Part 1: Executive Summary

The Goldfields Esperance Area Consultative Committee (GEACC) welcomes the opportunity to have input into the House of Representative's inquiry into a new regional development funding program.

In 2007 the value of Western Australia's mineral and petroleum industry reached \$53.1 billion. This represented a seven percent (\$3.6 billion) increase compared to the previous year. ABS statistics released in May 2008 show Western Australia has the highest new capital expenditure in Australia.

Western Australian minerals and energy projects that were nearing completion in April 2008 totaled \$52,849 million compared with an Australian total of \$70,486 million. This represents 75% of all new mineral and energy projects in Australia.²

Strong overseas demand for nickel, iron ore and petroleum continues to put pressure on regional community infrastructure to cope with the increase in mine and port expansions.

The Pilbara region of Western Australia is the largest provider of minerals and petroleum in the country, accounting for 63% of the total mineral value of the State. The Goldfields Esperance region is the second largest holding 17%.³

The resource boom is responsible for enormous population growth in the Goldfields Esperance ACC region. The Shire of Ravensthorpe was identified as the fastest growing Local Government area in Australia in the March 2008 Australian Bureau of Statistics report on regional population growth.⁴

Indeed, six of the ten fastest growing LGAs are situated in Western Australia.⁵ To cater for this growth, the GEACC recognises the need to consider a "whole of community" approach.

The development of BHP Billiton's \$2.3 billion Ravensthorpe Nickel Operations highlighted the need for soft infrastructure, such as child care, youth services, health and wellbeing facilities and community services, to

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¹ Dept Industry & Resources: Western Australian Mineral and Petroleum Statistics Digest 2007.

² ABARE: Major Development Projects April 2008 Listing.

³ Dept Industry & Resources. Western Australian Mineral and Petroleum Statistics Digest 2007.

⁴ ABS 3218.0 – Regional Population Growth, Australia, 2006-07

⁵ ABS 3218.0 – Regional Population Growth, Australia, 2006-07

attract and retain new staff as a part of BHPB's plan for a residential workforce.

The GEACC has worked extensively with LGAs and Not for Profit organisations throughout the region to apply for funding for infrastructure projects that support growing communities, and cater for regional workforces.

The committee and staff will build on these links as the network transitions from ACCs to Regional Development Australia.

The need for a Regional and Local Community Infrastructure Fund to encourage economic development and grow healthy communities is acknowledged by the GEACC and considered to be a priority in growing regional Australia.

Part2: Introduction

The Goldfields Esperance Area Consultative Committee Inc (GEACC) was formed in 1996 to service the region that includes the Local Government Authorities of Ngaanyatjarraku, Laverton, Leonora, Menzies, Kalgoorlie-Boulder, Coolgardie, Dundas, Esperance and Ravensthorpe. The region spreads over 774,000 square kilometres and covers the largest area of any ACC in Western Australia.

A Board of 10 persons (see attachment 1) representing different regional areas and key stakeholder groups including representatives from Local Government Authorities, partnership bodies, community, business and industry, training and education guides the management of GEACC. Board members volunteer their time hence the distances involved to attend meetings requires dedication and commitment.

The vision of the GEACC is:

"A growing sustainable region that is attractive to people to work and live".

The board of the GEACC considers the "regions" of Western Australia to be those areas that are not part of metropolitan Perth. The introduction of the Government's Major Cities Unit⁶ sits well with this plan, leaving the RDAs to cover and work with those communities considered to be regional Western Australia.

However, applications made throughout the Goldfields Esperance region have contributed to the provision of facilities to encourage people to live and work in regional Australia and covered a diverse range of services including regional tourism, child care centres, youth and recreation facilities.

Applicants include not for profit organisations, charitable organisations, aboriginal corporations and Local Government Authorities (Attachment 2)

Since the introduction of the Regional Partnership fund in 2003, the GEACC has assisted with the successful applications for 19 projects throughout the region. The total received in RPP funding was \$7,692,444. Including partner funds the total project cost expands to \$25,360,452 (GST Exclusive).

