

## **SOMERSET REGIONAL COUNCIL**

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

14<sup>th</sup> July 2008

### **A New Regional and Local Community Infrastructure Program**

1. A new Regional and Local Community Infrastructure Program is **essential** to provide Local Government and communities with a source of capital for community infrastructure. State and Local Government funding is extremely limited relative to existing and projected needs.
2. The **Goals** of the Program should be:
  - (1) Regional and Local Community Growth; and
  - (2) Liveable Regional and Local Communities; and
  - (3) Innovative Regional and Local Communities.
3. The **Objectives** of the Program should be to promote
  - a. Community Capacity Building;
  - b. More efficient or more effective delivery of existing community services;
  - c. Provision of new community services; and
  - d. Experimentation in community development.
4. Funding **recipients** should be restricted to:
  - (1) Local Government Councils;
  - (2) Regional and Sub-Regional Organisations of Councils; and
  - (3) Not-for-profit Community Organisations.
5. The Program should **not fund** commercial enterprises. For-profit enterprises, if truly commercial, have access to commercial funding sources. The Program should not subsidize nor under-write the risks and profits of commercial enterprises.
6. The Program should provide **grants** (as opposed to loans).
7. Funding should be provided for "**hard**" **community infrastructure** (capital works and equipment).
8. Funding should be provided for the following **types of activities**:
  - Renovation works;
  - Refurbishment works;
  - Construction works;
  - Purchase of capital equipment; and
  - Installation of facilities and equipment.
9. Funding should be provided for the following **types of projects**:
  - Aged care facilities;
  - Ageing Community Infrastructure;
  - Arts and Cultural Centres;
  - Community & Neighbourhood Centres;
  - Community Halls;
  - Community Health Centres;
  - Community Transport (eg bus);
  - Community Tourism Initiatives (eg. Visitor Information Centres)
  - Museums;
  - Sport and Recreation Facilities; and
  - Trial and Demonstration Projects for Community Innovation.
10. The Program should only fund projects which have specific, measurable community development outcomes
11. The Program should **not fund**:

- (1) the preparation of concept designs, feasibility studies, business plans, investment prospectuses or development applications;
  - (2) the purchase of land or buildings;
  - (3) operational costs;
  - (4) the employment of staff;
  - (5) payment of wages and salaries;
  - (6) the creation, management or administration of special events, conferences, etc; or
  - (7) corporate development activities.
12. The **eligibility criteria** should include:
    - The specific outcomes/benefits of the Project;
    - The credibility of the Project Development/Management Plan;
    - The credibility of the Project Applicant;
    - The level of contribution of the Applicant;
    - The capabilities of the Project Management Team;
    - The contribution of the Project to implementation of local and regional goals;
    - The degree of local and regional community support; and
    - The availability of alternative funding programs.
  13. The **assessment** of an application should be based on the merits of the specific application when considered against the program assessment and eligibility criteria (see above). The assessment should not involve a comparative ranking of competing applications. The underlying principle of the Program should be to help fund projects which are struggling to find a source of funds – communities have different needs at different times, so no project should be seen as better or more deserving than another ( so long as the project meets the Program eligibility criteria).
  14. The Program should have a **matching funding** requirement, which rewards applicants who have raised funds and are willing to commit a substantial level of their own resources to their project.
  15. Matching funding requirements should be reduced for smaller rural communities (less than 30,000people) with demonstrated limited capacity
  16. The valuation of an applicant's resource commitment to a project should include **in-kind contributions**. In-kind contributions provide an extremely important resource for smaller communities and provide wider opportunity for business participation in community projects.
  17. The in-kind contribution should be defined to include voluntary time commitments to managing and administering an approved project.
  18. Preference should be given to funding projects, which contribute to the achievement of government (Local, State and Federal) **endorsed Regional and Local community development strategies**, plans and programs.
  19. Applications for funding should incorporate quantifiable outcomes, which reflect the targets of Federal, State and Local Government plans. This will enable project accountability to be streamed into the same set of data.
  20. Project eligibility criteria should be sufficiently flexible to enable recognition of the diversity of issues, needs, challenges and opportunities facing communities (rapid population or employment growth within or near communities, communities experiencing high unemployment, communities experiencing declining industries).
  21. Project eligibility criteria should be defined in a manner, which encourages and harnesses and rewards local initiative, leadership, commitment and drive.
  22. Project eligibility criteria should be defined in a manner which encourages **cooperative partnerships** between Local Government, community and business
  23. Project eligibility and assessment should be defined to encourage and reward projects, which **leverage funding** from Local Government, State Government

and the business sector. This will assist community-based applicants by reducing the height of the capital-raising barrier. It will enable government agencies to increase the range of projects, which can be implemented.

