

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
INFRASTRUCTURE, TRANSPORT,
REGIONAL DEVELOPMENT AND LOCAL
GOVERNMENT

INQUIRY INTO A NEW REGIONAL
DEVELOPMENT FUNDING PROGRAM

Submission by the Department of
Infrastructure, Transport, Regional
Development and Local Government

22 July 2008

Overview

1. The Department of Infrastructure, Transport, Regional Development, and Local Government (Infrastructure) is the Australian Government agency responsible for the finalisation of the former Regional Partnerships program.
2. This submission focuses on:
 - a) the administration of the Regional Partnerships program; and
 - b) regional development initiatives announced by the Rudd Government.

Regional Partnerships Program

3. The objectives of the Regional Partnerships program, as set out in the Program Guidelines dated July 2006 (Attachment A) and determined by the previous government, were to:
 - a) stimulate growth in regions by providing more opportunities for economic and social participation;
 - b) improve access to services in a cost effective and sustainable way, particularly for those communities in regional Australia with a population of less than 5,000;
 - c) support planning that assists communities to identify and explore opportunities and to develop strategies that result in direct action; and
 - d) help communities make structural adjustments in regions affected by major economic, social or environmental change.
4. Key features of the program process were:
 - a) a national network of 56 local Area Consultative Committees (ACCs) (54 from 1 July 2007) which promoted the program and assisted proponents to develop applications;
 - b) continuous funding rounds so that applications could be lodged at any time;
 - c) decisions on funding made by Ministers or Parliamentary Secretaries; and
 - d) decision review process where applications were unsuccessful.
5. The diagram at Attachment B sets out the program workflow from the initial preparation of applications; assessment and approval processes; through to contracting and completion of the project.

Key Program Information

Funding

6. The annual Budget funding for Regional Partnerships and the actual expenditure in each of the financial years of operation of the program is as follows:

	2003-04 \$ m	2004-05 \$ m	2005-06 \$ m	2006-07 \$ m	2007-08 \$ m	2008-09 \$ m
Annual Budget	100.5	103.4	111.6	77.2	72.4	41.5
Expenditure	78.5	95.0	83.7	53.9	58.0	

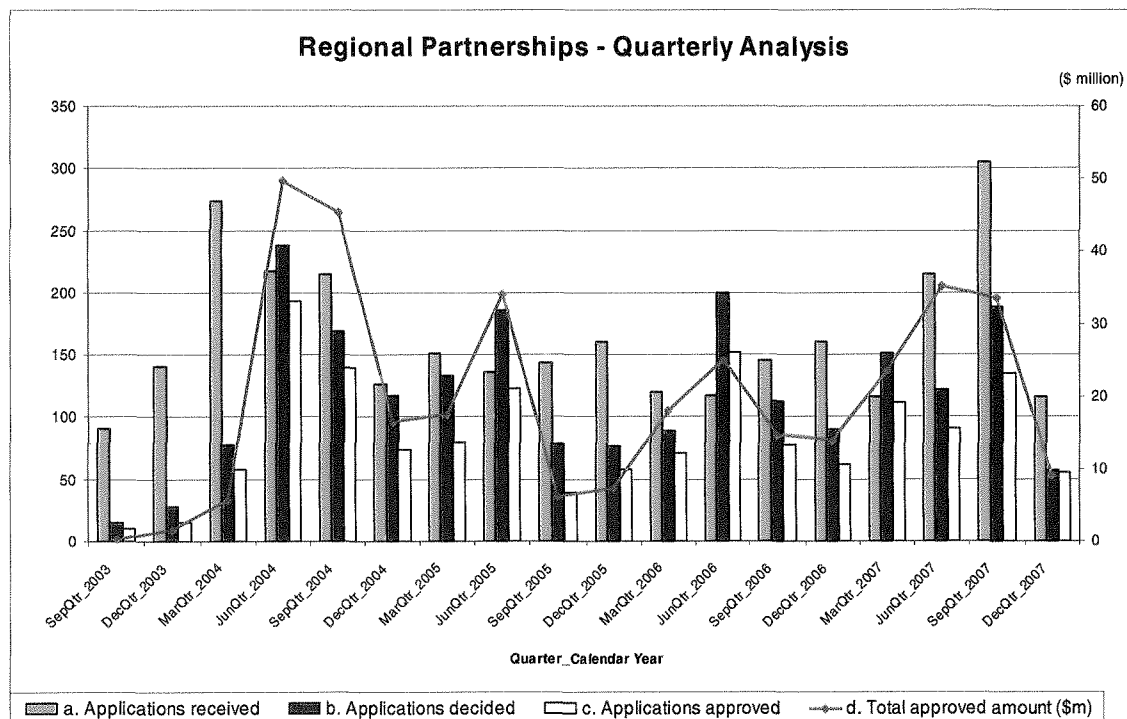
- (1) Amounts sourced from Portfolio Additional Estimates Statements (PAES).
 - (2) Budget and expenditure figures for 2003-04 to 2005-06 include ACCs. ACCs were provided a separate appropriation from 2006-07.
 - (3) All expenditure includes payments for the 'Legacy' group of regional programs consolidated to form Regional Partnerships in 2003-04.
7. The total funding for the program from 2003-04 to 2007-08 was \$465.1m and total expenditure for the period was \$369.1m.

8. The Rudd Government agreed in the 2008-09 Budget context that:
- the Regional Partnerships program would close for new and uncontracted projects;
 - all projects subject to a valid contract with the Government continue to be funded; and
 - project proposals under assessment would not be considered for funding.
9. On 28 May 2008 the Government announced (Attachment C)¹ that it will “provide certainty for up to 86 not-for-profit and local government projects which were granted approvals but did not have formal contracts under the previous government's Regional Partnerships program”. The Government will give the 86 project proponents until 31 July 2008 to complete contract negotiations with the Department. In addition the proponents will be required to meet timetables and conditions to begin construction.

Applications and approval numbers

10. Under the Regional Partnerships program, a total of 3058 applications for funding were submitted, of which 1553 projects were approved for funding. As at 30 June 2008, 1055 projects are complete with a further 354 projects still underway.
11. The following graph (Figure 1) shows the number of applications received and approved plus the amount of funding approved for each quarter since July 2003.

Figure 1



Note – Applications decided includes total decisions, including applications approved for funding and applications not approved for funding. Applications approved counts only those applications where a decision was taken to approve funding.

¹ Media Release from the Hon Anthony Albanese MP, 28 May 2008

Eligible Organisations

12. Organisations eligible to apply for assistance² were:

- a) non-profit organisations – including registered charities or incorporated associations;
- b) private enterprise businesses;
- c) cooperatives;
- d) local government bodies;
- e) territory governments – except where funding is sought for projects that are wholly territory government responsibilities;
- f) community councils (Indigenous Councils) or Regional Development Boards; and
- g) non-Departmental government agencies – including statutory authorities, land councils, government business enterprises or tertiary education institutions.

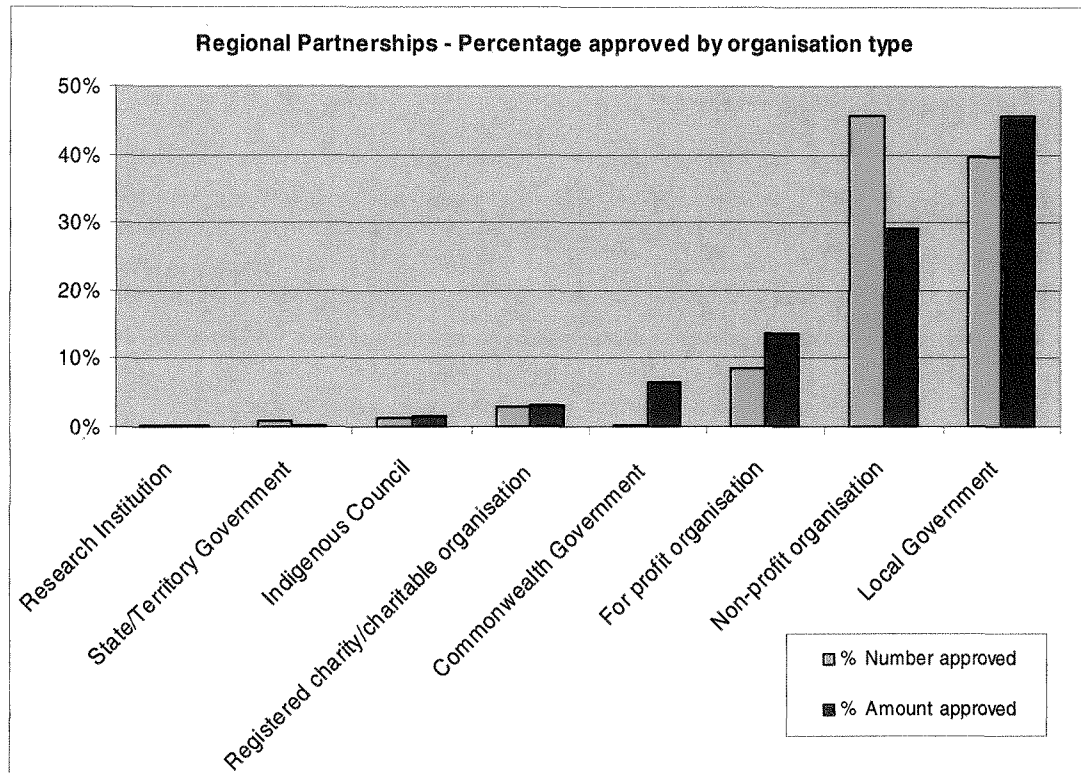
13. Those that were not eligible to apply for funding³ were:

- a) individuals;
- b) organisations that were not incorporated under State or Commonwealth legislation (for example, the *Corporations Act 2001*);
- c) Area Consultative Committees;
- d) Australian or State government departments;
- e) lobby groups and other organisations seeking funding to support political activities; and
- f) in addition, commercial enterprises were not eligible to request funding for planning, studies or research, but could apply for support for other activities.

