

The Temora Shire Council has pleasure in submitting the following comments to the House of Representatives Committee on a new Regional Funding scheme.

In accordance with your committee's guidelines this report will address the following points, with reference to the issues paper where appropriate.

1. Provide advice on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects;
2. Examine ways to minimize administrative costs and duplication for taxpayers;
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
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.

Background brief on Temora Shire:

Temora lies in the North Eastern sector of the Riverina in New South Wales some 400 km from Sydney 80 km north of Wagga Wagga. Temora's economic base lies in agriculture, underpinned by a strong business and service sector, and with an above average age population the Shire also as a significant age care industry. The population has been declining marginally over the last decade, with many of our 18 to 40 year old demographics now being below the State average.

The Temora Shire has a good range of medical, dental, pharmaceutical and other ancillary health services, but as always in regional areas would fall short of expectations when matched with capital city infrastructure and professional support. Mental health support has been increasing, but the lack of psychiatrist and psychologists remains a major problem outside certain urban areas.

Education facilities are above average for a small regional community; however falling numbers over the years has put pressure on the ability of educational institutions to provide the range of services they would wish to deliver.

Cultural services and infrastructure and in particular for the fine and performing arts, are also areas of need.

In general terms nearly all of the basic services are met in the provision of medical, education, leisure, safety and commercial aspects of normal life. Small communities however struggle to compete with larger regional centres and metropolitan areas in terms of income and other non-commercial opportunities. It is difficult for small communities to maintain population and sustainability in the face of added burdens placed on them by climate and other external factors.

If the rural communities are to be maintained and populated as vibrant, productive and therefore sustainable economic and social areas, as Governments and the rural communities themselves would wish, then now is the time to plan.

The planning should centre on the provision of the basic needs for communities provided by commercial, self-driven community participation, all supported by governments. Amongst the raft of measure all levels of Government provide for the necessities and urgencies of normal life should be a program that is aimed right at the heart of making a difference to regional communities.

The “differences” which need to be made are those which will be a bridge, or at least planks in it, to cross between survival and sustainability, and hopefully growth.

As will be discussed later in this report, rural communities are usually populated by realists, people who do not expect that every small town can have a university, a teaching hospital or an opera house. What they do need is assistance to help them to cross the mental and physical divide, sufficient to create sustainability. What one community sees as a need may well differ from others. However what they all need is a long term mechanism upon which they can rely.

The program we suggest should be designed to be a long term, well articulated and consistently supported program. It should be very clear as to what may be done under it. The guidelines should also be clear, and access available to the managers of the program to assist from the early stages of applications being written.

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

1.1 Temora's experience with Regional Partnerships.

In Section 3 there are examples of some very positive outcomes with Regional Partnerships being a vital part of our recent economic and community development in the Temora Shire, it is hoped that any future programs are delivered in a similar manner. To aid in this investigation into building a successful regional support program the following observations are offered.

The major contributing factors in the success of our partnerships with the Federal government have been:

- a. Inclusion of the RACC at a very early stage in a community project conception and planning.
- b. A well defined and costed project, with support from the Local Temora Shire Council
- c. The inclusion of local community partners and/or corporate partners as appropriate, again as early as possible.
- d. A strong regime of project management and accountability.
- e. Good communications with the department, RACC and our local Federal member's office.

1.2 Suggested key factors for the new program.

- a. The first major observation is the need for clarity in the guidelines of any future regional infrastructure or community development funding program. This is one of the most important factors, when seeking to attract public money from Local Government; and at the same time seeking to engender enthusiasm from corporate and community partners to bring projects to fruition.
- b. Without this clarity there is often confusion in the expectations of costs and timing, which will often lead to the withdrawal of partners. These corporate or community partners may well have maintained support, had they felt assured that if they achieved the *criteria* laid out in the program, in terms of either social or monetary support, then there was a high chance the project would go ahead.

