

Regional Development Australia - Sunraysia



Sunraysia ACC

WORKPLAN 2

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Executive Summary

Background

This report follows a request by the Parliamentary Secretary for Regional Development and Northern Australia, the Hon Gary Gray AO MP, who outlined a work plan with the aim of consultation to provide advice on principles and priorities for new Regional and Local Community Infrastructure Program (RLCIP) to be developed as part of the 2009-10 Federal Budget.

The report has defined the characteristics of the region and recommends the establishment of Regional Development Australia (RDA) located in the Sunraysia region especially as it enables the region to deal with the cross border anomalies occurring between states.

RDA representation also has the capacity to address national and regional issues, enhance delivery of services to the greater region, improving growth and opportunity whilst delivering the Government's vision for Australian regions.

This report provides practical advice to assist Government on the Principles and Priorities for new Regional and Local Community Infrastructure Program.

Introduction

Consultation conducted from July to August 2008 consisted of a web survey, consultative forums and includes information gained from the House of Representatives Inquiry into Regional Development.

Key themes were analysed from the most repeated issues from community forums. In all approximately 144 individual people participated in this review including a range of state & local government representatives and community groups.

Aim

The aim is to provide advice on principles and priorities for new Regional and Local Community Infrastructure Program.

The advice has been developed in consultation with local and regional communities and key stakeholders. It addresses the regional development funding program and recommends a program which is flexible and encourages community solutions and opportunities which are essential to the viability and sustainability of communities.

The document outlines key factors which are important in the development of any future government funding program.

Community Engagement & Outcomes

Community engagement comprised three consultative forums, and a web survey.

The forums were well planned to create opportunities for a diversity of voices to be heard on issues relating to Federal Government regional programs.

Consultation included the current ACC Committee, Chief Executive Officers, General Managers, Mayors, Councillors, Company Executives and the general community from the following sectors:

- Local Government and Chambers of Commerce & Industry
- Manufacturing, Transport, Business and Industry
- Major Horticultural organisations
- Tourism & Arts

- Sport and Recreational groups
- Education and Employment
- Health and Disability
- Indigenous Services
- Welfare and Youth
- Past recipients of the Regional Partnerships grants

Participation Results:

Numbers attended forums	103
Numbers responses to surveys	41
TOTAL	144

Key Issues impacting on the Region's economic future

Key issues impacting on the economic future of our region include:

- The impact of water restrictions arising from low inflows into the Murray River and Darling River systems due to drought, climate change, water diversion policies and environmental water management initiatives.
- Uncertainties around the impacts of climate change including increased costs likely through carbon trading, energy conservation, sustainable energy initiatives, changing agricultural practices and shortage of resources driven by climate change.
- Sustainability of our agricultural and horticultural industries in an ever increasing competitive international market.
- Infrastructure constraints generally including gas and power distribution, rail and road dilapidation, lack of cultural awareness, sporting and recreational facilities, overrun health facilities and lack of infrastructure for our ageing population.
- A shortage of doctors, nurses and allied health staff and adequate hospital infrastructure are emerging as a significant economic as well as social issue.
- A shortage of affordable housing is impacting on the capacity for people to meet their housing needs.

How should 'regional' be defined?

What makes up a region? What are some common characteristics of a region?

What constitutes a 'region' is made up of many factors. Characteristics of a region usually consist of communities of interest, geographic similarities, transport links, industry bases, proximity to regional cities, education and training areas and local government and state boundaries. All are factors that define a region.

Factors are sometimes of a subjective nature. As long as the 'region' is adequately understood by communities and serviced effectively, communities at the local level must identify with that region for it to be effective.

Generally, "regional" in the Australian context means non-metropolitan, though the real meaning of regional relates to some particular area on the map, whether located in a city or not. In this sense, regional generally means an area larger than a local government area but smaller than a State.

Sunraysia Region



The Sunraysia horticultural region was Australia's first irrigation settlement, founded by Canadian brothers William and Benjamin Chaffey in 1880. The Chaffey's recognised the potential of the region's deep, sandy soils, sunshine and semi-arid climate for horticulture.

The regional name 'Sunraysia' was originally chosen to identify the dried fruits from the Mildura and Wentworth district. It produces 80% of Australia's sultanas, currants and raisins, and a significant amount of wine, table grapes, citrus, stone fruit and vegetables.