14. The following graph (Figure 2) shows the distribution of organisation types whose applications were approved for Regional Partnerships program funding over the life of the program.

² Regional Partnerships Guidelines, July 2006, p.3

³ Regional Partnerships Guidelines, July 2006, p.3

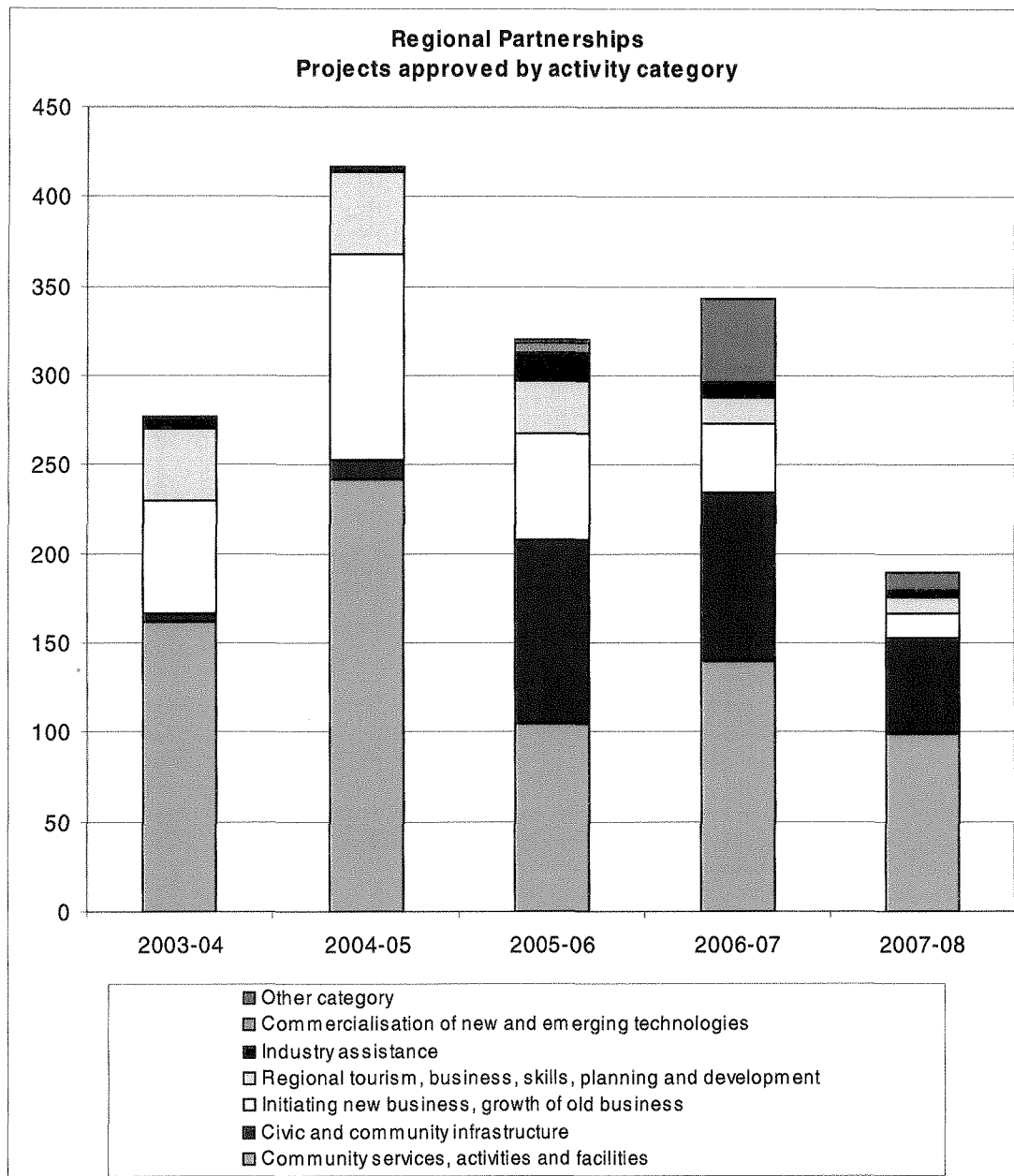
Figure 2

Types of Projects Funded

15. The categories in which projects were approved for funding covered activities including:

- a) commercialisation of new and emerging technologies;
- b) industry assistance measures.
- c) regional tourism, business and skills planning and development;
- d) the initiating of new businesses or growth of existing businesses;
- e) civic and community infrastructure works; and
- f) community services, activities and facilities supported by non-profit organisations.

16. The following graph (Figure 3) shows the distribution of project types that were approved for funding in each financial year from 2003-04 to 2007-08.

Figure 3

Assessment of Regional Partnerships applications

17. Regional Partnerships applications were assessed by Departmental officers. The assessment criteria were:

- a) the outcomes that will be achieved;
- b) the level of partnership funding;
- c) local support for a project;
- d) the project's viability;
- e) the applicant's viability;
- f) the extent of any competitive advantage; and
- g) the extent of any cost shifting by other levels of government.

Role of Area Consultative Committees

18. Area Consultative Committees (ACCs) were non-profit, community-based organisations that were funded by the Australian Government. The network of ACCs served all regions across rural, remote and metropolitan Australia.
19. One of their primary responsibilities was assisting communities to develop *Regional Partnerships* applications.
20. ACCs also provided advice on all applications from their region. They provided a rating of need and comments on each proposal including comments on the alignment of each proposal with their Strategic Regional Plan. This information was included in the Department's brief to the former Regional Partnerships Ministerial Committee.

Assessment times

21. Since the program commenced until its closure, the average time for assessing projects was 19 weeks with the shortest time being one week and the longest being 125 weeks. Of the projects seeking less than \$50,000, the average time for assessment was 17 weeks, with 13% of approved and eight per cent of unapproved projects being assessed in eight weeks or less. Of the projects seeking more than \$50,000 in funding, the average time for assessment was 21 weeks, with 23% of approved projects and eight per cent of unapproved projects being assessed in 12 weeks or less.

How announcements of the approval of Regional Partnership Projects are made.

22. Once a project was approved by the former Regional Partnerships Ministerial Committee, the Office of the former Minister for Transport and Regional Services would advise the local Member of Parliament or duty Senator if appropriate, of the approved application for funding and invite them to advise the successful applicant and relevant ACC Chair on behalf of the Australian Government.
23. The Minister wrote to the successful applicants to notify them of the approval. Letters were also sent to the local Member of Parliament, or duty Senator if appropriate, and relevant ACC Chair.
24. At his discretion, the former Minister issued a media release on the project following the approval. When media releases were issued by the Minister these were based on documentation prepared by the Department

Reviews of the Regional Partnerships Program

Senate Inquiry

25. On 2 December 2004 the Senate referred a number of matters to the Finance and Public Administration References Committee (the Committee) regarding the administration of the Regional Partnerships and Sustainable Regions programs.
26. The Committee tabled its report in the Senate on 6 October 2005 with 32 recommendations. The report comprised a majority report and a minority report from Government Senators.
27. One of the recommendations included in the committee's report was that the ANAO audit the administration of the Regional Partnerships and Sustainable Regions programs, with particular reference to case studies highlighted in the Committee's report.

28. In response, the former government announced changes to the program on 15 November 2005. A copy of the media release by the then Minister for Transport and Regional Services is at Attachment D. These changes included:
- a) centralisation of project assessment in Canberra;
 - b) greater emphasis placed on assessment of competitive advantage issues associated with applications where ACCs were required to directly comment on competitive neutrality issues associated with the Regional Partnerships application;
 - c) revision of program guidelines;
 - d) appointment of a Ministerial Committee to make decisions on the funding of projects, as well as develop and approve program guidelines and administrative arrangements;
 - e) identification of areas that were priorities for funding under the program which included:
 - i) small and disadvantaged communities
 - ii) economic growth and skill development
 - iii) indigenous communities; and
 - iv) youth.
 - f) the roles of the ACCs changed with:
 - i) a one year funding arrangement increased to three years;
 - ii) the creation of a specific budget appropriation; and
 - iii) the ACCs receiving annual letters identifying the Government's Regional Partnerships priorities.
29. The former Government's response to the Senate Inquiry Report was tabled on 5 December 2006 (Attachment E).