The GEACC is committed to working across the three tiers of Government to ensure the best results are gained for our region. Recent workshops held to attract overseas workers into the region highlight how the GEACC cooperates

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⁶ Minister Albanese speech: CEDA State of the Nation Convention 2008

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with business, the government and the community to achieve regional economic growth. (Attachment 3 – Australian Government media release)

The GEACC's Business Plan key goals and objectives includes: "To develop long term partnerships in the region between business, the community and the three tiers of government".

The GEACC strongly recommends the Standing Committee take into consideration the recommendations of the 2005 Senate Inquiry into the Regional Partnership Program (Attachment 4), and apply those recommendations to the new regional funding program.

Part 3: Terms of Reference

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

The GEACC suggest the Australian Government:

- Utilise RDA network in assessing applications to ensure there are local solutions to local problems.
- Continue to use the RDA network to provide one element of a transparent and accountable process facilitating an equitable treatment of applications
- Utilise a state based departmental approval process that is transparent and non political.
- Strictly for the Not for Profit sector, funding through the program may be as high as 50% with partnership funds not necessarily funds from State Governments, but may instead be from other industry partners.
- Allow RDA network to be endorsed by the Taxation Department as a
 Deductible Gift Recipient so they may accept funds from a donor as a
 gift. These funds to be kept in trust by the local RDA until a project is
 identified by that RDA Committee as worthy of a contribution from the
 DGR trust fund.
- Take into consideration recommendations made by the Senate Inquiry Committee into Regional Partnerships Program.
- 2. Examine ways to minimize administration costs and duplication for taxpayers

The GEACC suggest the Australian Government:

- Build on the links already established by the ACC/RDA network.
- GEACC has provided excellent value for money for the Australian Government and doesn't consider there was any duplication of administration costs.
- State based aspects of new regional infrastructure program could have the responsibility of due diligence which could negate non compliant applications at the commencement of the program saving time and tax payers money.

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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

The ANAO report performance audit outlines projects approved through truncated assessment processes in the period preceding the 2004 election.⁷

These concern the approval of four projects in the Shire of Ravensthorpe that did not have detailed budgets. Two were submitted on the TRAX system on the 13 and 14 July and subsequently recommended for funding on the 15 July. The funding bids for three of the applications represented between 100 and 97 percent of cash costs, and between 96 and 75 percent of total costs.

The GEACC advises the Standing Committee that all projects were to be part of a larger project to provide infrastructure to cope with the workforce for BHP Billiton's Ravensthorpe Nickel Operation. BHP invested \$2.3 billion into the project, an additional \$38 million for housing and infrastructure, with the WA Government committing to \$18.4 million for non recoverable funding. Stakeholders approached the Federal Government for funding to assist with the infrastructure required to support the RNO project .

The Federal Government agreed to fund the projects conditional on BHP Billiton committing to a residential workforce.

Subsequent to that announcement the GEACC was advised that these funds would be put through as Regional Partnership funding and hence the GEACC submitted applications.

Recommendation No 3 of the ANAO⁸ report states "ANAO recommends that the Department (DOTARS) appropriately qualify its assessment and advice to Ministers in circumstances where the assessment of a Regional Partnerships application has been truncated or expedited."

The GEACC recommends that this procedure be in place in future funding of regional programs.

- 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.
 - GEACC recommends that all endorsement policies and procedures and any aspects of progression of an application has no ability of being able to be affected by a Minister or Ministerial office where that application has relevance to the Minister's own electorate.

