

Local Government Association Queensland
Submission to the House of Representatives Standing Committee on Infrastructure,
Transport, Regional Development & Local Government

INQUIRY INTO A NEW REGIONAL DEVELOPMENT FUNDING PROGRAM

1. Introduction

- 1.1 In submitting this response the Local Government Association Queensland (LGAQ) welcome the Federal Government Inquiry into Regional Development, particularly the statement of intent to work closely with local government and recognition of its strong role in generating effective and sustainable regional development outcomes.
- 1.2 The submission gives an overview of LGAQ in terms of organisation and remit, gives a strategic picture of regional development structures and liaison mechanisms in Queensland. The document outlines responses in relation to the four highlighted areas in the terms of reference to the enquiry, including a summary of issues encountered with the previous Regional Partnership scheme and recommendations for a new scheme.

2. Local Government in Queensland

- 2.1 LGAQ is recognised under the Local Government Act 1993 and operates as the peak body for local government in Queensland representing a membership of 73 local governments. This total consists of 30 Regional, 7 City and 36 Shire councils. Of the total number of local governments in Queensland, 17 are indigenous. Whilst most indigenous councils are classified as "shires" there are two exceptions - the Northern Peninsula Regional Council and the Torres Strait Regional Council.
- 2.2 Local Government is transitioning from a base of 157 authorities down to 73 as a result of the State Government driven Reform agenda. This is a key time, post local government elections for councils to start revising their structures and corporate plans, engaging with their new geographical areas and gaining a revised understanding of priorities. Many of these councils now cover much larger geographic areas with greater responsibilities.
- 2.3 Part of LGAQ's remit is to support councils during this transition, developing and encouraging new relationships and enterprises across councils, government, academia and industry, developing capacity, sharing best practise and improving performance and efficiencies in the sector.
- 2.4 There are many examples of both local government and LGAQ joint initiatives with federal programs and the management and administration of federal funds to facilitate these projects.

3. Local Government Associations & Intergovernmental Partnerships

- 3.1 As peak membership bodies for local government, Local Government Associations (LGAs) carry considerable intelligence, have a strategic overview of State activities and influence on regional development, due to the cross government and community consultative and representative approach taken. Many cross agency strategic alliances are facilitated by the LGAs, giving substantial cost savings and economies of scale to both the industry and communities. LGAs often contribute to coordinating activity between government departments as well as across councils, ROCs and intergovernmental relations.

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- 3.2 LGAQ has developed commercial enterprises to service local government where there is a market vacuum or market failure . Examples include Local Buy , Local Government Workcare, the Queensland Local Government Mutual Liability Pool, Resolute I.T. services, LG Infrastructure Services and the Queensland Partnerships Group. A range of non commercial shared service arrangements also provide significant strategic intelligence and efficiencies across Local Government including memorandum of understanding with a range of organisations.
- 3.3 The Association partners with both State and Federal government to facilitate projects and houses project staff as well as preparing submissions for projects which tackle regional development issues. Collaborative programs include Natural Resource Management , Native Title, Electronic Development Assessment, the Regulation Reduction Incentive Fund, and the Housing Affordability Fund.
- 3.4 For example, the RRIF or Regulation Reduction Incentive Fund was a \$50M Program initiated by the former Australian Government designed to assist small and home-based business through a series of Local Government projects. Almost all projects were successful and continue to deliver benefits to small business today. The LGAQ played a key role in the partnership by co-ordinating projects across the state.
- 3.5 The recently announced HAF or Housing Affordability Fund is a \$500M commitment from the Australian Government to the delivery of a series of projects designed to improve housing affordability. \$30M of this funding has been committed to electronic Development Assessment in order to address issues within the planning approval process. The LGAQ partnered with the state Department of Infrastructure and Planning and the Councils of Mayors (SEQ) and provided a joint submission on behalf of Queensland. While yet to receive a written offer the Government has indicated that funding will be provided to Queensland in the order of \$6.47M. The Government was impressed by the collaborative approach taken with respect to this Fund.
- 3.6 Another example of collaborative work to tackle strategic regional development issues involves the LGAQ's submission 'Targeting Skills needs in regions' which is a two year \$300K proposal to improve the supply of skilled labour to industries in regions of strategic economic importance in the national economy.
- 3.7 LGAQ operates of a number of strategic State reference groups which develop policy responses to issues of strategic importance. The Regional Development and Relationships reference group focuses on economic and regional development across the State and includes representation from the practitioners peak body Economic Development Australia. Other groups include Environment and Health; Indigenous Councils; Natural Resource Management & Climate Change; Planning, Roads, Transport & Infrastructure and Social Policy.