ANAO Audit

30. The audit scope included examination of departmental records relating to all Ministerial funding decisions made between 1 July 2003 and 30 June 2006. It also included the assessment, approval and management processes applied to 278 successful and unsuccessful applications made by applicants located in a representative sample of 11 ACCs. Training materials prepared for departmental staff and the revised Internal Procedures Manual that came into effect from July 2007 were also considered.
31. The ANAO's report (Vol 1, pp19- 20) noted, "*two dimensions relating to the administration of the program highlighted by the audit:*
- a) *the flexibility in the application assessment and Ministerial approval processes creates challenges in ensuring transparent, accountable and cost-effective administration and in demonstrating the equitable treatment of applicants; and*
 - b) *the manner in which the Programme had been administered over the three year period to 30 June 2006 examined by the ANAO had fallen short of an acceptable standard of public administration , particularly in respect to the assessment of grant applications and the management of funding agreements."*

32. The ANAO's report on the *Performance Audit of the Regional Partnerships Programme*, November 2007, (Vol 1, pp 14-15) identified a number of significant process improvement initiatives undertaken by the Department during the course of the audit (February 2006 – September 2007) including:
- a) improvements to the recording of the reasons for funding decisions taken by the Ministerial Committee in the context of formal meetings;
 - b) extensive staff training including on risk assessment and negotiation and execution of Funding Agreements (contracts);
 - c) Department obtained a delegation from the Ministerial Committee to approve minor project variations under agreed conditions;
 - d) introduction of a revised Internal Procedures Manual;
 - e) Ministerial Committee agreed to revised briefing material highlighting the requirements relating to the expenditure of public money under the *Financial Management and Accountability Act 1997*;
 - f) release of a revised Long Form Standardised Funding Agreement;
 - g) release of a revised online application form;
 - h) announcement that all applications from private enterprise would be streamed into two annual funding rounds to enable closer scrutiny; and
 - i) enhanced procedures to manage potential conflicts of interest in respect to projects located in the electorate of a Ministerial Committee member.
33. The audit report made 20 recommendations, 19 for the Department, and one for the then Department of Finance and Administration. The Audit recommendations and the Department's response is at Attachment F.

New Regional Development Initiatives

34. In the 2008 Budget the Government announced funding of a range of regional and infrastructure investment initiatives. A copy of the announcement by the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Anthony Albanese MP in relation to these initiatives is at Attachment G.
35. Election commitments are funded for through the Better Regions Program to make funding contributions to regional community infrastructure including community halls, recreation facilities, revitalisation of towns' main streets and community transport infrastructure. The Guidelines for this program are currently being finalised.
36. For future projects relating to community infrastructure the Government also announced that the Regional and Local Community Infrastructure Program (RLCIP) will be developed for consideration in the 2009 - 10 Budget for implementation on 1 July 2009.
37. In a Ministerial statement on 20 March 2008 (Attachment H), Mr Albanese announced that the Area Consultative Committees would transition to become local Regional Development Australia (RDA) committees. As a first step, the ACC Chairs' Reference Group will become the RDA Interim Board until 31 December 2008. The new RDA network will take on a broader role to develop strategic input into national programs to improve the coordination of regional development initiatives and ensure that there is effective engagement with local communities. The RDA network will consult with all other levels of government, regional development bodies and local communities on priorities and the role for RDA. The Minister has also said that the RDA is not expected to be involved in the

assessment of projects under the RLCIP. A report on the consultations will be provided to the Department by 31 August 2008.

38. In a joint announcement (Attachment I) on 15 May 2008, Minister Albanese and the Hon Gary Gray MP, Parliamentary Secretary for Regional Development and Northern Australia committed the Government to a wide consultation process in the development of the RLCIP. As well as the House of Representatives' Inquiry, the new RDA network has been asked to conduct a consultation process to seek the advice and opinions of local communities for the new program. The RDA Interim Board is required to report back to the Department by 31 October 2008 so that regional communities' views, together with the recommendations from the House of Representatives Inquiry, will inform the development of the new program.
39. Other regional initiatives were announced in the Budget and will come under the responsibility of the Infrastructure, Transport, Regional Development and Local Government portfolio:
- a) *Office of Northern Australia* – a unit in the Department of Infrastructure, Transport, Regional Development and Local Government (Infrastructure) to support and focus on sustainable, long-term economic development in Northern Australia;
 - b) *Major Cities Unit* – located in the Department of Infrastructure was created to identify opportunities where Federal leadership can make a difference to the prosperity of cities and regional growth areas;
 - c) *Council of Australian Local Governments* – an advisory body established to provide direct contact between the Commonwealth, the local government sector and key local government representative bodies such as National and State local government associations; and
 - d) *Infrastructure Australia* – an advisory council which will audit nationally significant infrastructure and advise on priorities for national infrastructure development; and
 - e) *Building Australia Fund* - an initial \$20 billion has been allocated to build critical economic infrastructure such as roads, rail, ports and broadband.

ATTACHMENTS

- A Program Guidelines (published July 2007).
- B *Regional Partnerships* Program Workflow.
- C Media Release by the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Anthony Albanese MP – funding for 86 not-for profit and local government projects – 28 May 2008.
- D Media Release by then Minister for Transport and Regional Services outlining changes to the Regional Partnerships Program – 15 November 2005
- E Response to the Senate Inquiry Report tabled on 5 December 2006.
- F ANAO Audit of the Regional Partnerships Programme – Summary of Recommendations and Departmental Response.
- G Budget Media Release by the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Anthony Albanese MP on New Regional Initiatives – 13 May 2008.
- H Ministerial Statement by the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Anthony Albanese MP – Regional Development Australia – 20 March 2008.
- I Joint announcement, the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Anthony Albanese MP and the Parliamentary Secretary for Regional Development and Northern Australia, the Hon Gary Gray MP, committed the Government to a wide consultation process in the development of the RLCIP – 15 May 2008

Attachment A

Program Guidelines (published July 2007)



Australian Government
**Department of Transport
and Regional Services**

Regional Partnerships Guidelines

July 2007

Regional Partnerships Guidelines

© Commonwealth of Australia 2007

Paper-based publications

(c) Commonwealth of Australia 2007

This work is copyright. Apart from any use as permitted under the Copyright Act 1968, no part may be reproduced by any process without prior written permission from the Commonwealth.

Requests and inquiries concerning reproduction and rights should be addressed to the Commonwealth Copyright Administration, Attorney-General's Department, Robert Garran Offices, National Circuit, Barton ACT 2600 or posted at <http://www.ag.gov.au/cca>

Internet sites

(c) Commonwealth of Australia 2007

This work is copyright. You may download, display, print and reproduce this material in unaltered form only (retaining this notice) for your personal, non-commercial use or use within your organisation. Apart from any use as permitted under the Copyright Act 1968, all other rights are reserved. Requests and inquiries concerning reproduction and rights should be addressed to Commonwealth Copyright Administration, Attorney-General's Department, Robert Garran Offices, National Circuit, Barton ACT 2600 or posted at <http://www.ag.gov.au/cca>

ISBN 1 92109 522 9

Publications Register Number 50069

First Published July 2006

REGIONAL PARTNERSHIPS PROGRAMME SNAPSHOT

The *Regional Partnerships* programme is an Australian Government initiative supporting the development of self-reliant communities.

The *Regional Partnerships* programme funds projects that help communities:

- provide opportunities for economic and social participation
- improve access to services
- plan their futures, and
- make structural adjustments.

The programme also provides a framework for delivering Australian Government assistance under the:

- Rural Medical Infrastructure Fund, and
- Community Adjustment Assistance element of the Textiles, Clothing and Footwear Structural Adjustment Programme.

Most organisations are eligible to apply for funding under the *Regional Partnerships* programme.

Those that are **not** eligible to apply for funding are:

- individuals
- organisations that are not incorporated under state or Commonwealth legislation (for example, the *Corporations Act 2001*)
- Area Consultative Committees
- Australian or state government departments
- lobby groups and other organisations seeking funding to support political activities, and
- in addition, commercial enterprises are not eligible to request funding for planning, studies or research, but are welcome to apply for support for other activities.

Organisations that are not incorporated under state or Commonwealth legislation may wish to have an eligible organisation sponsor their application.

The *Regional Partnerships* programme does not have 'rounds of funding'. Applications can be made at any time.

Area Consultative Committees (ACCs) covering all regions of Australia are available to help applicants develop and submit applications. Applicants are strongly encouraged to involve their local ACC in the development of their project proposal and application.

Applicants and their other project partners are expected to make a financial contribution to the project. All applications are assessed against assessment criteria relating to outcomes, partnerships, support, project viability, applicant viability, competitive advantage and cost shifting.

The Australian Government may choose to fund other specific initiatives through the *Regional Partnerships* programme.