- c. From experience there seemed to be two major anomalies with government funding of projects. One is of the essence and the other of the time.
- d. The essence: there seems to be confusion in many funding applications between what the funding body expects and what the recipient believes is wanted. This is mainly with respect to the terms used, and how the applicants struggle to make what they want to do, fit within the funding guidelines. The often believe they can be eligible when they are not, and so are disillusioned with the whole process and withdraw.
- e. The timing: communities and other groups applying for funds nearly always want the money immediately, if not sooner. The **perception** is that: Governments allocate large sums of money, embark on a great deal of publicity; and then it takes you for ever to find out if you are even eligible, and if you are eligible even longer to receive any of the funds.
- f. This of course is not the case with matters such as natural disasters, and other high order requirements on governments to deliver quickly, and quite rightly, to justifiable problems within their communities.
- g. However, regional partnerships type of program is not one these high response programs and as such, seems in comparison slow and cumbersome. However, it does end up delivering wonderful outcomes to those communities fortunate enough to be the beneficiaries.

1.3 The problems.

The problem with most government programs is that they are either too prescriptive or narrow in their guidelines, or too broad and confusing.

The former style immediately appears too difficult to many would-be applicants, who may well qualify in a broad sense, but the literal translation of the terms and conditions of the program puts them off immediately.

The latter often raises expectations when interpreted without the guidance of their RACC, or other government officials, thus raising community hopes that will never be satiated. This is because the applicant's project will never fit the criteria, to the satisfaction of the program managers, the essence of the government's intentions for the project. These managers are often also they who, in the end, recommend whether a program should be included or excluded from a funding round and who in turn are accountable to the Minister. The criteria therefore should be unambiguous so that both the managers and the applicants are all talking about the same issues and expectations.

1.4 Addressing both the expectations and delivery of the program

What should the overarching purpose and objectives be?

1. To keep regions sustainable.
 2. To make up the difference between communities income and the need to keep them happy enough to stay in the regional areas.
 3. To tangibly cross the urban-regional divide
 4. To give regional Australia the clear message that Governments actually care about the regions.
 5. To deliver a "fair-go" for the areas of Australia which allow all Australians to live the way we do.
- a. If "partnership" is to be the key word of the funding program's future, it may well be that the *partnership* should start much earlier. It would appear this very enquiry is intended to show that the Federal Government is willing and indeed seeking, to have input from those who would normally be considered the end recipients, and in our case a local government entity.
 - b. If this is the thrust of the Government's policy, then it is to be applauded. Hopefully the voice of the recipients will be heard as part not only of the drafting of the program, but the also the ongoing information-feedback nexus between the program managers and the program users, possibly though the ACC's.
 - c. In this way if there is confusion out in the community, regarding the likelihood or otherwise of a program's application to a certain community's needs, then there will be someone who can be called upon by the program managers, or the applicants, to be a conduit to either rectify misconceptions or over-expectations.

- d. This should help to provide clarity and then, much earlier in the application process, either quickly move the applicant forward or advise them, that it is unlikely they will be able to meet the guidelines. They then can either change their project or look to other funding sources.
- e. This in the long term should be a better system, less likely to cause angst, confusion or reluctance on either side. Reluctance by communities to engage in a program or reluctance by Governments to provide the source of funds.

2. Examine ways to minimize administrative costs and duplication for taxpayers

- a. Australian citizens pay taxes in some form or other to all levels of government. In most cases they do not distinguish between the terms "tax", "fees and charges" or "levies" and many other names which will result in money going from the citizen to the government. It is best therefore that the document is free of jargon, and unambiguous in its language, is therefore less likely to be off-putting to applicants. It should also cut administrative time in answering questions of applicants.
- b. They know what a fair return on their efforts is and what is not. At the moment, the Governments are seen to not be giving the regions a fair go from the resources boom. So perhaps there should be a way to show which are State responsibilities and which are Federal. Victoria and Qld., are pouring money into their regions . Victoria's RIDF program is a case in point.

To save administrative costs, the Federal Government could somehow make some Federal-State funding agreements linked to a joint, and equal across Australia, funding program. Then we may see some dampening of the migration North and West from NSW.

- c. How we define regions is also a vexed question. Criteria such as distance from Capitals, income per capita, death rates, depression rates, suicide rates, numerous and literacy skills, employment levels, specialist medical services, costs of living, including food and fuel, essential services, distance from a university are some of the factors, which could be used instead

- of rivers and mountain ranges, to define regions with commonality.
- d. In the main, Australian residents are also educated and aware enough to realise the difference between efficient and inefficient government programs, at any levels. It is also no coincidence that many of those involved in the seeking of funds from all levels of government on behalf of their communities, are quite often the most aware and/or the most educated people in that community. The point is that many communities do have the capacity to plan and interpret programs and be accountable, with less supervision from the funding agency. Audits could be used for accounting purposes, thus keeping a tighter rein on the spending during the project and allowing for easier acquittal at the end.
 - e. Therefore for those involved, in project funding and seeking funds from governments, to become advocates and not adversaries in the process, any hint of administrative overruns or unnecessary charges or costs to the program budget, should be avoided from the outset. It would be beneficial if this aspect is addressed in the planning of this new program.