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- 3.8 There is a common view that there should be more effective use of ALGA and State Local Government Associations by the Federal and State Government in consultation, policy development and project partnering.

4. Regional Development Relationships in Queensland

- 4.1 In Queensland, particularly since the recent amalgamations, there are diverse organisational arrangements supporting economic and regional development. Many Councils contract out a regional body to deliver economic development and do not directly employ staff in this area. Others develop projects via their Regional Organisation of Councils (ROC).
- 4.2 Boundaries for Regional Economic Development Organisations (REDOs) and ROCs overlap and focus areas are diverse with some concentrating more on water, environmental and infrastructure issues and shared services, others more focussed on economic development. To add to this complexity, there are organisations which have developed as a one stop shop to both tackle strategic issues, community and economic development as well as act as a tourism and promotional body for the region. Gladstone Area Promotion and Development Ltd and Townsville Enterprise are examples of this.
- 4.3 The Queensland Government Department of Tourism, Regional Development and Industry (DTRDI) operates a network of regional centres which provide business and industry development support as well as focussing on regional development initiatives and providing project funding for a selection of regional economic development organisations. Interaction and consultation with local government and non State government funded regional economic development organisations is diverse and often sparse. Equally the Department's regional centres appear to have limited presence or service support for some of the outlying regions and rural areas.
- 4.4 This Regional Development Inquiry offers a clear opportunity to explore intergovernmental arrangements and organisational relationships which impact on regional development and develop recommendations around best practise models.

5. Local Government's influence on regional development

- 5.1 Local Government has an important role to play in economic and regional development through its ability to influence the drivers of economic growth.
- 5.2 As key regional economic development stakeholders and service providers, Councils have a range of functions and capabilities such as:
- Providing leadership and advocacy to effectively engage and motivate the broader community to achieve positive outcomes;
 - Linking those outcomes through corporate and operational plans with associated budgets and action items;
 - Facilitating a reliable supply of infrastructure services to support development opportunities;
 - Provision of an effective planning scheme to facilitate positive development;

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- Administering effective local laws and regulations;
 - Lobbying for action at higher levels;
 - Developing effective promotional strategies and associated assets and materials;
 - Providing the most direct level of excellent customer service to all sectors of the community and industry;
 - Pursuing investment and commercial activities and offering incentives.
- 5.3 Councils have a range of responsibilities including managing economic assets and important services such as roads, footpaths, waste management, parks, productive agricultural and industrial land and ICT infrastructure. All of these have an influence on economic development and contribute to competitive advantage. As Councils now take on expanded social, economic and environmental service portfolios, the role of local government has evolved beyond “roads, rates and rubbish”.
- 5.4 All of a Council’s core business areas influence economic development, for instance the development of arts and culture influences cultural tourism and related employment. Disaster management plans need to consider the impact on economic assets and resources with the threat of natural disasters affecting business and investment risk. Risk mitigation and recovery plans must incorporate effective business engagement in both the risk mitigation and recovery phases and consider the resulting effects on local employment.
- 5.5 Councils are required to effectively budget for economic development and reflect this in their corporate planning with effective budget allocation and action items. Such local investment and action influences not only local prosperity, but acts as a catalyst to enhance regional development opportunities and prospects.
- 5.6 Council’s planning scheme and infrastructure plans have the opportunity to build on the area’s competitive advantages and facilitate investment opportunities. For instance, in areas with sustainable water supplies, facilitating the infrastructure and development needs of large water users such as food processing companies, textiles and electronics manufacturers. Effective planning for growth in provision of industrial land, recreation and tourism facilities also has a great influence on economic development. In fact, local planning schemes are a major vehicle to facilitate economic development at the local level.
- 5.7 A final example is the community development activities undertaken by Council which help to build the local skills and labour base, tackle educational and industry training needs and demand for development of specific facilities.
- 5.8 Many Queensland Councils are making substantial contributions to local economies on a multitude of levels and partnering in innovative projects. Although there are too many to list or quantify, examples include the Western Downs Development Group strategic planning and investment attraction activities; Dalby Town Council’s partnership with Arrow Energy to recycle wastewater from gas mining; Gold Coast City Council partnering with the Chamber of Commerce to help to fill 16000 job vacancies, support economic