You can get more information about the *Regional Partnerships* programme from your local ACC (website www.acc.gov.au), the programme website at www.regionalpartnerships.gov.au or by phoning the Australian Government Regional Information Service on **1800 026 222**.

REGIONAL PARTNERSHIPS PROGRAMME PROJECT FLOW CHART

The following flow chart describes the key steps in developing and implementing a *Regional Partnerships* project. These guidelines provide further information on each key step.

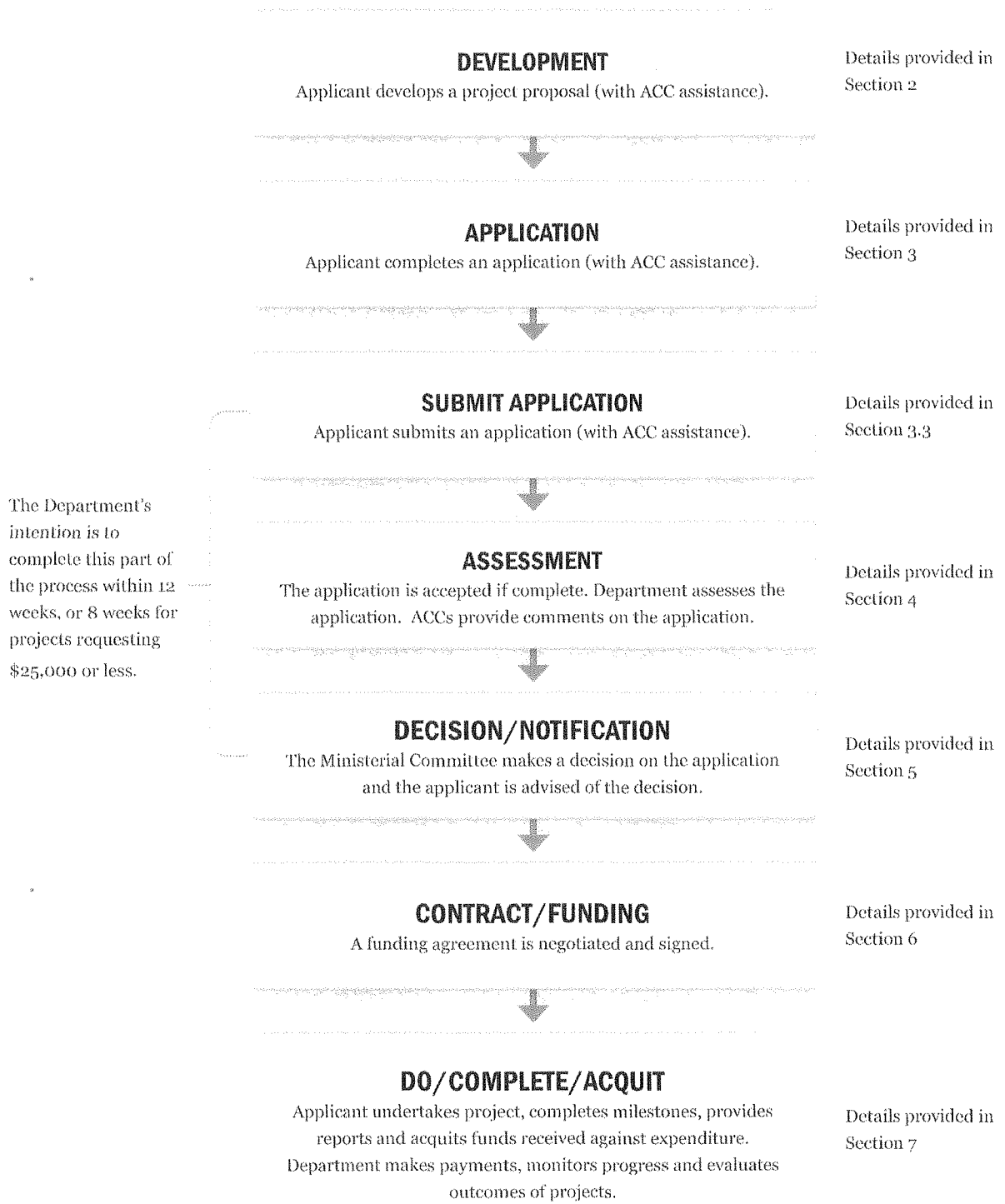


TABLE OF CONTENTS

Regional Partnerships Programme		Section 4: How Applications are Assessed	10
Snapshot	iii	4.1 Outcomes	10
Regional Partnerships Programme Project		<i>How are the project outcomes assessed?</i>	11
Flow Chart.....	iv	4.2 Partnership Funding	11
		<i>How are partnership contributions assessed?</i>	12
		<i>Community considerations</i>	12
Section 1: Introduction to the Regional Partnerships Programme	1	4.3 Evidence of Local Support	12
1.1 Programme Objectives and Priorities	1	4.4 Project Viability	12
1.2 Roles and Responsibilities	2	<i>How is project viability assessed?</i>	13
<i>Applicants</i>	2	4.5 Applicant Viability	13
<i>Area Consultative Committees</i>	2	4.6 Competitive Advantage	13
<i>The Regional Partnerships Ministerial Committee (Ministerial Committee)</i>	3	4.7 Cost Shifting	14
<i>The Department of Transport and Regional Services</i>	3	Section 5: How Decisions are Made	14
Section 2: Developing a Project Proposal	3	5.1 The <i>Regional Partnerships Ministerial Committee</i>	14
2.1 Eligibility	3	5.2 ACC Comments	14
2.2 What can be Funded	4	5.3 Local Circumstances	14
2.3 Activities Ineligible for Funding	4	5.4 Advising the Results of the Application	15
2.4 Existing Projects	5	5.5 Process Review	15
2.5 Other Initiatives Delivered through the <i>Regional Partnerships Programme Community Adjustment Package The Rural Medical Infrastructure Fund (RMIF)</i>	5	Section 6: Contracting and Funding	16
2.6 What Should be Considered when Developing a Proposal?	6	6.1 Accountability	16
<i>Is Regional Partnerships the most appropriate source of funding?</i>	6	6.2 Negotiation – Milestones, Timelines and Payments	16
<i>Area Consultative Committee involvement</i>	6	Section 7: Managing the Project	17
<i>Project plan and budget</i>	6	7.1 Progress Reports and Site Visits	17
<i>Is the project purchasing goods and services?</i>	6	<i>Progress reports</i>	17
<i>Have you assessed the risks?</i>	7	<i>Site visits</i>	17
<i>Does the project require statutory approvals?</i>	7	7.2 Payments	17
<i>Does the project involve surveys?</i>	7	7.3 Acquittals	17
<i>Have you considered relevant taxation issues?</i>	7	7.4 Evaluation	17
2.7 Do Not Start Unless the Project is Approved	7	Section 8: Glossary	18
Section 3: How to Apply for Funding	8	Appendix A: Regional Partnerships – Eligibility Check.....	21
3.1 Obtain an Application Form	8	Appendix B: Rural Medical Infrastructure Fund	22
3.2 What to Include in an Application	8		
3.3 How to Submit an Application	9		
3.4 Confidentiality	9		
<i>Claim for confidentiality</i>	9		

SECTION 1: INTRODUCTION TO THE *REGIONAL* *PARTNERSHIPS* PROGRAMME

In the 2001 *Stronger Regions, A Stronger Australia* statement, the Australian Government undertook to contribute to the development of self-reliant communities and regions through partnerships with other governments, communities and the private sector.

The *Regional Partnerships* programme provides financial assistance to all communities across Australia to help them implement initiatives to build self-reliant communities.

Regional Partnerships programme funding decisions are made by the *Regional Partnerships* Ministerial Committee. The Committee is currently made up of:

- the Minister for Transport and Regional Services
- the Minister for Local Government, Territories and Roads, and
- the Special Minister of State.

1.1 PROGRAMME OBJECTIVES AND PRIORITIES

The four objectives of the *Regional Partnerships* programme are to:

- **stimulate growth in regions** by providing more opportunities for economic and social participation
- **improve access to services** in a cost effective and sustainable way, particularly for those communities in regional Australia with a population of less than 5,000
- **support planning** that assists communities to identify and explore opportunities and to develop strategies that result in direct action, and
- **help communities make structural adjustments** in regions affected by major economic, social or environmental change.

In addition, each year the Australian Government identifies areas that are priorities for funding under the programme. The Australian Government's four priorities are:

Small or Disadvantaged Communities: Small communities and communities suffering economic or social disadvantage have the potential to be overlooked. These communities are particularly encouraged to develop projects that can address inadequacies in local community infrastructure and services.

Economic Growth and Skill Development: There is opportunity under the programme to contribute to job creation and employment-related skill development, which are fundamental to a community's economic and social wellbeing, particularly in areas of lower employment growth or where the challenges of industry change or skill shortages are being experienced. *Regional Partnerships* applicants are encouraged to develop projects that will contribute to the creation of ongoing, sustainable jobs and to the development of job skills where these activities are not wholly funded by other government agencies.

