorities. This would provide a funding source for important infrastructure projects that are additional to, but support the infrastructure identified through the Building Australia Fund.

   In addition, new communities emerging in high growth areas will require funds for a range of priorities to address implementation of supported infrastructure across a range of policy areas including transport, health, skills and education, communication, water, utilities, water, sport and recreation and industry development. Consideration should be given to developing a funding process with access to shared funding arrangements, across a range of policy areas.

   This could be achieved through the establishment of MOU's between departments for contribution of targeted funds for high growth development solutions. This would be used where existing local and state funds are insufficient to meet the high demand and where there is a demonstrated risk of communities developing ahead of sufficient support infrastructure. Hence this puts pressure on other regions already at capacity, creating transport and other community service access issues.

   RDA nationally should provide a brokering role in accessing multiple funding resources to establish new and emerging regional communities in high growth areas. Such an arrangement would consider recommendations through the RDA Statutory Authority to a range of Australian Government Departments. Regional development priorities would be identified and recommended through on the ground advice from RDA Committees where a whole of government and community consultation structure exist and projects are aligned with Strategic Regional Plans.

   Forecasting data should be used for determining where growth will most impact on regions rather than historical data. Funding should be targeted to provide for those growing regions where:

- Strategic Plans have been developed and adopted by other levels of government at the regional level
- There is evidence of outcomes to be achieved without negative impact on surrounding regions
- Projects are directly related to the strategies of the region
- There is clearly articulated rationale for the infrastructure investment as part of the identified regional development priorities
- Demonstrated consultation processes and protocols have been adhered to ensure community have been engaged in the decision making process

b) Advice for a program for Infrastructure Funding in existing communities that are affected by decline or present a regional solution to address a lack of access to services.

A Community Infrastructure program should also be targeted toward access to funds for projects that enhance existing communities that require improved access to services, communication, health services, utilities, skills development, research and business cases for innovative community projects. This should include projects that support and attract small business in rural/regional Australia.

This would include community driven projects to be developed with a bottom up approach. The basis for decisions on future funding of regional programs for accountable community infrastructure projects include that they:

- Are clearly articulated to an existing Regional Plan that has been through a consultation and endorsement process with all levels of government and the community at the regional level,
- Present clarity on the rationale for development and benefits across regions to avoid overlap and duplication,
- Provide evidence there is some contribution being made from other sources which could include local and State Government, private sector and community investment.
- Are projects where there is no other program funding available, or that there is insufficient funds to address the priority and therefore could contribute to other funding where it is targeted for items not already funded. A project needs to allow for a multi-purpose and shared resourcing approach to community development.
- Include funding recipients from Local Government, Not for Profit Community Groups and Regional Development Organisations.
- Provide for private sector access to funding for infrastructure as a 'business attraction model' to generate employment in areas of need and where there is a genuine community benefit and local government support and planning approval in place.
- Include projects for 'hard' infrastructure including building, capital works, fit out and equipment and 'soft' infrastructure for innovative community research and regional planning as models for future capital and social infrastructure investment.

- Present a business case with evidence of management capacity and ability to meet financial commitment to the projects success.
- Have identifiable outcomes/benefits to the community.
- Have rounds for funding at least every quarter with assessment complete and announcement prior to the next round.

With the new focus of the Australian Governments regional development initiatives and the transition of Area Consultative Committee's (ACCs) to become Regional Development Australia Committees (RDAc - As outlined in the announcement of 20th March 2008 by Hon. Anthony Albanese MP Minister for Department of Infrastructure, Transport, Regional Development and Local Government) RDAc's will have a much broader and strategic role to play. This should still include a role in identifying strategic community infrastructure projects, connecting potential partners for shared resourcing and making recommendation to Government on projects to be funded. Through local knowledge this role can assist in reducing duplication for taxpayers.

Given the scope and range of infrastructure needs in regional Australia, a flexible program for Community Infrastructure is required in order to be adaptable to each region's priorities and should be merit based on criteria and guidelines for the program rather than be competing against other regions.

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

With the recent announcement to reduce the number of regional offices for the Department of Infrastructure, Transport, Regional Development and Local Government, there is already a recognised saving to be achieved.

In the past, Regional Offices played a role in assessment and providing advice in addition to advice and recommendation of ACCs. This was then assessed by National Office as well. This clearly represented duplication for taxpayer's dollars. Following the ANAO report to 2006, the role changed for Regional Office to only provided contract implementation and negotiation as well as monitoring projects, progress reports and payments, with assessment taking place at National Office.

The streamlining of assessment processes to be done centrally in National office reduced red tape minimized administrative costs and reduced duplication and multiple levels of assessment. However this could be reduced further, if assessment was done at regional level only, or National level only.