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growth and bring key services to the burgeoning Yatala Enterprise area and Hervey Bay's job matching portal, which is helping to both tackle skills shortages and bring investment to the town.

- 5.9 A recent Economic Development survey of Queensland local government reported that 53% of Councils had successful projects which they would wish to highlight. They also indicated a number of areas where they could assist in sharing learning and experiences with others through mentoring, workshops, case studies or study tours.

6. Review of Regional Partnerships Scheme and Recommendations

- 6.1 LGAQ recognises there have been many successful examples of sustainable partnerships from the previous Regional Partnerships scheme and activities of the Area Consultative Committee Network. At the same time LGAQ welcomes the recommendations of the Australian National Audit Office in reviewing the performance of this former program, and the further opportunity to highlight issues as experienced by Queensland local government.
- 6.2 Local Government in Queensland had significant issues with the freezing of this funding and the management of projects which had already committed local funds and were being held up, racking up unnecessary additional cost, delay and complex changes to master planning.
- 6.3 Issues
- 6.3.1 Inherent in the Regional Partnerships scheme and other planning and funding structures across government, there remains a lack of effective place based approach to prioritisation of infrastructure, key projects, mainstream services, understanding of issues, strategic planning, shared responsibility and evaluation.
- 6.3.2 Under the scheme, Local Government representatives have often been involved in assessing projects which were outside of its control yet having a huge direct impact on financial and service sustainability. This process undermined Local Government's ability to strategically prioritise and manage infrastructure assets.
- 6.3.3 Local government already has significant financial challenges in the management and maintenance arrangements for public infrastructure, evidenced by the recent Local Government Financial Sustainability Review. Furthermore, with Local Government projects often in competition with private and community driven projects, again Local Government was politically constrained in influencing decision making in this area.
- 6.3.4 It is the common view that a lack of local integrated approach to strategic planning or recognition of need in the Regional Partnerships scheme further contributed to dilution of priorities, duplication and unnecessary costs.

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6.4 Recommendations

- 6.4.1 Local Government and Regional strategies should be developed with best practise community engagement principles involving all levels of government and community.
- 6.4.2 In turn these plans need to be fully considered in the granting of federal funds locally – and the prioritisation of projects and infrastructure.
- 6.4.3 All Councils should be required and supported to develop such strategies and also to develop priority infrastructure and asset management plans along the same principles.
- 6.4.4 LGAQ supports the concept of locally developed solutions which give communities an effective voice in mainstream service delivery – health, education, infrastructure etc.
- 6.4.5 Any new schemes should take a holistic place based approach incorporating a shared agreed view and strategy incorporating mainstream service, infrastructure, economic and regional development and tourism objectives.
- 6.4.6 More effective financial conditions should be implemented in a new scheme which take into consideration the financial sustainability impact on local government.

7. Definition of Regional Development & Regional Classifications

- 7.1 A clear definition of priority and eligibility needs to be developed in the implementation of a new scheme, particularly in relation to the diverse understanding and interpretation of this term across Australia and different approaches taken by the States.

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7.2 Issues

- 7.2.1 'Regions' can be large or small – or indeed global, and this is a concept which does not have a clear consensus of understanding in Australia. What is clear is that many of the smaller communities are facing the same issues as larger urban centres – and the more rural and remote areas are often tackling much more difficult challenges. For instance, skills shortages and transport issues, inadequate mainstream services and population ageing/decline have a direct impact on investment attraction and the growth of communities.
- 7.2.2 It is no longer acceptable to segregate funding schemes on the basis of geographical classification but to take a much more strategic view to what is needed. All issues must be taken into account with regard to the community and strategic opportunities/links to the greater region rather than on the basis of generalisation of geographical classification.
- 7.2.3 Regional development can imply the development is needed and only occurs within regional areas rather than a rolling program of continuous strategic improvements.