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⁷ ANAO report. Vol 2. Page 115 paragraph 2:3.51, 2.3.52, 2.3.53, 2.3.54

⁸ ANAO Audit Report page 122

GEACC Members

Name	Organisation	GEACC Position	Postal Address	Email	Date Appointed
Mr Ron Yuryevich	Kalaire - Director	Chairman	175 Boulder Road BOULDER WA 6430	ron@kalaire.com.au	March 2000
Mr Scott Manners	Director/Consultant, Manners & Co	Deputy Chairman from 22/9/06	7 Croesus Street	scott@manners.com.au	June 2005
Mr Mal Osborne	CEO Shire of Esperance	Treasurer from 22/9/06	PO Box 507 ESPERANCE WA 6450	ceo@esperance.wa.gov.au	Áugust 2003
	Community Relations Manager - KCGM	Executive Member from 22/9/06	PMB 27, Kalgoorlie WA 6433	dvankampen@kalgold.com.au	'March 2006
Mr Greyham Lee (Rusty)	Councillor, Shire of Ravensthorpe	Board Member	Roselea Trading PO Box 83 HOPETOUN WA 6348	roselea@wn.com.au	March 2000
Mr Graham Dawes	President, Shire of Leonora	Board Member	PO Box 14 Leonora WA 6438	leoroad1@bigpond.net.au	June 2004
Mr Adrian Brahim	Manager, Inigenous Coordination Centre Kalgoorlie	Board Member	PO Box 490 Kalgoorlie WA 6430	adrian.brahim@icc.gov.au	June 2006
Mr Edward (Ted) English	Executive Officer South East Forest Foundation Inc	Board Member	Lot 136, South Coast Highway, Esperance WA 6450	eenglish@agric.wa.gov.au	February 2006
Ms Karen Jamvold	Director, Curtin VTEC	Board Member	Locked Bag 22 Kalgoorlie WA 6433	k.jamvold@curtin.edu.au	March 2006
Mr Keith Adams	Manager, Operations Southern Systems, TEC Operations Pty Ltd	Board Member	PO Box 5496 Kalgoorlie WA 6430	keith_adams@transalta.com	March 2006
Mr Kim Hastie (recently retired)	CEO Shire of Dundas		1		

Mr Barrye Thompson (recently retired)

CEO Shire of Laverton

Successful applicants

Project Name	Project Description	Applicant	Project Cost	Requested RP	Status	\$ Received
Palace Theatre Renovation	To renovate Palace Theatre Recreation centre to make it safe and more functional for commmunity andyouth groups, including roller- skating and and school	Boulder Promotion & Development Association	\$240,072.00	\$132,000.00	Approved	\$132,000.00
The Great Beyond	holiday activities Australia's inland Explorer Centre highligting the achievements of the early exploreres in the North Eastern Goldfields		\$1,000,005.00	\$220,000.00	Approved	\$220,000.00
Leonora Child Care	The resource boom has seen a jump in population in Leonora, but there are no child care facilities. Project will attract and retain local workforce in the town	Shire of Leonora	\$399,728.00	\$75,523.00	Approved	
Leinster Out of Schol Hours care & Vacation Care Implementation Project	Outside School Hours Care and Vacation Care facilities are not available in Leinster. This project will provide much needed services for working families	Leinster Community Daycare Centre Inc	\$85,594.00	\$13,820.00	Approved	\$13,820.00
Oasis Stage 2, Multi Purpose Recreation and Aquatic centre	To build stage 2 of the Oasis Recreation centre to include an all year round water slide, a toddler's outdoor aquatic pool/interactive play area, training/meeting room and landscaping	City of Kalgoorlie Boulder	\$3,350,000.00	\$1,000,000.00	Approved	\$500,000.00
Hellfire Gallery Outdoor Entertainment centre	Construction of stage, lighting and toilet block to allow for otdoor performances.	Hellfire Gallery, Esperance	\$100,941.00	\$35,281.00	Approved	
Ngaanyatjarra Media Centre	The centre will be the hub for media and telecomunications for the region. The centre will house production, broadcasting and distribution activities for the Ngaanyatjarra Media	Ngaatyatjarra Media Aboriginal Corporation	\$1,498,000.00	\$750,000.00	Approved	\$500,000.00
KalgoorlieBoulder Cemetary Heritage Trail	Develop a self guided walk trail through the cemetary, including the graves sites of pioneers and characters who were instrumental in developing the Goldfields	Kalgoorlie Boulder Cemetary Board	\$11,309.00	\$5,597.00	Approved	\$5,597.00
Kambalda Community and Recreation Facilities	To create a centralised, multipurpose Community Recreation Facility	Shire of Coolgardie	\$10,075,000.00	\$1,299,999.97	Approved	\$1,300,000.00