There is risk of increased administrative costs and duplication if applications are received and processes at the National level without any input or screening process at the local level. Projects should be identified by a local body such as the RDA to establish if they address the program criteria, so many projects can be screened out if they do not meet guidelines. This will reduce number of

applications needing assessment at National office, hence saving time, reducing cost and duplication.

ACC's had the ability to monitor projects, however were not resourced or directed to do so. The monitoring, reporting and request for release of payments role would have been possible with adequate resources but was never taken up as an initiative for the Regional Partnerships Program.

Whilst there were examples highlighted in the ANAO report of projects funded where they were not recommended, there was also an example where our ACC raised concerns at an early stage about problems with a project's progress and recommended no further progress payments be made, however payments continued. This situation would not occur if a local body such as the RDA, with local knowledge were to have a role to play in monitoring projects progress and recommendations were made for release of progress payments.

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.**

Whilst it is acknowledged that some issues arose from this audit that needed to be addressed, there is evidence that some of the changes implemented post 2006 were achieving positive outcomes. However, during this process there was limited consultation on advice from those working within communities such as the ACCs as to how to improve the process.

- There is no evidence that the inclusion of project identification, advice and recommendations by ACC's had a negative impact on the delivery of the Regional Partnerships Program.

- Had ACC's had a greater role to play in project assessment, recommendation, monitoring and reporting, reduction of assessment time, duplication and administrative costs to the program could have been achieved.

- Some of the most successful regional development projects that had a positive and ongoing benefit to our region were private sector investment projects. (Refer attached letters from past recipients of Regional Partnerships funding)

- Application processes should have included a requirement for submission through a regional body such as the ACC rather than having the option to apply direct, with advice then sought from ACC's on projects they had not been involved with or had intimate knowledge of.

- The committee responsible for recommendation should be inclusive of representatives from all levels of government, business and community and have geographical representation from committee members drawn from all

- If assessment is to remain the responsibility of Departmental staff, these people should be of high quality with sufficient qualifications to perform the role and where necessary provided adequate training. (i.e. Economic Development and Planning qualifications in order to understand the complexities of regional development)

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.

Funding Provision & Program Promotion:

Clearly the most significant issue raised to date with Regional Partnerships is the level of funding and number of projects approved without formal application and/or processes adhered to.

We acknowledge that there will always be complexities around provision of funds being dispersed at differing levels in each region. This is the nature of a program that was designed to reach the areas in need rather than simply allocating a designated amount of funds equally across regions. Provision of pre-allocated funding amounts to regions has been used in other programs in the past and only creates competition rather than cross regional development initiatives.

It should be considered that funding amounts in each area will continue to be dispersed according to the identified need, alignment with an existing Strategic Regional Plan, evidence it has support from both Government and the community and ability to meet the criteria. The risk for communities to be successful can be affected by the financial capacity for communities to contribute and most importantly the skills of the community.

This reinforces the need to assist these communities to participate in community infrastructure development. It is proposed that RDAc's need to be adequately resourced to help build the capacity of the community, especially targeting those groups most likely to represent solutions for the communities in need. Training and skills development is a critical component to helping communities to become sustainable and this plays a role in building the strength of a region.

There has been limited attention to raising the profile of the regional partnerships program and its successes at a National level. This was especially evident across other Australian Government portfolios that had little knowledge of what was being delivered and the positive differences that had been achieved in many communities. Opportunities for shared resourcing and alliance arrangements for regional

development solutions including operational funds provided for RDA Committees exist if there is a greater understanding by other Departments at the decision making level.

RDAc's should continue to provide a broader mechanism for promoting the program across regions. Through ACC's this has been achieved through local databases, community websites, forums, events and regular newsletters. This ensures the information reaches a wider audience to ensure equitable access to the program.

Program Guidelines, Eligibility & Applications:

Tightening the guidelines to establish an eligibility and merit based program through rounds will ensure the timelines for decisions are improved. However, it is our experience that if there are insufficient rounds, opportunities for key development initiatives are lost due to time constraints. This is particularly evident where shared resourcing is required and the project is being developed with funding from other sources that are also impacted by timelines for approval and/or expenditure.

There should be no retrospectivity for funding, however consideration of contribution by applicants to conceptual planning, engineering design, development applications and planning approvals, land supply etc. should be taken into account in the applicant contribution. For community groups, in-kind contribution where time for management and delivery of the project can be accounted for should be recognised in the project contributions.

Eligibility for funding should include Local Government, Regional Development Organisations, not for profit community groups and private sector where the outcome is of community benefit and is aligned to the State Governments Regional Development plans and initiatives. There has been a significant decline in the resources available to small business or industry under the Queensland Governments Department of Infrastructure, Regional Development and Industry.

Should the Government decide not to include private sector applicants for this program, then another program should be considered through AusIndustry to support private sector funding support where there is an identified need articulated in the Regional Plan.