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- 7.2.4 Issues that are occurring in regional Australia are often a microcosm of the issues that are occurring both in the interface and urban areas of some of the Capital cities and certainly the regional centres.
- 7.2.5 In the past there has been an inconsistent approach to classifications of areas to improve funding opportunities with cities and large urban areas being classified as rural and regional to access funding.
- 7.3 Recommendations:
- 7.3.1 A clear definition of regional development should be developed and communicated in the implementation of a new funding scheme. The definition should include geographical classifications where relevant. It should also explain the Australian government's strategic priorities for regional development and how those priorities are being transposed into State and regionally based initiatives.
- 7.3.2 It is recommended that future funding programs should take a strategic national and regional overview of priorities but also fund projects across urban centres, regional centres, regional areas, remote and rural communities with equal opportunity to be evaluated across similar criteria..
- 7.3.3 Funding programs should be applicable to all areas of Australia without exception albeit subject to local and regional developed criteria and priorities.

8. Timing of funding and prioritisation of projects

- 8.1 There remains a strong need to coordinate the budgets and priorities that come out of State, Federal and Local Government in a meaningful manner.
- 8.2 Issues
- 8.2.1 Through Regional Partnerships, match funding opportunities have often come about after the Local Government budget has already been prepared and cannot be altered.
- 8.2.2 Local government has a strong understanding of both community and local industry infrastructure development needs but a heavy reliance on a myriad of funding schemes, multi government priorities and agencies.
- 8.2.3 In the past upgrades to infrastructure have been difficult with the privatisation and semi privatisation of services such as gas, electricity and water.
- 8.2.4 The way the program was previously structured meant that these funding requirements could seldom be met within the timeframes that were allocated.
- 8.3 Recommendations
- 8.3.1 A list of priority projects needs to be developed by each Local Government authority in conjunction with local and regional stakeholders.

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- 8.3.2 A mechanism should be explored to review this list of priorities in conjunction with State and Federal agencies in order to gain a better comprehension of priorities for investment at a local level.
- 8.3.3 Local governments are the key conduit to understand which businesses are seeking to expand in the short, medium and long term. It is recommended that each local government authority prepare a set of guidelines or future directions that outline where infrastructure extensions are required that will facilitate or foster further employment growth. After this is undertaken, there should be a process by which each local government can approach a relevant funding body in a tripartite manner to engage funding for this infrastructure.

9. Specific support for strategic models of benefit to other states

- 9.1 Often projects are identified which may be of strategic benefit to other local governments, regions or States. Often there may be opportunities to widen the scope of these projects or leverage further investment or provide a model which can effectively be used elsewhere, minimising duplication and administration and maximising resources and shared learnings. There remains a myriad of diverse and innovative projects being developed across the nation which would be of benefit to others, yet effective information sharing networks do not exist or are under utilised.
- 9.2 For example, LGAQ is negotiating a project to aid regional planning for key utilities in recognition of issues surrounding the timely and cost effective supply of electricity to regions. Through an initial partnership with Ergon Energy, the project will build strengthened planning links and improved shared information between the industry and local government to aid sustainable regional development. LGAQ believes the national regional development program should have scope to support such strategic initiatives which have an impact on key issues of national significance and can be rolled out in other States.
- 9.3 Recommendation
- 9.3.1 LGAQ recommends a specific scheme be put in place to support projects which have particular strategic significance or application to others.
- 9.3.2 LGAQ also suggests that a scheme be put in place to increase access to such information and opportunities for shared models, shared learnings and mentoring opportunities to build Australia's capacity in developing regions.
- 9.3.3 Complementary to this point, LGAQ works closely with Economic Development Australia, the national peak body for Economic Development practitioners, many within Queensland local government. It is recommended that strong links are fostered at a national level with EDA and other bodies which support capacity building and professional growth in the field of Economic and Regional Development.