They understand there is a trade-off for making a choice to be living in the bush. They also realise that there are some who have to live in the bush, but need the care of a city and cannot afford to do so. These disadvantaged people are Regional captives, and the system has let them down. The program should work to lessen this level of helplessness and work specifically in building the levels of education, training and medical services in the regions, otherwise they will continue to initially age with the baby-boomers and thereafter depopulate.

- f. Perhaps Government has to decide whether it really wants a strong regional population. By that it is not meant the Wagga's, Dubbo's, Cairns and Shepparton's...but the smaller towns and villages that have made the nation. This is lost on many city dwellers and their electorates have the say on who is in government. If the Government thinks Regional areas are important, they will need to take the people with them in this reinvestment in the bush.

- g. So, as part of the whole regional development makeover, do we need to spend some money on making the cities re-engage with the bush? Once we all had “country-cousins”, and there was an empathy for the bush. Largely that is gone. Going to Camden from Rockdale is now considered a “country drive” by may in Sydney.

If there is to be an ongoing real push for the bush, there is a political imperative to keep the voters happy about this decision. This would mean an education program that is based on the knowledge of the value to the city voters of the regional dwellers and their worth to them in industries such as defence, farming, grazing, tourism, transport, research, power generation, fishing and mining. This could be part of schools programs and city-country schools “twinning” to show how the regions are so important to the next generation.

- h. It is commonplace for both the Federal and State funding programs to require the indication of support coming from other levels of government. It is understandable that this is done from the government perspective, but it is perplexing from the point of view of the applicants and especially of those applicants are themselves working in local governments. This is because those in local government then have to explain why they are waiting for approval, or letters of support or funds from the State or Federal departments, before their counterparts will commit to the joint funding of a project.
- i. The reasons behind this anomaly may be just political or may be necessary for some internal administrative functions about which the applicants are not aware. The results however are onerous, and the perceptions are often difficult to explain to an applicant, as to why a Federal Government project needs a State Government input to make it come to fruition and vice versa. This also costly for the Local Council who are often the applicants or project managers.
- j. The elimination of waste in the time spent by applicants, who are often local governments, playing a State government off against the Federal government as to who will commit to a project first; would be one step in streamlining the delivery of dollars to the people who need those funds within your communities. This is an unnecessary hidden cost, both to the applicants and to the State

and Federal departments who have to repeatedly revisit applications in response to applicants pleas for project status updates.

Eligibility should be built into the program applications. Unless there are to be many different programs, the designers will have to be fairly flexible in the projects' aims. However as the outcomes will have to be assessed in both qualitative and quantitative terms, a method which can provide scores, particularly in areas of growth in capacity, sustainability will be needed.

This will also mean more information pre-application, to form a basis for post-project evaluation. The scope may be wide, but the outcomes definable so that a fairness test can be applied. The social scientists can certainly do this, in a way which does not seem daunting to local community committees.

- k. It is perhaps time for COAG to come to some understanding regarding which level of government is responsible for funding in various areas and to what extent. This will go some way to speed up the process and at the same time reduce the negativity which this engenders in the community, as they see one level of the government playing off their votes against another level. This perception is even more disquieting when state and federal governments are of the same political persuasions, and this goes for both sides of politics.
- l. At a local level, communities are frustrated with delays in applications being processed. The Temora Shire Council has had an application lapse for a major project to which the Council is committed in the long term and which has already received State funding in part. Enormous amounts of time and effort have put into this project by Council staff, community groups, RACC, regional arts and the Federal Department who was running the program.
- m. This is now a defunct program. As a case in point both Federal and Local Government departments expended significant staff time and other resources, in the preparation of complex applications, the benefits of which have now been lost.