A strong characteristic of the Sunraysia region is the regions Rural City of Mildura. Mildura is considered a major regional hub with a range of regional services branching into outlying areas. Many of these services reflect the understanding of the region within their institutional names. These include, but are not limited to examples such as:

- Major educational facilities - Sunraysia Institute of TAFE
- Health services - Sunraysia Community Health Services
- Environmental bodies - Sunraysia Energy Alliance
- Media publications - Sunraysia Daily
- Welfare groups - Sunraysia Residential Services
- Recreational groups - Sunraysia Football League
- Businesses - Sunraysia Nurseries

A major regional centre is a crucial characteristic in determining the definition of a region and the infrastructure associated within that region for example:

- Transport infrastructure including road, rail and air services - Sunraysia has one of the busiest regional airports within Australia
- Regional Hospital and health services

- Major education facilities
- Media coverage
- Communication infrastructure
- Recreation and sporting facilities
- Aged and disability services

Communities usually define their regions by themselves and once established this becomes central to future strategic planning and economic growth. Governments therefore need to build on and work with regions that have been identified historically within communities.

Recommendation 1 – Defining the region

Community feedback indicated unanimously that they wish to retain the current regional boundaries for the Sunraysia region due to its strategic and historical value.

Should the program target specific communities or regions?

For example, high growth areas; councils with a lower rate base etc.

It was made very clear throughout the consultation process that community members believe that a new program should be based on specific needs within regions such as economic development, access to services, environmental issues, social inclusion/well being/structural adjustment – drought etc.

The future funding of regional programs needs to be centred on the needs of individual regional communities as identified in regional strategies and planning processes.

Regional Programs need to address the future wellbeing of communities by investing in:

- the provision of community infrastructure to address social inclusion issues
- the provision of sport and recreational infrastructure to address community health initiatives
- community infrastructure that addresses our ageing population needs
- provision of support to local industry and businesses to retain and expand skills within the community
- provision of support for economic development planning and investment attraction
- provision of programs to help facilitate skills development and retraining mechanisms for all age groups
- programs that support at risk groups within communities
- the support of new and emerging innovative industries to grow and expand
- programs for communities affected by drought and climate change to develop and implement innovative practices, education and training.
- Community infrastructure funding for small towns should be based on the development and objectives of Local Government Community Plans currently being undertaken across Victoria.

Recommendation 2 – How should the new RLCIP be Targeted?

Future regional funding program should be based on regional community infrastructure that addresses the need for facilities that:

- promote healthier lifestyles
- support social inclusion
- supports skills development

- provide service provision and support for new and innovative industries
- provides for our ageing population
- supports at risk groups
- support small town community plan objectives

What types of organisations should be eligible for funding?

Throughout the consultation process, it was clear that the community would like to see that all organisations within the community have the ability to apply for funding from the Australian Government for projects within a region.

This would include:

- Local Government bodies
- State Government bodies– schools/medical etc.
- Not for profit organisations
- Community organisations/groups
- Private Business/Enterprises

To ensure equal opportunity is given between the differing types of organisations it was believed that funding should be provided in different streams:

For example:

1. Regional community infrastructure funding based on local and state government regional plans.
2. Local community infrastructure funding for local community groups.
3. Small business funding for economic development initiatives.

This would enable organisations that operate at differing levels within the community the ability to apply for funding within their specified category.

Recommendation 3 – What organisations should be eligible?

Organisations eligible for funding should include:

- Local Government bodies
- State Government bodies– schools/medical etc.
- Not for profit organisations
- Community organisations/groups
- Private Business/Enterprises

The funding to be divided into three streams being regional, local and small business.

What ways of distributing funding should be considered?

For example, distribution of funds on a geographical/state basis; fully competitive national program

Participants in the workshops and responses from the survey indicated that there could be differing levels or streams of funding based on the following:

- A regional program across regional Australia that would enable local government the ability to address infrastructure needs that have been identified in regional plans.
- A local competitive program where community based organisations can apply for funding to undertake projects linked to the needs identified in community plans.
- Small business program that would enable business to apply for funding for projects that would contribute to economic development within the region.

It was also identified that programs should have differing levels of matching funding and that the Government should take this into account when establishing each funding stream.

For example a local competitive program could be based on a 2:1 ratio basis rather than 1:1 basis for local government and small business that has occurred in government programs in past years.

Also distribution of funds would need to take into account many of the external factors that are now affecting many parts of Australia including drought, environmental problems, social inclusion issues etc.

Recommendation 4 – Distribution of funds?

1. A regional program across regional Australia that would enable Local Government the ability to address infrastructure needs that have been identified in regional plans.
2. A local competitive program where community organisations would compete within each region for projects identified in local community plans.
3. Small business program that would enable business to apply for funding for projects that would contribute to economic development within the region.

What decision making processes should be considered in the assessment of applications?