Highlighting Coolgardie - Mother	Landscaping, tree planting, fencing,	Shire of Coolgardie	\$1,120,625.00	\$669,140.00	Approved	\$150,000.00
of the Goldfields	parklands and upgrade to tourist attractions	- - - -				
Leonora Stamp Mill	An historic Stamp Mill (Battery) sits at the entrance to Leonora. This project will construct a shelter over the mill to preserve it as a tourist attraction.	Shire of Leonora	\$136,631.00	\$68,315.00		\$63,315.00
YMCA Hopetoun Child Care	To establish a child care facility in Hopetoun to cater for residential workforce - BHP Billiton's Ravensthorpe Nickel Operations	Eastern Goldfields YMCA Inc / YMCA Perth	\$1,939,358.00	\$809,066.00		\$700,000.00
Centre, Colocation of	To cater for the expansion to the population in Ravensthorpe and Hopetoun to be generated by the residential workforce for BHP Billiton"s Ravensthorpe Nickel Project	Shire of Ravensthorpe	\$4,525,909.00	\$3,900,000.00	Approved	\$3,900,000.00
	Convert old indoor hydrotherapy room to multi purpose facility to cater for youth activities,and outside school care	Eastern Goldfields YMCA Inc	\$460,000.00	\$100,000.00		\$100,000.00
Esperance Men In Sheds	To build a shed/workshop for the primary use of elderly men	Esperance Men In Sheds Inc / Shire of Esperance	\$369,395.00	\$87,089.00	Contract under negotiation	
Leonora Medical Equipment	To properly equip the GP clinic in Leonora, including audio testing equipment for Mine Workers Health Surveillance testing	Shire of Leonora	\$47,885.00	\$20,623.00	Approved	\$20,623.00
Totals			\$25,360,452.00	\$9,186,453.97		\$7,605,355.00

Australian Government media release



Overseas worker seminars in Esperance region

Media Release - 6 June 2008

Officers from the Department of Immigration and Citizenship (DIAC) will be presenting a series of information sessions in Ravensthorpe, Hopetoun and Esperance from June 10-12, to provide advice on visa programs that allow overseas workers to fill skilled, semi-skilled and seasonal employment vacancies in the region.

The seminars have been organised in conjunction with industry groups and other state and Commonwealth government agencies based in the region following the success of a similar seminar in Kalgoorlie.

'This is a unique partnership of governments and industry that has identified information needs for employers in the region and their overseas staff,' a departmental spokesman said.

'We are delighted to have this opportunity to provide information on the range of visa options available to businesses and their employees,' the spokesman added.

The sessions are designed for both employers and their overseas workers. Topics include the Working Holiday Maker visa program, skilled migration options, employer-sponsored visa categories, worker entitlements and employer obligations.

There will also be advice available on family migration and citizenship processes.

This initiative is supported by the Goldfields Esperance Development Commission, the Goldfields Esperance Area Consultative Committee, the Ravensthorpe and Esperance Chambers of Commerce and Industry, the South East Premium Wheat Growers Association and the Ravensthorpe Agricultural Initiative Network.

Anyone wishing to attend an information session should register with Esperance office of the GEDC on 08 9083 2201.

Media enquiries: National Communications Branch (02) 6264 2244

Recommendations Senate Inquiry



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Recommendations

Recommendation 1

11.8 The Committee recommends that the operation of the SONA guidelines cease.

Recommendation 2

11.18 The Committee recommends it be mandatory for all Regional Partnerships program applications to be developed in consultation with local Area Consultative Committees.