- n. These losses are compounded by the fact that in the time taken from the initial costing of the project until now, the cost for the project has escalated by an amount *greater than the amount sought as the Federal Government contribution*. We hope the new program will be designed to avoid this outcome.
- o. The lesson to be learned in an inflationary economic climate, is that the quicker and more certain the process, the less will be the inflationary impact. Business quotations will only remain current for a short time and applicants have to budget within very tight constraints.
- p. As to who may be eligible for funding, this is a matter for the definition of the project. It cannot be all things to all people. Partnerships should be paramount if possible, but the lack of a partnership must not be a deciding factor, as many small communities do not have a "big brother" council, charity or business to help.
- q. Partnerships would always welcome charities, NFP organisations and philanthropic businesses. Businesses should not be direct beneficiaries unless the project is providing an essential service which otherwise would not be considered. E.g and airport, medical centre or research centre.
- r. Priorities should be made on a needs basis, anywhere there is no other opportunity for other funding without the program's support.
- s. Perhaps COAG is the starting point for the Governments of Australia to form a Federal-State protocol which provides a framework for sharing regional development and defines who is responsible for which other non-shared areas and to what extent.
- t. The Federal Government can best engage through the ACC network or its replacement. Other input from the Local Government Associations and national networks such as the CES and Universities. Service clubs, health and education departments also would be major contenders for a planning partnership.

Summary

If the way in which the application process is designed, where the guidelines are clear, the funding manager of the project is involved from the beginning to the end, the accountability process is known by all parties from the outset and the levels of government involved are

minimized, it would seem reasonable that significant savings in costs, aggravation and time could be achieved.

It may be better that some funds are distributed by needs, such as roads and health statistics. Health and other specific funding streams may be moved to separate funding systems, as the need for good health, water availability, environment etc., are all fundamental to the sustainability of rural and regional communities.

Such critical aspects of keeping the regions alive should be quarantined from those which are essentially important, but not absolutely *critical* Regional projects. It is proper that funding for these should be removed from the more general Regional support program. Funds for critical works should not be given on the basis of a community being able to be persuasive in the funding rounds.

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;

3.1. Comments of the intentions of the new program.

- a. In a recent press release from the Minister, the Hon Anthony Albanese, 13th of May 2008, the minister says "the government understands that good community infrastructure supports towns and communities and attracts greater investment and job opportunities". This shows an excellent comprehension of the worth properly constructed and deliverable program, targeted at providing funds otherwise unavailable to the Regions. It is hoped that the next incarnation of such a program will happen soon rather than being too late for some communities to recover. The focus of such a program should be on maximising value adding to regional industries, good communications, transport and other community projects which will enhance sustainability
- b. This has been made clearer than ever before by the drought and the higher fuel, seed and fertilizer costs which are weighing heavily on regional communities. This is especially so in the case of communities reliant substantially upon agriculture. Here as a consequence we have in an increasing drift of population from

such areas to either the urban zones or to the resource booming regions of Western Australia and Queensland. Many of those who have relocated will never return to the agricultural areas, given the uncertainties and vagaries which have beset rural Australia over the last seven years.

- c. It is not helpful to use tag lines such as *global warming*, *international trade variations* and *downturn in the share markets* to explain what is happening in local communities. It is clearly necessary to accentuate the positive aspects of living in regional areas, in order to keep and attract people to those areas. It is even more important that the claims made by the various levels of government, that they "understand the need for ensuring sustainability in regional Australia", is actually backed by the efficiency, magnitude and focus of the next project.

3.2 Where should the project funding be focused?

- a. Everybody, it would seem does not want rural Australia to die, especially given that it is responsible for over 20% of GDP. In production terms most of the enterprises with inner-city and urban areas are of course providing services and value adding in their tertiary and secondary industries.
- b. In nearly all cases power is generated outside those areas, the water is collected outside those areas, various fuel and energy sources are cabled piped into urban areas. Most of the insuring, shipping and banking aspects of the Australian economy is controlled from urban areas, as are all seats of government.
- c. There is now an all pervasive feeling of *disconnectedness between the urban and rural areas*. Many in the urban areas quite clearly understand that they need a strong rural community, but absolutely **all** of the rural areas understand that to be the case. Camden is not a country town any more.
- d. Why then is it so difficult for the concepts of equality and equity in the delivery of services across the country, to be embraced in terms of on the ground delivery, by both State and Federal governments? One of the great strengths of the people who live

