

# ***Kimberley***

*Area Consultative Committee Inc.*

*(In transition to  
Regional Development Australia – Kimberley)*



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ABN: 96 544 957 591

**Ref: Standing Committee on Infrastructure, Transport, Regional Development,  
and Local Government**

## **Inquiry Into A New Regional Funding Program**

## **Report recommendations**

### **Inquiry into a new Regional Development Funding Program**

#### **Introduction**

The Kimberley Area Consultative Committee (KACC) has over the past ten years undergone a structural change from the 'Far North West Area Consultative Committee' (FNWACC) incorporating the two far reaching areas of the Kimberley and the Pilbara, Western Australia; to create the 'Kimberley ACC' and the 'Pilbara Area Consultative Committee. (PACC)

The FNWACC promoted the Commonwealth Regional Assistance Program along with other government initiatives.

In 1997 the FNWACC established the Pilbara ACC office which commenced operations in 1998 to oversee the regional development of the Pilbara region, whilst the Kimberley ACC managed the Kimberley region.

The Kimberley ACC also included a separate 'Kimberley Sustainable Regions Advisory Committee'. (KSRAC)

Once the Kimberley ACC and KSRAC were established, the Sustainable Regions program and Regional Partnerships (RP) program were delivered. Sustainable Regions funding benefitted a number of Kimberley towns. KSRAC utilised a separate committee structure to that of the Kimberley ACC and employed its own Executive Officer, working within a co-operative arrangement administratively supported by the State funded Kimberley Development Commission.

KSRAC funding guidelines and Kimberley Development Commission Board structure were aligned between the State and Federal programmes for the duration of the Sustainable Regions Programme. As a result of this integration and alignment, the Kimberley Sustainable Regions programme contributed \$12 million of Federal funding in leverage projects with the State that were valued at over \$38 million.

An Audit was carried out on the KSRAC and the Sustainable Regions projects approved in the region. The Audit found no discrepancies with the committee or any of the approved projects.

In 2006, the Sustainable Regions program had fully allocated its \$12 million budget and ceased in the Kimberley and KSRAC was dissolved.

The Kimberley ACC continued and successfully managed the RP program from then until the federal election in 2007. It is now awaiting the forthcoming transition to Regional Development Australia – Kimberley.

During the past sixteen months (from March 2007) leading up to the federal election the Kimberley ACC had managed staff continuity which enabled the RP program to be fully promoted throughout the region. As a result, there were 18 RP applications submitted, requesting a total of approximately \$7 million in Commonwealth funding for an overall investment of \$16 million in infrastructure development in the region. Of note there were another 18 applicants that had submitted Expressions of Interest totalling \$18 million in Commonwealth funding towards investment of \$47.5 million in infrastructure funding for the region.

### **Make-Up of Committee**

The Kimberley ACC is entirely made up of volunteers from within the Kimberley. All are either community leaders, or local and regional role models from varying walks of life, employment, cultures, and all with concerns for regional development for the vast and remote Kimberley.

The Kimberley encompasses some 424,517 square kilometres (twice the size of Victoria), and has a population in excess of 38000 people (approximately 2% of WA's population).

Of this nearly 48 % of the population is indigenous and this, when compared to WA as a whole, having only 3.5% indigenous and the Northern Territory with 29% indigenous, shows that the Kimberley has a substantial indigenous make-up.

The Kimberley consists of six towns : Broome with a population of approximately 15,250; Derby – approximately 5,000; Kununurra – approximately 5,485 , and the lesser populated towns of Wyndham – approximately 800, Fitzroy Crossing – approximately 1,500 with another 2,000 (mainly indigenous) living throughout the Fitzroy valley area, and Halls Creek – approx 3,620.

There are numerous cattle and pastoral stations throughout the Kimberley and over 226 recognised indigenous communities, plus a number of indigenous outstations. There are 34 indigenous languages spoken.

This does not take into account the high number of fly in / fly out workers employed in the various mines, oil exploration platforms and other resources industries within the region. This has created an inflationary effect due to high rents, increased land and property values, and competition for workers by the resources industries, which are paying higher wages.

Some of the resource companies involved in the fly in / fly out are: Woodside; ARC Energy; Panoramic Resources Limited; Impex; Argyle Diamond Mines; Kimberley Diamond Mines; Pluton Resources and Paspaley Pearls.

It is a unique area with economic, social and environmental challenges, especially within the lower socio economic population, large indigenous unemployment, isolation, high freight costs, and the distances between towns and major cities (Perth is approx. 2200 kms to the south, Broome to Kununurra is 1047 kms, whilst Darwin is approx. 830 kms to the north east of Kununurra.)

## **Response**

The four areas

### **1. Future funding of regional programs in order to invest in genuine and accountable community infrastructure projects**

The current ACC model has operated successfully in the Kimberley with all stakeholders willing to listen to ACC staff in addressing criteria, funding solutions, partnerships, community needs when undertaking an application for funding. Most if not all community groups do not have the funding to be able to employ professional grant writers and were more than happy for the input from Kimberley ACC staff.