Recommendation 3

11.19 The Committee recommends that Area Consultative Committees must receive copies of relevant applications and be afforded an opportunity to consider and make recommendations not less than ten working days from receipt of the application.

Recommendation 4

11.21 The Committee recommends that the Department of Transport and Regional Services incorporates and outlines appropriate assessment procedures for multi-region funding applications into the published Regional Partnerships program guidelines.

Recommendation 5

11.22 The Committee recommends that multi-region funding applications be referred to all relevant Area Consultative Committees for review comments and recommendations.

Recommendation 6

- 11.27 The Committee recommends that a biannual statement be tabled in the Senate by the Minister representing the Minister for Transport and Regional Services, listing:
 - the Regional Partnerships program grants approved in the preceding six month period;
 - the Department of Transport and Regional Services' and Area Consultative Committee's recommendations; and
 - where the funding decision is inconsistent with the departmental and/or Area Consultative Committee recommendation, a statement of the reasons for the decision.

Recommendation 7

11.31 The Committee recommends that the Government address inequities in the

distribution of Regional Partnerships program funding consistent with the ANAO Better Practice Guide.

Recommendation 8

11.33 The Committee recommends that the exclusion of the Australian Capital Territory government from eligibility for Regional Partnerships program funding be rescinded.

Recommendation 9

11.37 The Committee recommends that the Government review resourcing of Area Consultative Committees, and training for committee members and employees, to ensure that they can adequately perform their role in relation to Regional Partnerships program.

Recommendation 10

11.38 The Committee recommends the introduction of three-year operational funding contracts for Area Consultative Committees.

Recommendation 11

11.41 The Committee recommends that the Government negotiates with each Area Consultative Committee in relation to key performance indicators, including job creation and partnership support, to ensure performance measures are regionally appropriate.

Recommendation 12

11.43 The Committee recommends that Area Consultative Committee recommendations be disclosed to funding applicants upon request.

Recommendation 13

11.45 The Committee recommends that the Government conduct a review of the role of Area Consultative Committees to ensure that their contribution to regional development is maximised.

Recommendation 14

11.47 The Committee recommends that the appointment process for Sustainable Regions Advisory Committee members, including selection criteria, be made public.

Recommendation 15

11.49 The Committee recommends that the Government adopts a skills-based approach in relation to the appointment of future Sustainable Regions Advisory Committees, including the two new bodies announced during the 2004 federal election campaign.

Recommendation 16

11.51 The Committee recommends that the Australian National Audit Office audit the administration of the Regional Partnerships and Sustainable Regions programs, with particular attention to the case studies highlighted in this report.

Recommendation 17

11.56 The Committee recommends that projects that cannot obtain or have not yet obtained relevant approvals or licences not be eligible for Regional Partnerships or Sustainable Regions funding.

Recommendation 18

11.60 The Committee recommends that competitive neutrality procedures be strengthened, including the introduction of a procedure for potential competitors to lodge objections.

Recommendation 19

11.62 The Committee recommends that due diligence processes be strengthened including a routine inquiry relating to legal action against applicants.

Recommendation 20

11.63 The Committee recommends that no program funding be approved for projects that do not meet Regional Partnerships and Sustainable Regions guidelines and fail other tests including proper due diligence.

Recommendation 21

11.67 The Committee recommends that it become formal policy that ministers and their staff are kept strictly at arm's length from decisions, including all relevant departmental advice, on applications from their own electorates. The portfolio minister and his or her staff should not be included in the circulation of departmental advice on applications for projects based in the minister's electorate.

Recommendation 22

11.68 The Committee recommends that Ministers and Parliamentary Secretaries, and their staff, should be prohibited from intervening in the assessment of grants.