The majority of participants in the consultation process clearly identified the need for a decision making process that was open and transparent.

They also indicated that decisions on applications to any program needed to be conducted in a suitable timeframe being three (3) months depending on the size of the project.

The Regional funding program could involve a distribution of funds across Australia based on a formula not unlike the Road to Recovery program. It was envisaged that funding under this program would be toward larger regional projects above \$100,000. Each project under this program could then be assessed by local government with input from RDAC's against regional plans.

There was a strong request made that a process be established where the assessment of applications on a local competitive program were undertaken and approved by local RDAC's. This would be undertaken against a set of guidelines for local community infrastructure projects that were developed with input from community groups.

The local RDA Committee would have the delegated authority to promote, approve, decline and monitor funding requests for this program under \$100,000.

It was also highlighted that business in regional Australia is suffering due to varying circumstances including climate change, drought, financial crisis etc. It was suggested that a Small business program should be established that enabled businesses to apply for funding for projects that would contribute to economic development within the region. Applications under this program would be assessed by the Department of Infrastructure, Transport, Regional Development & Local Government with input by the local RDAC.

A set of guidelines would need to be developed that reflected the vision of Regional Development Australia.

Recommendation 5 – Decision making processes?

1. Clear and transparent decision making processes created based on clear guidelines.
2. All decision making processes for programs be within 3 month of applying.
3. Local Government to receive funding toward a Regional Infrastructure Program.
4. RDAC's to approve projects under a local community infrastructure program.
5. DOI to approve Small business projects under a Small business program.

What do you think are the merits of funding rounds vs a continuous application process?

Funding Rounds

The consultation process raised differing opinions on the merits of funding rounds versus continuous rounds.

It was suggested that if the new RLCIP program was to be based on rounds, there should be four (4) rounds per year (i.e. every three (3) months)

This would enable project applicants to submit their applications quickly especially when projects are time critical.

It was also highlighted that funding rounds would ensure that projects are assessed quickly as decisions would need to be made prior to the opening of the next round of funding.

Community Comment: "The issue with an open ended program is that it can be frustrating in terms of knowing when you'll get the dollars to go ahead!"

Continuous Application Process

It was considered by the majority of the participants that a continuous application process presents a more equitable manner in which to provide funding as it would be based on the total funding of the program, not what is available for a particular round.

Applications submitted in the continuous application process are judged on their individual merits and overall benefit to the regional community.

Recommendation 6 – Funding Rounds vs Continuous Application Process?

Continuous Application Process judged on their individual merits and overall benefit to the regional community

Should there be a partnership approach to funding models?

It was considered crucial that organisations applying for funding (whether from local government, state, federal or the community itself) must contribute funds/in-kind into projects so that they take ownership of it and make it successful.

However there are some projects that could be worthwhile but are considered a bit 'different' hence attracting partners could be a problem. These projects should also be considered on the basis of the need and benefits they can bring to the community.

A deterrent to the partnerships approach is that it can be restrictive particularly if an applicant would like to apply for a single user facility as this previously reduced the proponent's chances for funding due to lack of partnerships.

In the past Regional Partnership Program, partnership funding was usual secured through industry and government. This partnership mix gave many projects the ability to secure skilled representation on project committees therefore creating a strong management team.

A major issue identified through the consultation process was the different reporting requirements on a single project that had to occur for each funding partner. In many cases proponents that had been successful in gaining funding for a project had to provide separate reports for each funding partner.

There was strong support for a uniform reporting mechanism across all levels of government that will enable proponents to reduce their administrative reporting requirements.

Recommendation 7 – Should there be Partnership Approach?

- A partnership approach should be retained to ensure proponents take ownership of their project.
- A single reporting mechanism for all levels of Government is established.

How can links be made to the future direction of particular regions?

For example, links to strategic regional plans.

The RLCIP program should be based on the three (3) streams of funding aligned to regional plans established by Regional Development Australia in consultation with their communities. As suggested previously, three streams of funding should be applied as follows:

Regional Community Infrastructure Fund

A regionally program across regional Australia that would enable Local Government the ability to address infrastructure needs that have been identified in regional plans.

Local Community Infrastructure Fund

A local competitive program where community organisations would compete within in each region for projects identified in local community plans.

Small Business Fund

A Small Business program would enable business to apply for funding for projects that would create economic development within a region that were linked to the regions strategic plan

Recommendation 8 – Links to future direction of region?

Three streams of funding are created being regional, local and small business programs that link directly to regional and local plans developed by Regional Development Australia in consultation with their communities.

How will your community determine the level of priority for projects?

As stated above, the community believes that three streams of funding should be established and therefore priorities established within these streams by the approval body.