Indigenous Communities: Indigenous communities are amongst the most disadvantaged in Australia. The Government is seeking ways in which the needs of these communities can be better met. These communities are encouraged to develop projects that are tailored to address their unique circumstances. Applications that assist Indigenous communities to make use of *Shared Responsibility Agreements* and demonstrate consultation with Indigenous Coordination Centres are encouraged.

Youth: Supporting leadership capabilities of young people is recognised as one of the cornerstones for building community capacity. Projects are encouraged that help young people to become more capable and involved members of their communities, support youth leadership and address the needs of youth in their region.

Applications under the *Regional Partnerships* programme are not limited to these priorities, however the Government expects that ACCs will put forward applications which address at least some of these priorities.

The Australian Government may also decide to fund other specific initiatives that meet the aims of the *Regional Partnerships* programme.

The *Regional Partnerships* programme will not duplicate existing funding responsibilities of local and state governments or other Australian Government programmes.

1.2 ROLES AND RESPONSIBILITIES

Applicants

Organisations seeking funding from the *Regional Partnerships* programme must submit an application for funding. Area Consultative Committees (ACCs) are available to help applicants develop their proposal, to assist in identifying funding partners and to assist with completing the necessary paper work. The application form can be found at www.regionalpartnerships.gov.au.

Applicants are strongly encouraged to involve their ACC in the development of their project proposal and application as ACCs have significant experience in *Regional Partnerships* project development and extensive local knowledge.

An applicant must be a legal entity (an organisation incorporated under Commonwealth or state legislation). Organisations that are not incorporated under Commonwealth or state legislation will need to have an eligible organisation sponsor their application. Under these circumstances, the sponsor is considered to be the applicant.

The applicant is responsible for submitting the application to the Department of Transport and Regional Services (the Department) and ensuring that all the information required for assessment is accurate. Giving false or misleading information is a serious offence, which may result in the termination of funding or other legal consequences.

If the application is successful, applicants are required to enter into a funding agreement and they will be

responsible for managing the activities funded by the programme according to the terms of the agreement.

Area Consultative Committees

Area Consultative Committees (ACCs) are non-profit, community-based organisations that are funded by the Australian Government to:

- act as key facilitators of change and development in their region
- provide a link between government, business and the community, and
- facilitate whole of government responses to opportunities in their communities.

One of their primary responsibilities is assisting communities to develop *Regional Partnerships* applications. The network of ACCs (website: www.acc.gov.au) serves all regions across rural, remote and metropolitan Australia.

Applicants are encouraged to obtain advice from their ACC when applying for *Regional Partnerships* funding.

The ACC can:

- help applicants decide whether a proposal is suitable for funding
- help applicants develop the project
- help applicants to obtain broad community and business support for the proposal and identify possible project partners and organisations to help with the project, and
- explain and help with the application and submission process.

ACCs do not charge applicants for these services as they receive operational funding from the Australian Government, which includes supporting applicants with the development of *Regional Partnerships* programme applications.

ACCs also provide the Ministerial Committee with advice on all applications from their region. They provide a rating of need with comments on each proposal including comments on the alignment of each proposal with their Strategic Regional Plan.

ACCs develop Strategic Regional Plans in response to the needs of their communities and taking into account the priorities of the Australian Government. ACCs use these Plans to support the identification of projects which

meet the *Regional Partnerships* guidelines and address areas of need within their communities.

The *Regional Partnerships* Ministerial Committee (Ministerial Committee)

The *Regional Partnerships* Ministerial Committee has responsibility for the programme. It decides which proposals receive funding.

The Committee will consider each application based on:

- * the Department's advice concerning the project's consistency with the programme's assessment criteria
- * the ACC's advice concerning local priorities, and
- * local circumstances faced by the community.

The Department of Transport and Regional Services

The Department has responsibility for administration of the programme.

The Department has a network of 11 regional offices which are responsible for:

- * supporting and working with ACCs including providing advice to assist project development
- * providing local level advice to national office where required to assist with assessment of projects
- * negotiating funding agreements with successful applicants
- * monitoring adherence with funding agreements
- * making project payments against completed milestones
- * ensuring projects are properly acquitted and Australian Government funding is properly accounted for, and
- * evaluating project outcomes.

The Department's national office in Canberra is responsible for:

- * providing advice to the Ministerial Committee concerning programme policy
- * undertaking project assessments against the assessment criteria
- * providing recommendations to the Ministerial Committee, and
- * managing programme funds and performance.

SECTION 2: DEVELOPING A PROJECT PROPOSAL

2.1 ELIGIBILITY

Many organisations are **eligible** to apply for funding under the *Regional Partnerships* programme. They include:

- * non-profit organisations — including registered charities or incorporated associations
- * private enterprise businesses — except where the project is to produce a plan or undertake studies or research
- * cooperatives
- * local government bodies
- * territory governments — except where funding is sought for projects that are wholly territory government responsibilities
- * community councils (Indigenous Councils) or Regional Development Boards, and
- * non-Departmental government agencies — including statutory authorities, land councils, government business enterprises or tertiary education institutions.

All applicants must have an Australian Business Number (ABN) or an Australian Company Number (ACN) to apply for funding under the programme.

Those that are **not eligible** to apply for *Regional Partnerships* funding include:

- * individuals
- * organisations that are not incorporated under relevant Commonwealth or state legislation (for example, the *Corporations Act 2001*)
- * Area Consultative Committees
- * Australian or state government departments, and
- * lobby groups and other organisations seeking funding to support political activities.

Organisations that are not incorporated under Commonwealth or state legislation may submit an application sponsored by an incorporated organisation. This is also an effective way for organisations that have a good project proposal but don't have the skills to manage

their project to participate in the programme. Under these circumstances, the sponsoring organisation becomes the applicant.

An eligibility check list is available at Appendix A.

2.2 WHAT CAN BE FUNDED

Projects need to deliver broad community benefits. Projects need to contribute to one or more of the programme's four objectives. Examples of possible projects are listed below (by programme objective).

- ✦ **Stimulate growth in regions** by providing more opportunities for economic and social participation
 - community infrastructure projects — for example, community or cultural centres, community halls and sporting facilities
 - the establishment and/or expansion of private sector businesses to stimulate local economic development — for example, by providing employment or training (where it does not result in competitive advantage), or
 - the establishment and expansion of tourism-related infrastructure.
- ✦ **Improve access to services:** *Regional Partnerships* funding can contribute to funding for a building where other government agencies, community groups or businesses will provide the ongoing services. Suitable building projects might provide accommodation for:
 - services for the disabled
 - banking and postal services
 - access to technology
 - support for children and youth
 - cultural and environmental support services, or
 - services for special interest groups experiencing disadvantage within the community.
- ✦ **Support planning:** Projects could bring a number of groups together to share resources and develop a broader planning perspective. This objective is particularly directed at those communities in regional Australia with a population of less than 5,000. These projects might contribute to:
 - workforce planning (for industry or specific communities)

- plans to attract business investment to a region or otherwise strengthen the local economy, or
- plans to facilitate regional cooperation to improve coordinated service delivery or solve specific resource management problems.

These projects need to demonstrate how the outcome of the planning will be implemented by the community.

- ✦ **Help communities make structural adjustments:** These projects should provide transitional assistance to address a clearly defined impact on a community from either a one-off event (for example, a factory closure or drought) or an ongoing pressure driving change (for example, technological change or environmental challenges). Projects might contribute to assistance for businesses seeking to:
 - expand their production capability
 - value-add to existing products
 - move to new crops, or
 - establish new innovative industries.

2.3 ACTIVITIES INELIGIBLE FOR FUNDING

The *Regional Partnerships* programme will **not** fund:

- ✦ costs that are the responsibility of another funding programme or another level of government
- ✦ costs for which an organisation might reasonably be expected to make provision for in the general administration of their organisation, for example accountancy costs, organisational planning, staffing
- ✦ operational, core business or running costs for an existing entity, for example, salaries or wages
- ✦ corporate overheads and associated costs — for example, coordination, facilitation or management fees
- ✦ funding for commercial fund raising activities — such as the preparation of a prospectus
- ✦ costs to employ ongoing economic and community development workers
- ✦ costs to develop funding submissions or grant applications
- ✦ one-off conferences, seminars, competitions, expos or festivals that do not directly deliver sustainable economic or social benefits for the community

- overseas travel
- relocation costs — costs of moving an enterprise from one location to another that are not related to business expansion, and
- retrospective costs — any costs incurred before a funding decision is made.

2.4 EXISTING PROJECTS

Regional Partnerships funding may be considered for one or more stages of a multi-stage project including for the later stages of projects which have already commenced under other funding arrangements.

However, these proposals will only be considered for funding under *Regional Partnerships* where it can be demonstrated that *Regional Partnerships* funding is for a new aspect of the project.

Regional Partnerships cannot be used as a funding source for completing unfinished projects that have been funded from other government programmes and where other programme funding has been exhausted without completing the contracted activity.

2.5 OTHER INITIATIVES DELIVERED THROUGH THE *REGIONAL PARTNERSHIPS* PROGRAMME

The *Regional Partnerships* programme is also used to deliver other Australian Government initiatives, including:

- Textiles Clothing and Footwear Community Adjustment Package, and
- the Rural Medical Infrastructure Fund.

