

Regional Development Funding Program

Submission made to House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government by the Shire of Donnybrook-Balingup.

The Shire of Donnybrook-Balingup is a small regional community located 2.5 hrs south west of Perth. With a population of 5000, the annual operating budget is approximately \$8 million. During the past 10 years there has been a significant shift in community expectations – Council is now involved in crime prevention, art and heritage projects, tourism, aged care, health and recreation and many other community projects. Council relies heavily on State and Federal grants to be able to implement these projects, and the recent disruption caused by the disestablishment of the Regional Partnerships program, brings to light the problems that exist in the current grants process.

Attached at Appendix 1 is a summary of the Gnangangarich Waugal Sculpture Park project. This project is typical of the difficulties faced by local government trying to seek funding from a range of sources. If one grant “falls over”, the ripple effect results in long delays and the community generally views Council as incompetent and inefficient.

Also attached (Appendix 2) is a summary of the Balingup Oval project. This project demonstrates how impractical it is to expect a small community group to raise one-third of a project cost. It also demonstrates how, when costs escalate, local government has to pick up the bulk of the project cost.

Appendix 3 is a summary of responses from a range of State and Federal government departments relating to our need for a new Medical Centre in Donnybrook. Council is forced into the role of “developer” because no State or Federal funding is available to provide essential capital infrastructure. A Medical Centre is not part of our core business but we have no option but to take action to retain doctors in our town. This is not an isolated case, Council initiated and currently manage (annual operating costs shown in brackets):

- Balingup-Donnybrook Home and Community Care (\$380,000)
- Tuia Lodge Aged Care Facility (\$1,100,000)
- Minninup & Langley Villas Aged Homes - 21 units built by Council (\$43,000)
- Preston Village Aged Homes – 17 units currently under construction at a cost of \$5,500,000.

We urge you to reconsider the methodology currently used – the process is designed to make it easy for the funding body to call for, assess, issue and acquit grants - but it is not customer friendly. The following process would be customer friendly:

| Action | Comments |
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| All grants for over \$100,000 should request an Expression of Interest. This would not require business plans or full technical drawings – it would just include a concept plan, estimate of costs and a list of funding sources. | To develop a simple set of architects concept drawings for a local Medical Centre recently cost \$13,000. The Business Plan was developed in house by Shire officers – who do not have time to be developing such plans. |
| Expressions of Interest would be submitted at any time and assessed. If deemed a good chance of success, the applicant would be asked to submit a full funding application. | Funding bodies would discuss the project with other potential funding bodies to determine the likelihood of success. If the E of I was successful, Council could allocate funds in budget. |
| Applicant would obtain business plans, technical drawings, quotes and letters of support. Funding applications would be submitted to all funding bodies at the same time. | This would ensure that quotes are current and that letters of support are only provided once (at the moment, it is often necessary to update quotes and letters of support). Submission of applications could still occur on set dates in the year to make it easy for the funding bodies to assess applications in batches. |
| Funding bodies would advise applicant of the outcome. | The applicant would know within 2 – 3 months whether their project was practical. At the moment it can take 12 months or more. |
| Project would be undertaken. | |
| Acquittal would be completed. | It is recommended that the amount of information required by the acquittal be relative to the value of the grant. \$5000 grants can often require the same amount of work/effort to acquit as \$500,000 grants. |

Gnangangarich Waugal Sculpture Park

| Date | Activity |
|---------------|--|
| November 2006 | Funding application submitted. |
| May 2007 | <p>In principle approval was received from Regional Partnerships for up to \$76000 (excluding GST). This funding was to be used to construct:</p> <ul style="list-style-type: none"> ▪ \$30,000 six message sticks, ▪ \$45,000 calendar wall ▪ \$ 1,000 signage. <p>The grant was subject to confirmation of co-funding.</p> |
| August 2007 | <p>We received advice from the Indigenous Regional Development Program that our funding request, for \$252,700.00, had been unsuccessful.</p> <p>We notified the Department of Transport and Regional Services. We requested that we be permitted to continue with the project and that the scope be modified to enable us to use the RP grant as follows:</p> <ul style="list-style-type: none"> • \$15,000 for six message sticks • \$45,000 for calendar wall • \$15,000 for tables/chairs • \$1000 for RP signs. |
| November 2007 | <p>We received advice from Regional Development Scheme that our application for funding had been successful. \$22840 was provided to construct a waugal footpath, bush shelter, lighting and signage. Acquittal is due October 2008.</p> |
| December 2007 | <ul style="list-style-type: none"> • We wrote again to DOTARS, advising that: <ul style="list-style-type: none"> ○ We had secured a \$22,600 grant from South West Development Commission. ○ We were applying for a grant to Indigenous Heritage Program to construct a waugal sculpture. (This application has been submitted and we are waiting to hear the outcome. Total value of this project is \$97,380, of which \$30,000 is to be contributed by Council.) • We also advised DOTARS that the land was in a state of disrepair and the community had a growing expectation for Council to develop the area. • We requested that DOTARS provide a dispensation/exemption (pending their assessment of the amended project application) of the "co-funding" rules, and asked that Council be authorised to proceed with its work without jeopardising the Regional Partnerships funding approval. This permission was not granted by DOTARS so the project remained on hold. |

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| May 2008 | We received advice (media and SWACC) saying that Regional Partnerships grants had been withdrawn. As a result, and due to the urgency of the project having been “on hold” since May 2007, we began work using Shire and other grant money. |
| June 2008 | We received a letter from Hon Gary Gray advising that we could now reapply for funding. We have now placed the project “on hold” again, but there were a number of orders placed, and work that needed to be completed for safety reasons. As a result, \$30,628 of Council’s allocation in 2007/08 budget has already been expended. |
| Now | We are now asking that a revised budget be approved and that the funds already expended in good faith be taken into account. |

Appendix 2**Balingup Oval Project**

A successful grant was received from Community Sporting and Recreation Facilities Fund (CSRFF), to carry out upgrade works at Balingup Oval. Under the terms of the grant agreement, the project cost was to be shared equally by CSRFF, Council and Blackwood United Football Club (BUFC). The total available for the project was \$236,100 and the contribution required by Council and Blackwood United was \$78,700 each.

Tenders were called for, but the lowest quote exceeded the budget available. The CSRFF application allowed about \$115,000 to be spent installing the light towers but tenders showed that this amount has been exceeded by \$42,810.

Blackwood United decided they could not meet their commitment and at the Ordinary Council Meeting held on 14th March 07 it was resolved that the Blackwood United Football Club contribution be reduced from \$78,700 to:

- \$11,845.00 cash (including \$10,000 already donated)
- \$7,515.00 in kind, and
- \$15,000 Regional Development Scheme grant.

Council agreed to fund the balance of the community contribution to the project in addition to our own one third share.

The main problems with the CSRFF (and other similar schemes) are that :

- Applications are called for in September/October but the funds are not made available until the next financial year. During the intervening period, prices invariably increase at a rate greater than the 16% contingency currently recommended.
- Many community groups do not understand the magnitude of their commitment and believe that they will be able to do much of the work “in kind”. When they are required to come up with a cash contribution, they are unable to do so.
- CSRFF grants are not paid “up front” – money is recovered after it has been expended. As a result, Council cannot tell community groups to apply for and manage the grant themselves (with Council just providing its 1/3rd cash) as they do not have the funds available.

CSRFF is just one example of grants that favour the administrative needs of the grant giver instead of the operational needs of the recipient.