Regional Community Infrastructure Fund

Priorities for the regional Infrastructure program would be established by Local Government based on priorities established in regional plans and local government community plans.

Local Community Infrastructure Fund

Priorities for the local community infrastructure program would be based on local community plans and identified needs within local communities.

Small Business Fund

Priorities for a Small Business program would be based on the Australian Government's vision and plan to create economic development within regional Australia and the challenges existing in each region.

To demonstrate the diversity of potential projects suggested by the community a list is provided below:

- Skate park (Dareton NSW)
- Projects that enhance community well being e.g.: Hydro Pool
- People transport (public and community), intermodal hubs – road, air, rail
- Smaller scale water projects; waterless farming, solar farming
- Recreation reserves (footy/cricket), maintenance
- Continuation of on-farm infrastructure upgrades (has worked very well in the past – water use efficiency)
- Supporting educational projects for schools – eg: work experience postings out of the region, Kokoda program
- Projects that look at reducing water dependency

- Renewable energy industries; Solar industries – attraction of research and development and other opportunities; set up infrastructure to cater renewable energy
- Funding for feasibility studies (most projects require this prior) is it worth having a fund available to access funding for this.
- Interesting initiative to incorporate tax incentives around projects
- CSIRO closure in Merbein has many widespread implications, option may be to have Vic or NSW DPI's take up the research and development of this – creates funding options
- Development of alternative horticultural activities
- Built environment – improved focus on sustainable housing / buildings
- Improved library / community hub facilities as existing facilities are ageing (eg. Merbein)
- Eco-demonstration facility / centre, possibility to tie in with Mildura eco-centre plan. May be a good option for improved eco-tourism
- Development of alternative / organic cropping projects

Recommendation 9 – Determining the level of priority for projects?

Priorities for projects put forward under the Regional, Local and Small Business should be based on regional plans, local community plans and the Australian Government's priorities for regional development.

How would you rate your community's capacity to be involved in different stages of the program?

It was made clear during the consultation process that some larger communities may be better equipped to participate in areas such as identifying projects and developing applications than some smaller communities.

It is very important to understand that the collective capacity of the community to manage infrastructure development and projects is limited, especially in isolated communities.

There are a range of skills required to bring a project to a successful outcome. The majority of respondents were requesting that new RDAC's have the ability to provide on the ground support for assisting in developing community projects.

As rural communities struggle through drought and climate change, it is becoming increasingly common that communities lack administrative resources to enable them to develop their ideas into professional applications. This is mainly due to the lack of skills in rural communities and the financial situation they find themselves in. In many cases, the cost of attending meetings etc. in a volunteer capacity is becoming too much of a financial burden.

Respondents within the communities agreed on the following:

- Most communities were organised enough to prioritise their projects
- Project Development skills were needed within the region
- A lack of skill exists in Grant submission writing
- Project management skills were needed in most communities
- Financial management skills and experience varied from larger communities to smaller communities
- Development of partnerships with key stakeholders were well established
- Administrative resources were stretched in all communities

It was recommended that the new RDAC's should continue their former role in assisting communities to develop ideas and submissions that addressed the needs within local communities.

This would include the engagement of a project development officer by RDAC's to work with communities to develop their skills and ideas into professional proposals for funding through various programs.

Recommendation 10 – Capacity of community for stages of the program?

Resources are provided by the Australian Government to RDAC's to work with communities to develop their skills and ideas into professional proposals for funding through various programs.

What are your overall expectations of the new program?

Overall the community has clearly responded that they wish to see the Australian Government provide resources and programs to regional Australia that address regional infrastructure, local infrastructure and small business development.

Programs need to have streamlined guidelines and application processes that fall into regional, local and small business streams of funding.

The principles and priorities for programs should be based on regional and local community plans that identify with the Australian Government's overall objects for economic, social, environmental and sustainable policies for regional Australia.

Regional Development Australia should be resourced to provide strategic planning and on the ground support for communities developing projects and solutions to local issues.

The three streams of funding being **Regional Community Infrastructure Fund, Local Community Infrastructure Fund and the Small Business Fund** all need to be sufficiently resourced to enable infrastructure backlogs to be addressed in an efficient and effective manner by all communities.

Recommendation 11 – Overall Expectations?

- Three streams of funding be established being *Regional Community Infrastructure Fund, Local Community Infrastructure Fund and the Small Business Fund* that are sufficiently resourced to enable infrastructure backlogs to be addressed in an efficient and effective manner by all communities.
- Regional Development Australia be resourced to provide strategic planning and on the ground support for communities developing projects and community solutions.