Additional details about the Rural Medical Infrastructure Fund are provided at Appendix B.

Community Adjustment Package

The government uses the *Regional Partnerships* programme to provide a framework for delivering assistance under an element of the Textiles, Clothing and Footwear Structural Adjustment Programme.

The application process, and eligibility rules, for this community adjustment package is the same as any other *Regional Partnerships* programme project. However,

when assessing these applications, particular consideration will be given to:

- the impact that industry change has had on the community, and
- how the project will address that impact.

Additional details about this initiative and eligibility requirements are available from www.regionalpartnerships.gov.au or from Area Consultative Committees.

The Rural Medical Infrastructure Fund (RMIF)

This fund is an Australian Government initiative designed to improve regional communities' access to medical practitioners.

Funds are available to local councils, including Indigenous Community Councils and local Divisions of General Practice to contribute to the cost of infrastructure for 'walk-in walk-out' health and medical facilities in regional communities, making it easier for the community to recruit or retain the services of general practitioners and allied health professional services. These projects are funded under the *Regional Partnerships* programme.

The application process is the same as for other *Regional Partnerships* programme projects, although there are additional specific requirements:

- projects must be in rural areas with a population of 10,000 or less, and
- the maximum grant is \$400,000.

When assessing these applications, particular consideration will be given to:

- the need for improved health and medical services for the targeted population
- whether the proposed practice management approach is sustainable
- whether the proposal includes effective recruitment and retention strategies, and
- the level of support from key health and medical stakeholders.

Additional details about this initiative and eligibility requirements are available at Appendix B, from www.regionalpartnerships.gov.au or from Area Consultative Committees.

2.6 WHAT SHOULD BE CONSIDERED WHEN DEVELOPING A PROPOSAL?

This section provides advice to assist applicants in preparing a competitive application.

Is *Regional Partnerships* the most appropriate source of funding?

All applicants should examine other Australian and state/territory government programmes that are designed to fund the activities proposed and may therefore be more appropriate to fund the project they are developing. ACCs and DOTARS regional offices can provide advice on this.

Regional Partnerships is not a substitute for specific purpose funding. Where an Australian, state or local government programme exists to meet a specific need, funding should be accessed through that programme. However, this does not rule out *Regional Partnerships* funds where specific purpose funding has been accessed to the maximum funding level, and a genuine gap remains. Further information about other funding programmes can be found at www.grantslink.gov.au or www.regionalaustralia.gov.au.

Area Consultative Committee involvement

Applicants are strongly encouraged to involve the ACC at an early stage in the development of their application as the ACC can provide assistance that will strengthen the application.

Contact details for the nearest ACC can be obtained at www.acc.gov.au or by phoning the Australian Government Regional Information Service on **1800 026 222**.

Project plan and budget

All applicants must prepare a project plan and budget as part of their application.

The project plan is a summary of the work to be done. It details the project goals and objectives, the tasks required to achieve these goals and the resources needed. The plan should be linked to the budget and include the timelines for completion.

The project budget summarises the overall project costs, broken down by budget item (for example, salaries, equipment and consultancies). The budget must also identify the proposed source of funds. It is necessary to provide information on items being funded by all project partners for example, items funded under the *Regional Partnerships* programme, by the applicant or by project partners (see Section 4.2 for further information on partnerships and support requirements).

ACCs can help applicants prepare their project plan and budget. Templates are provided in the application form.

Is the project purchasing goods and services?

If a project involves purchasing goods or services, applicants must demonstrate that the process for selecting a provider:

- involves open competition
- ensures value-for-money, and
- is ethical and fair.

When purchasing goods or services as part of their project, applicants should follow the policy found at www.dofa.gov.au/ctc/commonwealth_procurement_guide.html.

Applicants must, wherever practical, apply the following rules for purchases that are funded under the *Regional Partnerships* programme:

Purchase value (GST exclusive)	Quotes/tender process required
Less than \$5,000	minimum of one written quote
\$5,000 – \$80,000	minimum of three written quotes
More than \$80,000	a formal open tender process is required or limited tender in a particularly specialised market. Applicants would normally be required to conduct an open tender process following project approval.

Have you assessed the risks?

Applicants should consider risks as a part of the project development phase. This involves identifying:

- what can go wrong
- how likely that is
- how serious it would be, and
- how these risks will be managed to reduce the likelihood and/or seriousness of something going wrong.

The level of risk analysis will depend on the size and complexity of the project.

Does the project require statutory approvals?

Some projects require approvals, licences or other legal instruments such as planning and development approval from the local council or environment or heritage approvals from the state government. These approvals may take a considerable time to obtain and a project will be unable to proceed if it cannot obtain the required approvals.

Applicants should check the approval requirements with their local council and other authorities and make sure their application includes details of:

- all approvals required
- the approvals already obtained, and
- evidence of their ability to obtain all the necessary approvals within a reasonable time – usually three months (for example, a letter from the relevant authority).

If a project is approved without all required statutory approvals, it will be necessary to obtain the approvals before a first payment can be made.

Does the project involve surveys?

If the project involves a survey directed to 50 or more businesses (where the Australian Government funds more than half of the survey cost), the survey will require clearance by the Australian Government's Statistical Clearing House following notification of an approved project. Applicants need to allow time for this clearance in their project plan and timelines.

For more information on the Statistical Clearing House, refer to www.sch.abs.gov.au or phone **(02) 6252 5285**.

Have you considered relevant taxation issues?

Funds received from the *Regional Partnerships* programme are taxable supplies. Under Goods and Services Tax (GST) legislation, funding may be included in calculating the organisation's annual income. The applicant may need to become GST registered, if the amount of the funding received from the *Regional Partnerships* programme and other sources result in the organisation exceeding the GST threshold.

Applicants should seek guidance from the Australian Taxation Office (ATO) or their tax advisor on the impact of *Regional Partnerships* funding on their organisation's taxation liabilities.

The ATO website (www.ato.gov.au) provides information for businesses and individuals on GST and other taxation matters.

2.7 DO NOT START UNLESS THE PROJECT IS APPROVED

Applicants need to be aware that:

- no *Regional Partnerships* funds can be paid for work commenced prior to the date of the Ministerial Committee's approval. Payment of funds under the programme is subject to approval by the Ministerial Committee and the successful negotiation of a funding agreement
- successful applicants will not receive funding for their project until a funding agreement is finalised to DOTARS satisfaction and signed by both the applicant and the Department
- starting work on a project before all funds have been secured can make the application ineligible for funding programmes, including the *Regional Partnerships* programme. Applicants with projects that involve stages should seek advice from their ACC
- funds spent prior to the Ministerial Committee approval will not be considered a financial contribution to the project in the assessment of partnerships and support (see Section 4.2), and
- if an application for funding under the programme is successful, the Australian Government will expect work to commence in a reasonable time, usually three months. The Australian Government may withdraw funds if the project has not commenced within the agreed timeframe.

SECTION 3: HOW TO APPLY FOR FUNDING

An application needs to demonstrate that it has considered the issues outlined in Section 2 above, be based on a well developed project proposal, address the assessment criteria for the programme and must include a detailed project plan and budget.

This section provides advice to enable applicants to obtain, complete and submit an application.

3.1 OBTAIN AN APPLICATION FORM

Applicants can obtain an application form from:

- the programme website:
www.regionalpartnerships.gov.au (which provides both an online and a downloadable form), or
- an ACC.

3.2 WHAT TO INCLUDE IN AN APPLICATION

All applications must include:

- a copy of the organisation's certificate of incorporation
- a copy of the organisation's ABN/ACN number and GST registration
- a project plan
- an itemised budget that is supported by evidence of cost estimates (including supplier quotes where appropriate — see Section 2.6 for more detail)
- evidence of the need for the project and a commitment from people who will be involved in and benefit from, the project (for example, letters from potential users of project outcomes)
- a plan detailing what will happen after the funding period, including how the project or its outcomes will be sustained, and
- information about or copies of any relevant approvals, licences and other legal instruments required, or evidence of the applicant's ability to obtain the necessary approvals within a reasonable time — usually three months.

The Department may commission an independent external assessment of a project to examine viability. This may add to the time that the assessment takes depending on the quality of information supplied by the applicant. Additional information may be required if an application is:

- from a private sector or a for-profit applicant
- seeking more than \$250,000 in project funding, or
- for a project that will operate in a commercial environment.

The additional information required may include the following:

- Details of the applicant organisation's ownership and management structure, including personal details of partners and/or directors. Required details include their full name, date of birth, current residential address and, where possible, driver's licence number.
- A business plan for the project — this might include:
 - a feasibility study
 - industry data and market research
 - cash flow projections for the project period and an additional three years — including the assumptions used and key or sensitive factors in the projections (this might include investment analysis details such as the rates of return, liquidity and debt analysis assumptions)
 - a marketing strategy and related assumptions, and
 - a list of organisations with financial interests in the project.