The projects submitted in the region are genuine projects, that either have a positive effect on the community by providing infrastructure, create employment opportunities within the region, address the needs for indigenous communities and provide sustainable outcomes for the future of the region.

There is clearly a need to ensure that regional funding programs of this nature continue to exist for the purposes of contributing to the long term development and sustainability of the region. In the past there has been the perception that applicants have no clear guidelines and that application approvals appear to be politically driven rather than measured against a specific set of criteria. This view was held by both successful and unsuccessful applicants.

Under the RP program there was a perception that applications were treated in isolation without consideration being given to their links, impact on, or compatibility with other regional developments. There is a clear need for adequate levels of funding to be provided if a regional program is destined to be successful and deliver the required outcomes for the region. In many ways this suggests that it may not be appropriate to place a firm 'ceiling' on the level of funds to be allocated to a program, but instead, if the applications are demonstrating tangible benefits in terms of community infrastructure projects it is reasonable to assume that some regions may be more successful than others in terms of the support they receive.

This point is made in reference to the fact that many past decisions, approvals have been politically driven, rather than based on the merits of the application. Some regions are developing faster than others therefore it would be reasonable to assume that some imbalances will occur in terms of the distribution across regions. This may be easier said than done but if it is truly run as an impartial program, then political influences should not come into it.

‘Commercial’ applicants should not be excluded as the employment creation through new industries and existing industries that are utilizing new technology creates further infrastructure to establish sustainable communities. There is a need to assess what employment opportunities will be created and what new industries are being brought in to foster industrial growth.

Each region should be looked at from its social, economic and environmental perspectives taking into consideration isolation and remoteness, distance from major cities, population growth, climatic conditions and sustainability. Regions should not have to compete against each other for the ‘one bucket of money.’

There will always be a higher cost to deliver projects in remote regions. These remote areas need to encourage population growth not deter it. There is a dire need for infrastructure to support these types of communities. Currently it would seem that there is a Catch 22 situation – insufficient infrastructure to encourage population growth, and insufficient population to warrant the provision of infrastructure.

By providing infrastructure support to these regions and communities there is an overall economic benefit along with a sustainable community structure. Most of the remote regions are covered by Shires or Local Governments that are not in a financial position to provide the necessary infrastructure that makes a good community.

By continuing on with a partnerships program or similar funding program then a lot of regions can only benefit from that funding. Without strong partnerships, communities become unsustainable. The merits of each application for funding needs to be looked at on benefits to the region, and not from ‘political preferences’ as has been done on occasion.

There is a need to prioritise some regions, especially the remote and isolated areas, over the more affluent regions that have substantial infrastructure in place.

## **2. How should the Federal Government design regional programs in a way to minimize administrative costs and duplication for taxpayers;**

Minimising administrative costs can be best met by continuing with a local approach to regional programs.

Having funding applicants submit applications direct to Canberra, or even a regional office, will create considerable expense and time wasting. How will those employed to assess the application be able to carry out the task without any real knowledge of the region and the issues affecting the region and its people. 'One size does not fit all areas in Australia.' There is significant comment throughout the region that the national office (and in some instances the regional office) have no clear knowledge of the distinct differences in the regions, whether it is through social, cultural, climatic, isolation, industry resources or economic viability.

Submitting applications through a local body (ACC/RDA) will enable the experience and expertise of the ACC to fully assess the project and report against any criteria imposed. That local knowledge will ensure that the project is viable, genuine and has sustainable outcomes.

The application, once endorsed by an ACC/RDA, should be then assessed by DITRDLG in Canberra.

After funding is approved, the local ACC should be then utilised to monitor the projects progress ensuring that it is fully accountable and is consistent with the proposal submitted. The previous situation was for the regional office to monitor the progress without any issues being advised to the local ACC. As a result, the local ACC only found out about any problems many months, if not longer, into the project. (This was due to distances to regions and possibly operational funding to the regional office – in this case Perth – some 2,200 kms south of the Kimberley.

In the past there was also strong criticism of the time required to fulfil the requirements of the RP application. If there was greater certainty of outcome it would appear this may not be an issue. A great sense of frustration for applicants was the need to secure support from partners and other regional stakeholders as part of the application process. While applicants were able to achieve this, the fact that the process could take six to nine months before any indication was provided of the application's success or failure often meant that this support will have waned due to the fact that projects partners were 'moving on' or allocating funds to other projects.

The approvals process for the RP program was widely criticised throughout the region due to the fact that applications were required to pass through a litany of bureaucratic processes prior to being recommended for Ministerial approval. Put simply, many applicants would 'lose heart' and this appeared to result in a number of potential applicants deciding not to apply through the RP program because it took far too long. There is also appeared to be a perception that DOTARS had a cultural conflict with most applicants in that applicants have an attitude of "how fast can we go" versus the DOTARS attitude of "how long can we draw out the process". This also reflected badly on the local ACC, through no fault of their own, as they were the local representatives for the whole process.