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10. Economic Development Strategy as prerequisite for funding

10.1 Issues

10.1.1 For economic development to be successful and sustainable it needs to be owned by the community and be aligned to regional strengths and strategies. Previously many projects have been supported at Federal, State or local level without alignment of priorities.

10.1.2 Equally, projects have been submitted for funding without a sound link to locally owned strategy, linked to regional priorities. This again contributes to duplication of effort, strategic priorities falling through the cracks and not being appropriately addressed and a general lack of cohesion.

10.2 Recommendations

10.2.1 Local Government ED strategy should be adopted by Council and represent the views and capabilities of the broader community including community, industry and government stakeholders. The strategy should also be flexible enough to allow for future projects and emerging issues. Therefore, any funding program designed to achieve effective and sustainable regional development outcomes should require such strategy as a pre requisite for an application.

10.2.2 Communities should be afforded the opportunity to provide input to mainstream service delivery.

11. Support for sustainable strategy development, implementation and evaluation

11.1 Issues

11.1.1 Lack of Economic Development skills, awareness and therefore strategy are a key challenge for the profession and for regional development. LGAQ believes the Australian Government have an opportunity to address this weakness through the development of a new regional development program.

11.1.2 Many Queensland councils are seeking consultants to 'write' strategy for them as they grapple with the demands of LG reform and servicing new geographical areas and the worry is that the knowledge and ownership is not being built within the sector.

11.1.3 LGAQ research and ongoing consultation has shown that there is a strong need in Queensland (and no doubt within other States) to provide Economic Development training, direct assistance to develop strategy at a local government level and capacity and information building initiatives within the sector.

11.1.4 A recent funding submission to continue some of this work in partnership with the Queensland government has not been supported.

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11.1.5 The funding submission to the Queensland Government outlined the need for financial assistance and training resources for councils to develop Economic Development strategy. This included the suggestion that Councils should only be eligible for this funding if they had followed the LGAQ guidelines “Incorporating Economic Development into Local Government Planning” and undertaken associated training. This measure would help ensure improved understanding and practise of ED, broad industry and community engagement and ownership of the strategy, sound performance measurement frameworks and solid links to corporate planning.

11.2 Recommendation

11.2.1 LGAQ recommends that the committee consider measures to encourage and support local government and regional stakeholders to develop local strategies aligned to regional priorities.

11.2.2 This would need to include appropriate facilitation of regional and intergovernmental liaison as well as support to both develop training measures and information resources.

12. Accountability

12.1 Issues

12.1.1 In relation to accountability, it is clear that in the past accountability has been undertaken though complex and often ineffective reporting mechanisms. These mechanisms have been onerous and time consuming, often requiring local government authorities to engage accountants and auditors to scrutinise spending on projects of low financial value.

12.1.2 To be accountable projects must fit into an adopted plan or strategy of Council, yet the Regional Partnerships scheme did not require this and within Queensland the employment of a dedicated officer and/or development of an economic development strategy has been a low priority.

12.2 Recommendations

12.2.1. All economic development related funding projects should be dependent and subject to the adoption of an Economic Development Strategy. The process for development of this strategy and definition of intent must be clear.

12.2.2 Economic Development strategy capacity building measures should be invested in at a Federal level – or in partnership with the State Governments. This initiative should contribute towards improved accountability through improved governance. Project applications would then need to be directly linked to robust local and regional strategies with broad stakeholder commitment, resources and engagement.

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12.2.3 The Economic Development Strategy should be monitored by an Economic Development Committee or regional steering group. This is seen as one mechanism to make funding for such projects more accountable. These committees are required to update and maintain the Economic Development Strategy as well as report back to Council on the progress of such strategies.

12.2.4 Project Steering Committees with Independent Chairs and agreed terms of reference, having representation from all project key stakeholders is a recommended model – especially for larger projects

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13. Funding - Reporting

13.1 Issues

13.1.1 In the past, the same amount of financial reporting and project reporting has existed for projects, regardless of funding value. This has often been an onerous task for Councils with little value to all parties.

13.1.2 There has been little reporting information made available detailing all projects funded through the previous scheme to both allow a strategic overview of priorities and evaluation and the demonstration of best practise.

13.2 Recommendations

13.2.1 There needs to be a sliding scale of reporting requirements and accountability relative to the amount of funding being granted.

13.2.2 Reporting processes should reflect sound performance measurement frameworks linked to regional outcomes as identified in the agreed plans of both local government and regional stakeholders.

13.2.3 On an annual basis, there should be a report undertaken on all projects that are funded through the national regional development scheme to demonstrate transparency and accountability as well as to aid the sharing of best practise..

14. Match funding

14.1 Issues

14.1.1 Many local government authorities or regional economic development boards do not have the capacity to identify match funding. Whilst it can provide for all spheres of government and community to recognise that the project is needed and that priorities are aligned, the staggering of budgets, complexity of processes and timelines have in the past made many projects unachievable on this basis.

14.2 Recommendation

14.2.1 Consideration needs to be given to the value of match funding based schemes and the exploration of alternative models which can reduce administration and duplication of effort across government.

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15 Timelines

15.1.1 Issues

15.1.2 Informal timelines, constant juggling of priorities, political opportunism in timing of approvals, media and funding releases cause increased costs, significant delays and issues in sustaining effective community engagement and delivering to plan. The Regional Partnerships Scheme was synonymous with unacceptable delays and perceptions of political opportunism, having a negative impact on projects, councils and communities.

15.2 Recommendation

15.2.1 Clear timelines need to be agreed and communicated, reflecting project requirements, to ensure smooth draw down of funds and effective alignment of processes.

15.2.2 This in turn will serve to improve the project planning, risk management, cost effectiveness, timely delivery and effective community and industry engagement, particularly for those projects which have a substantial impact on the community and/or involve complex masterplanning and diverse partnerships.

15.2.2 There is a clear need for structured funding rounds and announcements, with set timelines aligning with the setting of local and State budgets.

16 Minimisation of Administrative Costs

16.1 In the past there have been evident cost inefficiencies, undue administration and duplication of effort inherent in the program. Application processes, eligibility criteria, reporting and performance management frameworks and relationships across agencies need to be streamlined to ensure improvements.

16.2 Recommendations

16.2.1 Performance measurement and evaluation frameworks should be effective but also be at a level of complexity which maximises the outcomes of the project – depending on size, length of project, governance structure, amount of funding and strategic nature and /or sensitivity.

16.2.2 Reporting methods should be streamlined and duplication for taxpayers should be avoided by having a clear comprehension of what the initiatives are within each local government authority, through their Economic Development Strategies, Council Plans or Corporate Plans, whichever is applicable.

16.2.3 There needs to be more effective use of ALGA and State Associations by both the Australian and State Governments.

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17. Operation of RDA local committees

- 17.1 A clear description or definition of the role of Regional Development Australia and a coordinated approach as to how RDA will operate in the future needs to be outlined. This includes a close examination of how Board members are appointed and improved process in the development of the strategic planning documents that surround RDA and associated committees .
- 17.2 Similarly the responsibilities and funding administration relationship between the Federal Department(s), RDA and local committees needs to be clearly outlined.
- 17.3 Improved integrated planning and cross government engagement at an RDA level should assist in the identification of common, complementary or synergistic initiatives and opportunities to partner or leverage further investment. There is a strong need for closer cross government collaboration in policy development and feedback at an operational level.

18. Strategic cross government coordination

- 18.1 There are a myriad of funding programs across the spheres of government and related agencies which change on a regular basis. . To avoid duplication, increase leverage of funds and better align funding streams to strategically aligned projects, increased liaison and collaboration between funding bodies is needed to improve information on funds availability, eligibility and complementarity of schemes.
- 18.2 Recommendation
- 18.2.1 Again, often what is needed is a strategic partnership project to employ a liaison person or committee to work between Local, State and Federal government to ascertain the objectives required and build appropriate communication strategies and systems.

19. Funding assessment - recognising local strategy

- 19.1 All funding programs must recognise local strategies adopted by Council and regional stakeholders using best practise models of strategy development and community engagement as previously outlined. A strategic review of funds already allocated or expended across three spheres of government and forecast expenditure should be undertaken through an ongoing process which gives an aligned picture of value for money across the country and progress against strategic priorities.
- 19.2 Assessment of alignment to regional priorities needs to be done in the context of a range of plans from local government and regional stakeholders and updated on a regular basis with broad cross government and agency input. The preferred mechanism for this would be a federally prepared regional plan which reflects the local and regional priorities and is regularly updated in consultation with stakeholders.

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20. Scope of funding - Funding Staff

- 20.1 There is a great need to help build capacity in regional and economic development, build liaison across spheres of government and across regional stakeholders. The funding of staff to build those links, relationship build, assist information sharing and the development of regional strategy can best be achieved with investment in funded staff.
- 20.2 As the number and schemes employing regional staff has depleted, there has become an over reliance by Local Government, regional economic development agencies and State government Departments to employ consultants for defined periods of time. This attitude is particularly reflected in Queensland local government with the onerous task ahead for those affected by amalgamation.
- 20.3 The danger in pursuing this path is that those organisations and the region do not have the continuity or building of both intellectual property, local intelligence and organisation links once the project is completed. Those stakeholders also then have limited ability to adequately learn from the processes employed in order to adopt strategic development and consultative frameworks for the future. Often the community engagement and participation are poor where private sector consultants arrive new to a community and then move on. Especially for more remote or rural areas, the expertise has to be 'bought in' from outside along with additional costs covering travel, stay and increased time to get to know the community.
- 20.4 Recommendation: individuals or committees should be funded to undertake specific activities for period of up to three years with capacity building strategies built in to the performance measurement and evaluation framework to ensure ongoing sustainability once the funds have been expended..

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21. Supporting Regional Development – Facilitating intergovernmental liaison

- 21.1 There is strong demand for relationship building and partnership commitment at an operational level between local, state and federal government in pursuing effective economic and regional development. Funded positions to work between these three layers with regional objectives in mind and to navigate the myriad of regional agencies, boards, organisations of councils, LG Associations and business support and development agencies are needed.
- 21.2 This is the only way to build those links and networks in a sustainable way and to have real ownership of the project and commitment to long term outcomes. Consultants have their place in the market, however, directly employed staff build lasting relationships and become a part of an organisation's planning and policy making. Economic Development and Investment Attraction Strategy are key long term areas of need for which effective implementation can only be achieved through local ownership and relationship building.

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21.3 Case Study

An example is the Local Economic Development Liaison partnership between Queensland Government DTRDI, Ergon Energy and the Local Government Association Queensland – providing a funded liaison point for Local Government within their trusted membership organisation and a direct link to DTRDI programs and activities. The Queensland Government will cease to fund this position in September 2008. This partnership model goes a long way toward facilitating information sharing across regions and between layers of government and to aid the joint development of ED strategy at an Local Government and regional level, reflecting agreed regional priorities. Without this Economic Development capacity building and networking facilitation, Local Government relies increasingly on consultants and diverse relationships to deliver positive community and economic outcomes.

21.4 Queensland local government has evidenced the need for assistance in tackling many of the issues inherent in regional areas such as population decline and ageing, industry adjustment and youth exodus as well as harnessing strategic opportunities to develop their economies and services. The development of investment attraction strategies and tourism development initiatives are key areas which such a role is able to facilitate.

21.5 Further more, in Queensland, the impact and associated cost of local government reform has limited Local Government's ability and priority to invest in this key area.

21.6 Funded positions with a regional focus and strong links to policy development and funding administration are key to successful and sustainable regional development.

21.7 Recommendation: In the absence of continued funding for capacity building in economic and regional development in Queensland and to aid intergovernmental liaison, the committee consider supporting a model which can deliver in this key area. Supporting regional staff to deliver training, assist the development of local and regional economic development strategies and the building of collaborative partnerships at a local level is key to a bottom up approach to delivering strategic priorities at a ground level.

21.8 Further information on this requirement as it applies to Queensland is contained in LGAQs recent funding submission to the Queensland Government (available upon request).

22. Conclusion

22.1 LGAQ welcomes the intent of the Australian government to forge stronger links with local government to deliver effective and sustainable economic and regional development.

21.2 LGAs have a strong role and track record in working in partnership with Federal and State governments and in administering related funds to regional bodies and stakeholders.

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- 21.3 Local Government has an important role to play in economic and regional development through its ability to influence the drivers of economic growth.
- 21.4 As key regional economic development stakeholders and service providers, Councils have a range of functions and capabilities including leadership, advocacy, provision of infrastructure and planning scheme to facilitate positive growth, management of key assets and effective regulation, nurturing an attractive environment to attract investment and tourism.
- 21.5 There are many examples of innovative projects and partnerships being driven by local government in Queensland and beyond and a strong desire to showcase those initiatives, share best practise and learn from others.
- 21.6 Teamed with the successes is a strong call for capacity building measures to assist the development of robust economic development strategy within local government.
- 21.7 Consideration should be given to supporting investment attraction and tourism development. In Queensland, in part due to the nature of the geography and distances involved, these are key opportunities for more remote and regional areas. Furthermore the current Queensland Government Tourism Network Review strongly evidences the need for greater local government engagement in tourism and improved product development.
- 21.8 Complementary to this need is the requirement to invest in regional resources to provide liaison between Federal, State, Regional and local stakeholders.
- 21.9 A more collaborative approach to planning for and investing in economic and regional development across government should be pursued.
- 21.10 More formal mechanisms to ensure local government representation on Federal and State committees and policy development groups. There needs to be increased engagement in the policy development process rather than a weak consultation on a draft proposal.
- 21.11 Committees should encourage mechanisms that engage three levels of government in the project planning stages.

22. Summary of Recommendations

- 22.1 Developing a clear definition of regional development as applied to three levels of government in the context of a new regional development scheme
- 22.2 The mapping of regional development organisational relationships across Australia and reporting on best practise would assist Local and State Government in considering structural arrangements.
- 22.3 The alignment of government boundaries in the administration of this scheme across all three levels would improve coordination and focus on regional development.
- 22.4 Funding staff and facilitating intergovernmental liaison on policy, projects and priorities would bring significant benefits.

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- 22.5 Equally funding support for regionally based staff with the assistance of the Local Government Associations would complement the work on regional issues and assist with the capacity building needs which have been clearly evidenced in Queensland.
- 22.6 A list of priority projects needs to be developed by each Local Government authority in conjunction with local and regional stakeholders.
- 22.7 A mechanism should be explored to review this list of priorities in conjunction with State and Federal agencies in order to gain a better comprehension of which projects are foremost in the mind of Local Government
- 22.8 Communities should be given more of a say into the development and introduction of mainstream services.
- 22.9 Recognising and supporting the development of local and regional Economic Development strategy
- 22.10 Capacity building, supporting practitioners and highlighting best practise
- 22.11 Specific funding for projects/ models of strategic significance to other states or regions
- 22.12 Funding assessment should be based on locally developed and owned strategy which is aligned to regional priorities.
- 22.13 Project proposals should evidence local commitment including having already obtained planning and development approvals where possible.
- 22.14 Locally driven, regionally aligned Ed strategy as prerequisite for funding
- 22.15 Improved governance of both funded projects and assessing committees and auspicing organisations
- 22.16 An independent review panel should be implemented including representatives of State Local Government Associations
- 22.17 Set timelines predetermined for assessment and announcements
- 22.18 Rolling application rounds aligning to timing of local and state budgets
- 22.19 Review of the effectiveness of the match funding process and alternative models
- 22.20 Streamlined application, approval and reporting processes
- 22.21 Improved performance measurement and evaluation frameworks
- 22.22 Strong alignment with regionally agreed priorities evidenced in local government and regional economic development strategy.
- 22.23 More effective funding conditions need to be applied in order to aid the financial sustainability of local government
- 22.24 Annual reporting on the scheme should showcase best practise models and a system should be put in place to effectively communicate strong models impacting on regional development and successful project case studies.
- 22.25 Any new schemes should take a holistic place based approach incorporating a shared agreed view and strategy incorporating mainstream service, infrastructure, economic and regional development and tourism objectives.

23. Policy Implementation

LGAQ would welcome the opportunity to provide further input to the inquiry through involvement on implementation/advisory groups. The Association would also be pleased to provide or help develop models for consideration in progressing the economic and regional development of Queensland.