More information may be requested by the Department about some projects and/or applicants after they have submitted their application. This may include documents such as:

- audited profit and loss and balance sheet statements
- an authorised statement of financial position, and/or
- tax returns for the last three financial years.

Applicants seeking project funding of \$50,000 or less are not required to answer all questions in the application form.

A checklist of information detailing what to include with an application appears at the end of the application form. Applicants should complete this checklist, before they submit their application, to make sure they have provided all the relevant information.

3.3 HOW TO SUBMIT AN APPLICATION

All applicants must use the *Regional Partnerships* application form.

Applications can be submitted at any time. There are no closing dates or rounds for the lodgement of applications.

Applicants should ensure that their application is complete by using the checklist included with the application form.

It is strongly recommended that applicants discuss their application with their ACC before they submit it. ACCs can also provide advice on the quality and completeness of an application. ACCs are aware of the sorts of applications that have been approved and those that have not been approved. They will be able to provide advice about whether the application includes sufficient information to demonstrate that it meets the *Regional Partnerships* programme objectives, the budget is clearly set out, and the application sufficiently addresses the assessment criteria.

Applications can be submitted by either:

- * creating and lodging the application form online at www.regionalpartnerships.gov.au
- * completing the application form offline or on paper and emailing or posting it to:
 - regional.partnerships@dotars.gov.au
 - The Manager, *Regional Partnerships* Programme, GPO Box 594, Canberra ACT 2601.

The application is not recognised as having been lodged until the Department receives a completed application form with all necessary attachments. The applicant will receive a letter from the Department confirming receipt of the application. This letter will also advise:

- * that any outstanding supporting documentation (for example that could not be submitted electronically)

is expected within five working days of lodgement of the application

- * whether any additional information is required (for example an application may require a financial viability assessment), and
- * an expected date for a decision on funding.

This letter will be copied to the relevant Area Consultative Committee. If all necessary supporting documentation is not received within the specified timeframes, the Department will write to the applicant to advise their application cannot be processed until this outstanding documentation is received and that a new expected date for a decision on funding will be provided once the outstanding documentation has been received by the Department.

3.4 CONFIDENTIALITY

When the Department receives an application, it will send a copy to the local ACC.

Applicants should note that information regarding their project may be shared with relevant Australian, state and/or local government agencies, and other relevant organisations and individuals.

If an application for funding is successful, the funding agreement between the Department and the applicant becomes a public document.

The Australian Government publishes the names of successful applicants and a summary of each project on the *Regional Partnerships* website and periodic publications.

Claim for confidentiality

As the Department does not automatically classify commercial information as commercial-in-confidence, the applicant must make a claim for confidentiality and obtain the Department's agreement to the classification, before they submit an application.

In certain circumstances, the Department will classify application and funding agreement information as confidential. These circumstances include those required under legislation and/or where the applicant has made a claim for confidentiality and the Department has agreed to the request.

If an applicant wants information to remain confidential (or *commercial-in-confidence*), they must write to the Department making their case for keeping all or part of their application or funding agreement confidential. Applicants must make this claim before they submit their application.

The Department will seek to honour confidentiality arrangements. However, the Department may be required to provide confidential information to the Parliament, which may make some information public.

SECTION 4: HOW APPLICATIONS ARE ASSESSED

Applications are assessed against the extent to which they meet the programme objectives, the programme assessment criteria and are consistent with Australian Government policy.

Regional Partnerships projects will be assessed against the following criteria:

- the **outcomes** that will be achieved
- the level of **partnership funding**
- **local support** for a project
- the **project's viability**
- the **applicant's viability**
- the extent of any **competitive advantage**, and
- the extent of any **cost shifting** by other levels of government.

These criteria are discussed in more detail below.

4.1 OUTCOMES

Outcomes are the long-term benefits that a project brings to a community. For example, outcomes might include an increase in employment, increase in education opportunities, improved community services, the delivery of improved financial services, expansion of infrastructure to service a larger proportion of the community, upgrades to community facilities which result in community benefits or an increase in community capacity.

Projects should have a positive outcome and represent value-for-money.

Project outcomes must be consistent with one or more of the four programme objectives:

- stimulate growth in regions
- improving access to services
- supporting planning, or
- assisting structural adjustment for communities.

How are the project outcomes assessed?

In assessing applications the level of project outcomes that will be achieved as a result of *Regional Partnerships* programme funding are considered. These outcomes must be consistent with the objectives of the *Regional Partnerships* programme and preference will be given to the stated Government priorities outlined in Section 1.

Applications will have a greater chance of success if they can quantify or otherwise demonstrate what the project will achieve, what the ongoing community benefits will be and what the level of need is for the particular project or intervention in a community.

For example, the benefits that the project will deliver may vary depending upon local circumstances. Some communities have very low levels of employment and limited opportunity for skills or jobs training. Applications that address these issues should provide an understanding of these circumstances and identify the number of jobs or training positions that will be created.

Where funding is being sought to upgrade or develop community infrastructure the application should explain the reason the project should be funded and the number of people who will use the community infrastructure created or services provided.

An important project outcome that will be considered is the cost effectiveness of delivering the desired outcomes and the value-for-money for the Australian Government.

It is not possible to develop simple assessment benchmarks to describe what represents good value-for-money outcomes – local community factors and project variables make this impractical. However, the following examples describe good value-for-money outcomes from previous projects funded under the *Regional Partnerships* programme:

- ⊗ where job creation is a focus, each ongoing full-time or equivalent job has been supported by less than \$25,000 of grant funds
- ⊗ where job-related training is a focus, each person trained has been supported by less than \$10,000 of grant funds
- ⊗ where community infrastructure is a focus, the grant funds have been less than \$1,000 for each likely user of the facilities
- ⊗ where provision of professional services is a focus, each new service or group of services has been

supported by less than \$500 of grant funds for each likely user of the services, and

- ⊗ where planning is a focus, a commitment to provide at least 50% of the required funding to implement the plan has been provided.

Descriptions of projects funded by the *Regional Partnerships* programme are available at: www.regionalpartnerships.gov.au.

4.2 PARTNERSHIP FUNDING

Developing partnerships and securing funding support is a requirement for *Regional Partnerships* project funding.

Funding contributions from partners are assessed on the level of the funding offered. Partnership funding can be money contributed to the project or it can be time and/or materials donated to the project (that is, in-kind contributions) from other sources.

Money spent on an activity or materials prior to the *Regional Partnerships* funded project commencing is not counted as a cash contribution and will not be considered as evidence of partnerships and support for the project. However it can be a factor in assessing the project against this criterion.

Generally, a partnership contribution of at least 50% is required to meet this criterion. Commercial activities will normally require at least 60% (cash, including borrowings) contribution to a project. The programme will not necessarily make up funding shortfalls from other sources (for example after banks have decided to limit the extent of the finance they will provide). Applicants will be required to provide evidence and/or verification of all partner cash contributions to a project.

Applicants are required to detail secured and committed cash and in-kind contributions by the project participants that:

- ⊗ have been appropriately costed (unless providing specialised or professional services, volunteer labour should be valued at \$20 per hour), and
- ⊗ represent a genuine cost to the contributor.

How are partnership contributions assessed?

The assessment of partnership funding is usually considered as follows:

- whether appropriate funding stakeholders are involved and whether their level of funding contribution is appropriate. Contributions from state government sources, local business, community fund raising and the applicant are considered to be appropriate
- whether alternative funding sources have been sought
- whether contributions are secured and committed
- how genuine the contributions are (for example, whether there is evidence of commitment from funding contributors), and
- whether contributions are calculated appropriately.

Partnership contributions are rated during the assessment process as being either weak, adequate, good or excellent as outlined below:

Non-commercial Projects (percentages relate to **total** co-funding amounts)

Partnership support for this project is considered...

<i>Weak</i>	Less than 50% partnerships
<i>Adequate</i>	50% up to 59.9% partnerships
<i>Good</i>	60% up to 74.9% partnerships
<i>Excellent</i>	75% and over partnerships

Commercial Projects (percentages relate to **cash** co-funding amounts)

Partnership support for this project is considered...

<i>Weak</i>	Less than 60% partnerships
<i>Adequate</i>	60% up to 69.9% partnerships
<i>Good</i>	70% up to 79.9% partnerships
<i>Excellent</i>	80% and over partnerships

Anticipated income from a commercial activity is not regarded as a partnership contribution.

Community considerations

Lower levels of partnership funding may be considered where a community or group faces unusual challenges, including applications where:

- the project benefits small communities or disadvantaged groups which have a low average income base or are remote
- the project benefits areas suffering from economic decline or natural disaster (such as prolonged drought, bush fire, large scale flooding or storm damage), or
- the applicant is a local council in a remote area where:
 - there are only a small number of rate payers
 - the majority of people have low incomes, or
 - the council will contribute cash to the project.

4.3 EVIDENCE OF LOCAL SUPPORT

Applications are required to address the support criterion by demonstrating involvement by appropriate stakeholders.

Consideration will be given to the degree that the broader community or related businesses support the project, including a commitment to keeping the project going after the funding period.