Eligible applicants should include the ability to provide for private sector partnerships. In our region, some of the most successful projects have come from leveraging private sector investment and have had long term economic gain for the region. They have provided employment in areas of high need and attracted additional business and social infrastructure. (See attached letters from past private sector recipients who have contributed information to this enquiry through this ACC)

It is proposed as outlined in Section 1 of this submission that consideration be given eligibility criteria that addresses more than one objective:

1.   Infrastructure for regions that are experiencing or can demonstrate evidence of projected high growth. (Higher level of funding required)

Access to these funds should not be contained to areas under specific categories of urban, regional or rural, but instead should be merit based on regional need, backed by rationale, outcomes and community benefit i.e. Projects should be aligned with a Strategic Plan. Projects should not be restricted to just one jurisdictional RDA boundary.

ACC's have worked on projects that have benefit to more than one region or are cross boundary submissions before. Where the infrastructure falls within one ACC region, they would provide the direct support to the applicant during the development phase, keeping the other ACC informed, with recommendations provided by both ACC's.

2.   Community Infrastructure for improving access to services.

This element would focus on projects for existing communities at risk of decline, or require a more effective delivery of community services due to demographic, restructure or diversity changes that may have occurred, i.e. increase in aging population requiring more aged care facilities.

A Regional Small Community Grants Program for projects up to $50,000 should also exist to accommodate the smaller projects that are still critical to helping rural/regional communities. Given small scale projects take considerable time to be processed under a major grants program and often require a different approach to streamlined assessment, this level of funding could be considered under a separate program similar to the Small Equipments Grant where this concept could be expanded to include small scale infrastructure.

Assessment Process & Decision Making:

Ministerial discretionary funding decision making presented challenges as outlined in the ANAO report. Moving from one Minister to three only exacerbated the timeframes for approvals on projects rather than streamlining this as there were delays when projects had to wait for full Ministerial Committee decisions.

It is proposed that an independent decision-making authority would provide the most transparent, accountable and rigorous option for approving project funding. The Regional Development Australia National Board as a Statutory Authority would be well placed to take on this role. Their role would take into account Ministerial policy objectives and would still provide the opportunity for Ministers to closely monitor the performance of the program, but would allow it to remain at arms length from the 'notion' of politically driven decisions.

It is understood that Australian Government Minister/s will retain overall responsibility, however with members of the RDA National Board appointed by the Minister as a broad representation of community, business and government. This would provide a similar accountable and equitable process to decisions made for approving projects as proposed for RDAc's to undertake in recommending projects to the RDA National Body. This will be dependent upon RDAc's having an operating structure in place with representatives with skills and knowledge of the region and includes representation from all levels of Government relevant to regional development initiatives.

Provided there is adequate resourcing, assessment for projects could take place at the regional level through RDAc's prior to being recommended to avoid a multi-tier assessment process that delays project approvals and would continue to ensure there is a screening process for projects that do not meet the guidelines. The assessment would be based on guidelines, program criteria and in a proforma format set by the Department that is approved by the appropriate Minister. Once assessed and recommendations are made, projects would be forwarded direct to the RDA National Board for approval.

Project Types:

The ACC is currently undertaking consultation to assess the types of projects that should be considered under the Community Infrastructure Program. Given past experiences it would be envisaged that the projects might include funding towards:

Aged Care and respite facilities
Arts and Cultural Centres
Community Centres
Child Care Centres
Youth Facilities
Accommodation facilities for homeless
Conference and Training facilities
Health Centres
Hospitals
Sport and Recreation Facilities
Community Transport projects

Submitted on behalf of the Ipswich & Regional Area Consultative Committee Inc. by:

Paul Emmerson
A/Chair (Deputy Chair)

Attachments - Letters from past recipients of regional funding including:

Establishment of a Custom Crush Facility Project - Kevin Watson, CEO and Winemaker

Lockyer, Warrill and Bremer Valleys Recycled Water Distribution Project - Linton Brimblecombe, Chairman, Lockyer Water Users Forum Inc.

Fernvale Futures Partnership Project - Chris Payne, Acting CEO, Somerset Regional Council

PlasVacc Development Project - Andrew Macarthur, Managing Director, Plasma & Vaccine Laboratories Pty Ltd

SEQ Olive Industry Expansion Project - Ian Roy, President, South East Queensland Olive Association Inc.

Olive Leaf Products for the Worldwide Complimentary Health Industry Project - Julian Archer, Business Development Manager, Olive Products Australia Pty Ltd

Recycling and Advancement for the Future Project - Ted Stubbersfield, Outdoor Structures Australia

Fassifern Community Centre Project – Kay Faulkner, Program Manager/Community Development Officer, Fassifern Community Centre