24. Funding approval should be conditional upon all Local Government, State and Federal Government **Development Approvals** being in place or able to be secured.
25. Funding approvals should only be provided for projects, which have not commenced – there should be **no retrospectivity**.
26. The Program should provide for **continuous funding** - be open to submission of applications at any time. This will facilitate negotiation of matching funding, result in better (less-rushed) applications and reflect the diversity of situations facing individual communities.
27. The Program should provide for a **minimum grant** of \$5,000. This provides a balance between the amounts very small communities can raise and the cost of administration of a grant program.
28. The new Program should incorporate an **expeditious assessment/approval process**, which reflects an understanding of the costs involved in preparation of applications. For Councils, preparation of applications for large projects incur a wide range of costs including:
  - Conceptual planning;
  - Architectural planning;
  - Engineering design;
  - Environmental and socio-economic impact statements;
  - Preparation of Development Applications; and
  - Management and administration of application preparation.

In addition, Councils need to make budgetary allocations while the project application is being considered. This imposes both interest costs and opportunity costs on Councils.
29. The Program should allow for inclusion of a 10% **contingency** in each application to take into account cost increases/project changes due to the length of time between submitting an application and actual receipt of funds. This contingency would only be released for the project if specific costs increased or changes were necessary due to the time taken for the project to be approved.
30. Initially, a **base funding** allocation should be made to each Region.
31. Each Region should comprise a grouping of Local Government Councils.
32. A **Regional Development Australia (RDA) Committee** should be established for each Region. For the Department/Minister, these Committees will provide an authoritative source of advice, which embodies comprehensive awareness, and understanding of the key issues, priorities, opportunities and constraints unique to each region.
33. The RDA Committee boundaries should conform to Local Government group boundaries.
34. Where Local Government Councils have formed regional groupings (for example, the Western Sub-Regional Organisation of Councils in SEQ), those Regions should be adopted as the boundaries for an RDA Committee
35. The **roles** of the RDA Committee should be to:
  - (1) market the Program within their Region;
  - (2) assist potential applicants with the identification of potential projects;
  - (3) assist applicants in the preparation of applications;
  - (4) review applications to ensure all proper information is provided;
  - (5) ensure the widest possible demonstration of local and regional support for each application;
  - (6) provide advice to the Department on whether the application meets the eligibility criteria;

- (7) provide a recommendation to the Department/Minister as to whether the application should be approved, taking into account local and regional strategies, plans, programs, priorities and issues (which the applicant would usually not have the capacity to address); and
  - (8) monitor and report on the implementation of the approved project.
36. Past experience in various regions demonstrates that a proactive local RDA Committee will ensure that the Program is **constantly marketed**. This addresses the issue of promoting a Program, which adopts a continuous funding approach.
  37. **First and only point of application:** Applications for funding should only be made through a local RDA Committee. This will ensure that properly completed applications are submitted. Local knowledge is essential to ensure that the applicants have the capabilities to manage and complete an approved project in accordance with the application. In addition, in some regions, the ACCs have been very effective in assisting poorly resourced community organisations to identify and apply for projects, which have had significant community development benefit. In the absence of those particular ACCs, those communities would not have benefited from the Regional Partnership Program. Local committees are well placed to ensure that good potential projects are brought to life. Competent local committees also ensure that Program eligibility criteria and objectives can be met before an applicant spends time and money on lodging an application. The local sieving process also precludes the waste of administrative resources, which results from the Department working on badly prepared applications, or applications, which obviously do not meet the eligibility criteria.
  38. The use of local RDA Committees will enable the objectives of specific projects to be aligned with the objectives of local and regional community development strategies. The local committee will also ensure that a project is only approved if it contributes to the **regional development objectives** of the Regional and Local Community Infrastructure Program.
  39. **One simple application form** should be adopted. The effectiveness and efficiency of the Program can be enhanced through the establishment of Committees employing Executive Officers who spend time with potential applicants explaining whether they are eligible and key success factors in achieving funding.
  40. RDA Committees should not be allowed to write applications for applicants. This takes responsibility from the applicant and would create a conflict of interest in RDA Committee assessment of the application. The Executive Officer should provide guidance and advice only.
  41. The **membership** of the local RDA Committee should include one or more elected Local Government representatives. This provides a strong link with a principal provider of local community infrastructure.
  42. As outlined above, a base allocation should be made to each Region. Regions which demonstrate a strong commitment to the achievement of the Program's objectives (as measured by the take-up of Program grants), should be rewarded by **additional allocations** (through transfer of funds from Regions which do not utilise the Program).
  43. Each local RDA Committee should be provided with a **base administrative budget**. Committees, which performed strongly, should be rewarded with increased budgets to enable them to increase the accessibility of their communities to the Program.
  44. The Program should provide for the funding of projects, which transcend RDA Committee Regional boundaries. This arrangement will reflect the community relationships, which cross lines on maps.

45. The relevant Minister should make the final decision on approval of an application for funding. This provides clear accountability for the expenditure of taxpayer funds.