- in regional areas, is that they are practical people. This given, they understand that there will never be total equality, due to the costs and the distances involved in placing on providing services and infrastructure across this vast land. *This is not in question and governments of any persuasion should be clear that the expectation of total equality does not exist.*
- e. What is equally clear, is that those who live in the regions and who supply so much of the wealth enjoyed by their country, feel that they are not treated fairly in resource sharing, given they choose to live in non-urban areas. This is exacerbated by the actions and attitudes of those in particular those who live in the urban areas. The people who insure, bank, advertise, market and ship the commodities, which all come from the rural areas, are seen to control the system.
 - f. The current system is not allowing for resources to be distributed justly. The Regions want the State and Federal Governments to devise protocols and programs which make sure they deliver resource levels to rural communities which are allocated on a fair... not *even*, but a *fair* basis.
 - g. A strong regional partnerships style of program, with its main tenant being the delivery of a fair share of this country's great wealth and prosperity, will go a long way to show those who live in the regions, that they are indeed still valued. This above all is the sentiment that is required in many communities, for them to have the strength to face up to the adversities which they face from both the weather and the distance they have from major centres. If this program can deliver sufficient funds, albeit over many years, to make the difference in the lives of rural Australians in terms of infrastructure, then it will achieved a great deal in maintaining and **sustaining populations in regional Australia.**
 - h. The areas of need in the first instance are the basics: of hospitals, education, good government service contact points, improvements in transport, especially rail, water policy and telecommunications. *Issues paper 1.6 offers the idea of specific funding pools, and that idea has merit for major projects.*
 - i. In the longer term, projects which underpinned the economic and community viability should also be of high importance.

These include town halls, medical centres, video links, sporting and other cultural facilities.

4. Temora Shire's experiences with Regional Partnerships.

- a. Temora Shire Council has had several positive responses from the previous Federal government to applications under the regional partnerships and regional solutions program. The partnership money from the Federal government allowed the completion of projects which would otherwise have been outside the ability of our Council to provide for the growth and prosperity of the Shire.
- b. In all cases the Government's contribution was into genuine projects which have resulted in either a community or economic asset being created for our community.
- c. A recent example of a Social-Community based infrastructure being created, was the partnership between community donations and pledges, the Temora Shire Council and the Federal Government in the desilting and restoration of Lake Centenary Temora. This has allowed us to increase our tourism visitation through a new jet boat course and strengthening community pride in the provision of a first-class water skiing facility. This is also a major income generator from the influx of recreational skiers to the lake. The New South Wales state government also became part of this program by providing funds from the Department of Sport and Recreation to value add an international standard waterskiing run.
- d. An example of the Regional Partnerships program working effectively in the development of capital infrastructure was in the construction of a new runway at the Temora airport. This has significantly enhanced the operations of the Temora Aviation Museum, and has resulted in part to a rise of 100% increase in visitation over the past two years. 50,000 people from around Australia and the world now visit Temora the bulk of those being over eight flying weekends per year.

The construction of this runway has also meant that Temora Shire Council was able to develop the second stage of an aviation estate, having the ability to land up to 737 aircraft and provide high-quality industrial sites adjacent to the new runways. Temora is now poised as a national and regional player in the aviation servicing and refurbishment industry, thanks to the collaborative nature of the Federal Government through the good offices of the Riverina Area Consultative Committee (RACC).

The construction of the new runway was a three-way partnership involving Council, private enterprise and Federal Government. This project and the Lake project being partnerships with the Federal Government have been conducted very publicly in both the consultation and construction stages.

Conclusion

The program has in its design the ability to help sustain the Regions of Australia

Firstly, it is important that funding programs be depoliticized for the sake of all parties in the political spectrum. In the end there is a balance which benefits all sides of politics and the winners will be not only the recipients, but the designers of a process which is and is seen to be, above politics and bias.

As a Local Government authority, Temora Shire Council like all other level of Government, has constantly the job of balancing a budget, between what must be done and what can be done that will be of added benefit to our community.

Within that responsibility there are additional choices which have to be made between the economy and any social/community programs.

The questions social and economic strategists constantly face in the community sphere are: do we build to attract new people or develop and support the community, to keep happy those who are here? Do we invest in the hope of getting new businesses or do we keep those we already have supported?

There are never enough resources to everything, and so the new program for regional infrastructure and development is vital for the sustainability of our Shire and all others like us across

Australia. It can be a mechanism, which if it is designed well, can give many small regional centres the ability to survive and the hope of growth. This would then indeed be a process for equity against which all future governments and their programs could be measured.

Thank you.

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