For future regional programs this aspect would clearly need to be addressed and there would appear to be some ‘baggage’ that will come with any new program.

In terms of having a regional body (committee structure) appointed to oversee the administration and delivery of regional programs, appointments from within the region should be based on skills and abilities required to support program objectives – and not be purely based on meeting requirements such as geographic spread (balance) or other considerations that for many applicants appeared focused on gaining political advantage.

In addition, if a regional body is to be appointed there must be greater autonomy and influence awarded to this group in terms of the decision-making processes and project recommendations.

That regional body needs to be a non–government structure so as to be flexible in delivery, not dysfunctional due to ‘government beauracracy’. Bearing in mind that any program will have certain criteria to be addressed, and reporting mechanisms in place in respect of operational funding.

Ensuring the process is fully transparent and meets the relevant criteria expedites the funding approval period so that time delays do not mean higher costs in project proposals. (requiring variation in funding contracts)

### **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; and**

In terms of practices and grants relating to the RP program the key issues are probably summarised in the first two points. The key issues as a result of the practices employed are:

- Undue delays in processing applications – maximum was supposed to be 12 weeks however some applications waited in excess of ten months or more
- Projects losing momentum due to delays – also lose additional funding from other sources (partners)
- Need to take into account other funding bodies that are providing funding for projects – strong partnerships
- Increased cost variations required due to extensive time delays
- Need to take into account ‘In Kind’ value and recognise the value – especially in remote regions. Creates closer communities and affords sustainable outcomes
- Continue flexible program – too many grants are inflexible and have ‘rounds’ which create extensive problems when applying for funding from a number of bodies
- ‘Staged’ projects should be carefully considered – lengthy delays in between stages causes increased costs and no ‘assurance’ that other stages will be funded

- Need to be more flexible in funding process – i.e. not stating what items RP is funding but possibly an overall percentage of the project
- In remote areas need to consider or assess retrospective funding due to, isolation, distance and opportunity
- Acquittal process needs to be simplified, especially in remote isolated regions
- No certainty of outcome despite the fact that a project may meet all the core criteria of the program
- Clearly too much political ‘point scoring’ in terms of projects that were ultimately funded. Inconsistency in decisions, application of established processes and projects approved where adherence to program guidelines had clearly not been followed – applicants left wondering where they went wrong having submitted strong applications whereas what were perceived to be weaker applications were approved

**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.**

- Although the audit makes reference to the program having clear guidelines, with a number of internal changes made in order to streamline the process, at a regional level this appeared to compound frustrations locally and placed increasing pressures on what was a very ‘minimal’ Kimberley ACC operating budget structure for such a large region.
- The changing nature of the program appeared to place increasing uncertainty in the applicant’s mind in terms of the processes and target outcomes of the program. Kimberley ACC personnel were consequently regularly required to communicate these changes to a broad range of stakeholders and the tyranny of distance appeared to be an ongoing challenge (Kimberley encompasses some 424,517 square kilometres – Broome to nearest town Derby is 220 kms; Kununurra to nearest town Wyndham is 101 kms; Broome to Kununurra is 1047 kms – Distance between Sydney and Melbourne is only 712 kms).
- The new government should consider reviewing (or at least reading) the RP applications that had been submitted prior to federal election. An effort to have applicants reconsider submitting applications would assist in giving the new government a positive image rather than the negative one created through wiping the board clean of any applications.
- Consider a funding program for regions in the 2008 -09 financial year – lengthy delays waiting for a possible ‘new’ program will be detrimental to regions that are requiring infrastructure and community viability and sustainability.



NOTE: If you have been a successful applicant of Regional Partnerships, you may like to provide your thoughts on the positive and negative aspects of the Regional Partnerships Programme. It would also be very valuable to receive your comments on the help you received from our organisation in the development of the project application and if this support should be continued.

## **Feedback from survey to applicants**

### **Positive aspects**

- RP was an avenue for infrastructure funding
- On the ground local knowledge and advice ( ACC) – offering professional support
- Preference to submit application through local ACC – endorsement by ACC
- Can apply at any time
- Increased community involvement – stimulated community growth
- Accountability of project
- Supported regional growth
- Promoted partnerships between stakeholder groups
- Encouraged sharing of resources
- Encouraged whole of community planning
- Opportunity to access significant financial assistance
- Benefit to indigenous groups

### **Negative Aspects**

- Too long a time frame to obtain funding
- Too much red tape – lengthy beauracratc process
- Insufficient funding availability
- Cancellation of program
- Awarded funding to ‘political grounds’ projects

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Authorised on behalf of the Committee

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Graeme Campbell, Chair, KACC