Recommendation 23

- 11.70 The Committee recommends that from the 1 July preceding a general election, the following procedures apply to grant approvals and announcements:
 - when the Minister's decision to approve or not approve a grant is different to the recommendation of either the Area Consultative Committee or the Department, or the funding amount approved by the Minister is different to the amount recommended, then the grant approval decision be made in conjunction with the relevant Shadow Minister. The Committee further recommends that all grants approved in these circumstances be announced jointly by the Minister and the Shadow Minister.

Recommendation 24

11.73 The Committee recommends that the government develops and discloses procedures to govern the cessation or transition of the Regional Partnerships and Sustainable Regions programs.

Recommendation 25

11.76 The Committee recommends that the government reviews the efficacy of a grantsbased approach to regional development.

Recommendation 26

11.79 The Committee recommends that the Regional Partnerships and Sustainable Regions programs should complement, not compete with state and local government funding programs.

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Client feedback



Ref: L/- dated 17/6/08 Officer Brian Seale Phone 9024-2041

The Chairman
Mayor Ron Yuryevich AM RFD
Goldfields Esperance Area Consultative Committee
P.O. Box 10331
KALGOORLIE W.A. 6433

INQUIRY INTO A NEW DEVELOPMENT FUNDING PROGRAM.

Dear Mr Chairman,

Council for the Shire of Menzies acknowledges with thanks your recent advices regarding the above and dated 17/6/08 and pleased to be provided opportunity to comment with council views in this regard.

In terms of the provided "Terms of Reference" we advise as follows,

- 1. The provision of funding for regional programs which provides accountable and genuine infrastructure projects is vital and critical to the future needs of the region. In this regard, with Local Government working co-operatively with the Commonwealth Government in facilities providing services for Regional Australia the opportunity to enhance the quality of Life for the constituents is greatly increased and a continued funding programme towards this endeavour is strongly recommended.
- 2. Having a clear delineation between which bodies fund which project types is also an administrative necessity and the services as provided by the Area Consultative Committees has been invaluable in the promotion of the region and in the provision of essential funding required to build a strong infrastructure base in these regions.



Lot 124 Shenton Street, Menzies WA Phone: 08 9024 2041 Fax: 08 9024 2110

- 3. Examination of the former practices as applied to the "Regional Partnerships" programme may expose some areas of concern in the administration of the Grants, however, increased and improved accounting controls and reporting mechanisms will rectify any areas of concern.
- 4. Examination of the Grants process after the audit conduct at 2006 may highlight some areas of weakness in the procedural issues of Grant provision, though these are seen as managerial oversights or weakness in the administration of the process, not a weakness of the process itself.

Accordingly, some form of funding facility is vitally important for rural regions and is strongly supported from this office.

Yours faithfully,

Brian W. Seale J.P. Chief Executive Officer

June 30th, 2008

MMM

F.W. & B.C. WALLEFELD

P.O.BOX 7 ESPERANCE WA 6450 Phone Mobile 08 90751026 04 18 955 641

Fax

08 90751131

MERRI MERRI MUNGLINUP

Goldfields Esperance Area Consultative Committee Inc c/o Ron Yuryevich PO Box 10331 Kalgoorlie WA 6433

Dear Ron,

My first reaction to your letter was: just another waste of time and money with no real outcome. But having been in favour of the change of Government I think it would be fair to give it a chance.

Based on our experience (9 months in limbo, \$20,000 spent to comply with some buereaucratic nonsense) I make the following suggestions:

- To avoid unnecessary cost for (small) communities, initial applications should be simple, only requiring proof of need, budget and business plan
- Approval should be within 3 months and binding, but subject to the budget being backed up by verifyable figures
- If the project application can't be approved within the timeframe(three months) it should be rejected and the applicants should have the right to apply again
- Budgets should be based on normal building practices, that means based on three quotes for whole project, not requiring accounting for the last nail, brick and man hour

If we had fixed terms for elections, I would suggest the Scheme should be suspended for 12 months before the election date, but under the current circumstances that is only a dream.....

Yours sincerely

Wilhelm Wallefeld

9. July 2008

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HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON INFRASTRUCTURE, TRANSPORT REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT