



THE HON SIMON CREAN MP

**Minister for Regional Australia, Regional Development and Local Government
Minister for the Arts**



Reference: B11/84

Ms Sharon Bird MP
Chair
House of Representatives Standing Committee on
Infrastructure and Communications
Parliament House
CANBERRA ACT 2600

6 APR 2011


Dear Ms Bird

**COMMENTS ON THE RECOMMENDATIONS IN THE COMMITTEE'S INTERIM REPORT OF
INQUIRY INTO FUNDING REGIONAL AND LOCAL COMMUNITY INFRASTRUCTURE**

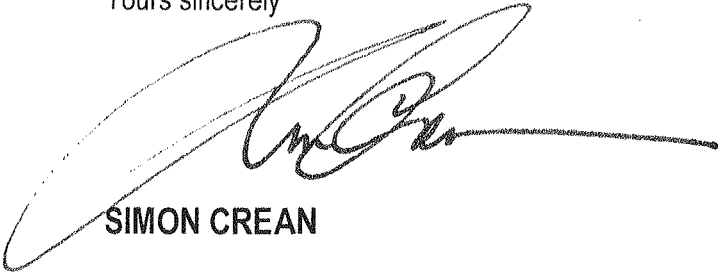
Thank you for your letter of 22 November 2010 to the Minister for Infrastructure and Transport, the Hon Anthony Albanese MP, seeking comments on the recommendations detailed in the interim report of the inquiry into funding regional and local community infrastructure prepared by the then Standing Committee on Infrastructure, Transport, Regional Development and Local Government. As the Regional and Local Community Infrastructure Program (RLCIP) falls within my portfolio responsibilities as Minister for Regional Australia, Regional Development and Local Government, your letter has been referred to me for a response. I apologise for the delay in replying.

In your letter, you state that the Australian Government responded to the Committee's final report but did not consolidate into its response the comments on the recommendations in the Committee's interim report.

The Committee's interim report contains a range of detailed recommendations that are important in providing well targeted and soundly managed funding assistance to local government authorities and communities involved in regional infrastructure projects. The attached document sets out detailed comments on the recommendations in the context of the RLCIP. Although the RLCIP is drawing to a close, the recommendations provide a useful set of principles that have been considered in framing new programs, including the Government's new \$1 billion Regional Development Australia Fund (RDAF). The recommendations also aligned with the lessons my Department learned from the early rounds of the RLCIP.

I thank you and the Committee for your efforts in producing both the interim and final reports on funding regional and local community infrastructure.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Simon Crean', with a long horizontal flourish extending to the right.

SIMON CREAN

Encl.

House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government - Interim Report: Funding regional and local community infrastructure

Comments

While the Government's response to the recommendations in the Committee's final report did not account for each recommendation in the interim report, the recommendations were considered by the Government and informed later rounds of the Regional and Local Community Infrastructure Program (RLCIP), particularly in the improved design and implementation of the subsequent rounds of the program, the management of projects and funding agreement obligations and the monitoring of outcomes delivered by proponents.

A theme through the Committee's interim report recommendations was the need to better frame infrastructure development programs within an articulated regional development policy. The newly formed Department of Regional Australia, Regional Development and Local Government has been tasked with overseeing issues impacting on Australia's regions and is well advanced in terms of achieving this objective. This Department was formed to focus the Government's agenda for regional Australia. The Committee's recommendations, both in its interim and final reports, underpin the principles applied in new funding programs beyond the RLCIP. They are also reflected in the new corporate structures in my Department which are intended to provide targeted policy development, leverage our strengths in the assessment and management of projects and to actively involve regional stakeholders, including local government authorities, Regional Development Australia committees and our own departmental regional office staff.

The Department has established new infrastructure programs specifically targeting the needs of regional Australia. The RLCIP has covered all regions of Australia and enabled the construction of hard infrastructure through the program's funding allocation to all local government authorities and the program's strategic projects component, which assists in the construction of more significant infrastructure projects. The Government's new \$1 billion Regional Development Australia Fund (RDAF) is designed to fund projects that support the infrastructure needs and economic growth of Australia's regions, targeting projects that cross regional boundaries. The program funds will maximise and coordinate outcomes through effective partnerships across levels of government, small business and non-profit sectors.

In terms of the approach to program design and management more generally, the Department has:

- adopted a centralised assessment processing model, with a dedicated assessment team for future funding rounds;
- engaged staff in its regional offices to conduct site visits and compliance checks of RLCIP projects. This provides councils with an opportunity for face-to-face liaison with departmental staff, and a point of referral to other areas of the Department that can assist councils in managing their numerous projects;
- implemented independent reviews of project proposals to examine risk, value for money and other elements of council applications for funding – this practice was implemented in later rounds of the RLCIP Council Allocation as well in the RLCIP - Strategic Projects component;
- published detailed guidelines and frequently asked questions on the Internet, providing clear and concise pointers for councils to assist them in lodging projects

- proposals that are eligible for funding. The Department plans to include the assessment criteria in the guidelines for future programs;
- provided a primary applicant assistance role to councils via a centralised information/help services by a 1800 phone number and e-mail covering a range of Departmental programs. Staff in regional offices also provide information and support (see below). Further, the Department implemented other funding application support initiatives such as:
 - sending all 566 councils a “How to Apply” instructional package that can be downloaded from the Departmental website; and
 - providing one-on-one feedback to unsuccessful proponents in the RLCIP - Strategic Projects rounds to facilitate higher quality applications in future funding rounds.
- established processes that ensure that delegates record the basis upon which they are satisfied that the council’s project funding represents an efficient and effective use of public money.

The Government has taken steps to optimise the involvement of all stakeholders in the development and implementation of regional and local community infrastructure programs. The 55 Regional Development Australia (RDA) committees will play a significant role in this regard, building partnerships between governments, regional development organisations, the private sector and other key regional stakeholders.

In addition to assessing projects applied under the Government’s new \$1 billion Regional Development Australia Fund, RDA committees have five key roles: consultation and engagement with the community; informed regional planning; whole-of-government activities; promotion of government programs; and community and economic development. RDAs aim to provide a strategic and targeted response to issues in each region and to facilitate community leadership and resilience. As part of their role in promoting government programs, RDA committees will work closely with stakeholders to develop funding applications, conduct grant-writing workshops and bring together parties with the same interests.

My Department has applied many of the Committee’s recommendations in the design and implementation of RLCIP Round 3, in the Regional Office network’s review and inspection of RLCIP Round 1 and 2 project outcomes and in the planning for future regional funding programs.