

Submission to enquiry into A new Regional and Local Community Infrastructure Program (RLCIP)

The program framework

The new RLCIP should have the simple, broad objective of enabling Commonwealth Government contributions to projects for regional/local community infrastructure and economic development. It should not define categories or set priorities within this broad objective. The regions/localities know best what their needs are and applications to the program should be assessed solely on the quality of exposition of those needs and the cases made for proposed projects.

As contributions under the new program are likely most often to be sought and made in partnership with other funding source(s), the program should be framed to facilitate the tasks of the applicants and their project partners at least equally with the tasks of the administering Department. In the late Regional Partnerships program, the crafting of partnerships was made very difficult by the guidelines and processes prescribed by DOTARS. The real planning and cash-flow management needs of State government agencies, philanthropic organisations and corporate contributors were not taken into account.

"Co-operative federalism" is being proclaimed as a goal and practice by the present Commonwealth Government with the seeming acquiescence of the State Government. Ministers for Regional Development have established a mechanism for regular consultation but as yet there is no organisational mechanism for "co-operative regionalism" at its most logical place, the regional level, inclusive of Commonwealth, State and local governments. Implicitly, the foreshadowed Regional Development Australia (former ACC) organisations are to be exclusively or predominantly Commonwealth creatures with Commonwealth funding. As the discussion paper notes, States have regional infrastructure development programs with objectives similar to those of the previous Regional Partnerships and putative RLCIP. The problems of regional/local organisations putting together grant applications with multiple government partners will continue to frustrate and be repetitive unless some genuine inter-governmental co-operative mechanism at the regional level is put in place.

Applications, assessment and management of funding agreements.

For a community organisation, an "applications accepted at any time" program is preferable to a fixed date application system. The latter can be very difficult where there is no permanent, paid staff and the pulling together of the documentation, letters of support, partnering contributors etc. are all tasks for volunteers. If a closing date system is adopted, it should not be an annual one. Opportunity and need arise on a faster time scale. Ageing, the program should be framed in the interests of the client, at least as much as those of the administering Department. If there are to be fixed closing dates, bi-annual or quarterly application dates would be preferable to annual.

The Regional Partnerships program guidelines placed unrealistic and, in my view, unnecessary constraints and burdens on applicants. Two examples are cited: First, the program insisted on a very narrow definition of what constituted "a project". This made it difficult to use the program in a staged, strategic project where different contributing partners funded different stages. For example, in an overall \$5 million project staged over several years, roof replacement and installation of a lift in a staged project of overall theatre re-development were done as one planned stage. When Regional Partnerships funding was sought for the next stage focused on the interior of the space, DOTARS rejected the contribution made by funding partners in the roof/lift stage on the grounds that that was a different project. This kind of unnecessary, program objective negating should not be in guidelines for the RLCIP. Applicants should be credited, not penalised for intelligent planning

Second, the Regional Partnerships guidelines required an artificial exercise in identifying what component of a project would be paid for by the RP program's contribution. Applicants had to manipulate the "components" of a project to ascribe costs of the various components (

professional fees, roof/walls, mechanical, painting, contingencies etc) among the contributing partners. Thus a meaningless spreadsheet with a balanced bottom-line might show that Regional Partnerships was paying for the floor, the east wall and half the architect's likely fees had to be put together. It bore no relationship to what happens in project management in practice. Temptation to such micro-management requirements should be eschewed in the new program application forms and management of funding agreement. Evidence of sound, capable project management is all that the RLCIP program should require.

Dr Frank Hurley