Applications need letters of support and evidence of endorsement (through consultation), particularly if the project will impact on another group or organisation in the community. Where possible, applicants should obtain letters of support from community organisations, local businesses that may be affected, community leaders or elected representatives of the three levels of government.

4.4 PROJECT VIABILITY

Project viability is considered from two perspectives. Initial viability relates to whether the project can be completed, and ongoing project viability relates to how the project outputs will be maintained so that it results in sustainable community outcomes.

Applications are required to address aspects of viability appropriate to their application including:

- ownership of equipment or facilities or other assets that may be funded under the project
- the accuracy of the budget and costings, feasibility studies or project plans
- information on whether there is any need for planning approvals or licences and that these requirements have been met or fully considered
- the provision of business plans and cash flow projections
- ongoing maintenance and management
- funding that may be required for future stages of the project
- identification of key milestones and the proportion of project funding for each of the milestones
- if the project had previous stages, how it was funded in the past, and/or
- the results of any independent viability assessments if relevant.

The success of a project requires that it is viable beyond the duration of the project funding.

How is project viability assessed?

All projects will be assessed to determine the viability of the project proposal based on the extent to which the criteria above are satisfactorily addressed and whether the project can deliver sustainable outcomes beyond the life of the project funding.

Projects that are seeking more than \$250,000, or are assessed as having a high project or applicant risk, may need to provide a business plan and be subject to an independent external financial viability assessment. This will involve consideration of:

- ownership and management structures and financial records, and
- the business plan and financial projections for the project.

Where an independent external assessment is required, the length of time taken to assess the application may be increased depending on the quality of information supplied by the applicant.

This assessment may also seek comments from other government agencies concerning the project.

An existing independent financial viability assessment may be accepted (for example, an assessment undertaken by a bank or reputable funding partner) if the applicant has a recent assessment available.

4.5 APPLICANT VIABILITY

Consideration will be given to the nature of the organisation and the sort of project that is proposed. Important considerations will be:

- the type of organisation (for example, whether the organisation is local government, private enterprise, community group etc.)
- evidence of expertise/skills to manage the project
- the credentials of the applicant
- the ability of an applicant to deliver the outcomes, and
- the level and likelihood of the risks involved, including how identified risks will be managed.

4.6 COMPETITIVE ADVANTAGE

Applications that seek funding for projects that will operate in a commercial environment will need to demonstrate that the project will not result in the applicant (or any other party) developing a competitive advantage over other commercial operators.

Applications will not be funded if they would have the effect of reducing the viability of existing businesses, including competing businesses outside the region.

Consideration will be given to the extent of possible competition and the effect on existing business competitors.

ACCs will be asked to provide specific advice on the extent of any competitive advantage for projects operating in a commercial environment and which seek more than \$50,000 from the *Regional Partnerships* programme.

4.7 COST SHIFTING

An important consideration in the assessment of applications is whether the project funding represents cost shifting by another level of government, or other government body, and the extent of that cost shifting. *The Regional Partnerships* programme does not fund projects which are the responsibility of other government bodies.

For example funding for essential services, roads, public housing and major community infrastructure is largely a state government funding responsibility.

Many services are delivered or supported through other Australian Government programmes and initiatives such as employment services, telecommunications, and large scale environmental and water projects.

Applications that seek *Regional Partnerships* programme funding which duplicate existing activities will not be supported.

In some instances, where a community is experiencing significant disadvantage or a large amount of partnership funding has been provided from another level of government, or other government body, *Regional Partnerships* programme funding may be considered.

SECTION 5: HOW DECISIONS ARE MADE

5.1 THE *REGIONAL PARTNERSHIPS* MINISTERIAL COMMITTEE

The *Regional Partnerships* Ministerial Committee has overall responsibility for the programme.

The Committee will consider each application based on:

- the Department's advice concerning the project's consistency with the programme's assessment criteria
- the ACC's advice concerning local priorities, and
- other information about local circumstances.

The Ministerial Committee may also decide to offer applicants partial funding, and/or funding conditional on meeting particular requirements. Typically, funding conditions may include securing co-funding or finalising planning and other statutory approvals.

5.2 ACC COMMENTS

Recommendations provided by the local ACC will be considered by the Ministerial Committee. ACC comments will include a rating about whether the project is a high, medium or low priority for the region and whether the project aligns with the ACC Strategic Regional Plan.

5.3 LOCAL CIRCUMSTANCES

The Ministerial Committee will consider information on local circumstances drawn from a variety of sources that may include one or more of the following:

- the application
- the ACC
- the Department's regional office
- letters of support, and
- other sources of advice on local circumstances.

5.4 ADVISING THE RESULTS OF THE APPLICATION

The programme aims to assess all applications within 12 weeks (and projects under \$50,000 within 8 weeks) of receiving a complete application form. Assessment of complex proposals, particularly those that require advice from other government agencies and/or require comments from external organisations, may take longer.

Once a decision has been made by the Ministerial Committee, a letter will be sent to advise the applicant of the outcome.

If successful in obtaining funds, the applicant will receive a letter from the Minister for Transport and Regional Services, advising them that their application has been approved. They will be asked to confirm their intention to accept the offer within two weeks. A representative of the Australian Government, or the ACC, may also contact the applicant to make arrangements for a public launch of the project.

5.5 PROCESS REVIEW

Applicants who are unsuccessful or have a lower level of funding approved than that requested, can ask to have the assessment reviewed. The review will be conducted by Departmental staff who were not involved in the initial assessment of the project. To be eligible for a review, applicants must write to the Department within six weeks of receiving the letter advising them of the outcome of their application. The formal request must be addressed to the:

General Manager
Regional and Indigenous Policy Branch
Department of Transport and Regional Services
GPO Box 594
Canberra ACT 2601

Requests for a review of the assessment process must show that the information supplied in the original application was misunderstood or misinterpreted, that proper procedures were not followed or that further information subsequently provided by the applicant may alter the original assessment.

Applicants must provide a detailed explanation of why they are requesting a review and include any new information that might assist the claims of the project as

long as the new information is provided to clarify any information already provided and does not substantively alter the nature or scope of the original application. If new information is provided in the review request that substantially changes the nature or scope of the original application, the Ministerial Committee will be advised that the application has been altered and, subject to the views of the Ministerial Committee, the applicant may need to submit a new proposal.

Examples of new information could include new partnership arrangements, new partners, changed budget or significant changes to the scope and activity to be undertaken in the project.

If the review finds that an initial project assessment is found to have been based on misinterpretation or misunderstanding of the facts of the project, the Ministerial Committee will be advised and the application will be reconsidered by the Committee.

Before seeking a review, or if a review request is refused, applicants should discuss with their ACC whether they wish to submit a new application that addresses the deficiencies identified in their original application.

The Department will advise the applicant, within ten days of receiving a request, whether a request for review is accepted. The outcome of any review will be advised to the applicant within six weeks.

SECTION 6: CONTRACTING AND FUNDING

6.1 ACCOUNTABILITY

The Australian Government's offer of funding is current for three months from the letter of offer after which time the offer will be withdrawn if not accepted. Exceptional circumstances may be considered by the Department to extend this period of offer on a case-by-case basis.

If the application for funding is not approved the applicant will receive a letter from the Department advising them of the outcome of their application and the reasons for the decision.

Successful applicants will be required to enter into a funding agreement with the Australian Government (represented by the Department).

The funding agreement is a legally enforceable document that sets out the terms and conditions of the grant funding, including:

- a description of the project
- reporting arrangements
- milestones in the progress of the project
- a payment schedule, and
- agreed project outcomes and performance measures.

The agreement aims to:

- protect the Government's interests and achieve value-for-money for public funds,
- ensure the achievement of the outcomes of the project, and
- ensure appropriate recognition of Australian Government funds.

You can view the *Regional Partnerships* programme funding agreement at:

www.regionalpartnerships.gov.au/index.aspx

6.2 NEGOTIATION – MILESTONES, TIMELINES AND PAYMENTS

The Department's regional offices will draft a funding agreement based on the approval, any comments provided by the Ministerial Committee and the details in the application including identifying a payment schedule against the milestones identified in the application. Regional offices will work with applicants to finalise the agreement so that it clearly defines the obligations of both parties.

The agreement will describe the purpose for which *Regional Partnerships* funding will be used, provide a description of how, when and where the project must be delivered, how *Regional Partnerships* funding will be applied, when payments will be made and what requirements need to be met to receive payments.

SECTION 7: MANAGING THE PROJECT

7.1 PROGRESS REPORTS AND SITE VISITS

Once approved, the applicant organisation needs to actively manage the project.

It is recommended that successful applicants consider appointing a designated project manager (for large projects this may be a full-time position) and a project management steering committee. If established, a steering committee should manage the project (using the project plan to monitor the achievement of milestones), review progress and manage risks to the project that could result in delays or cost overruns.

The Department will monitor the project's progress against the funding agreement including using progress reports and conducting site visits.

Progress reports

Applicants must provide regular progress reports on the agreed milestones. The requirement to acquit expenditure will also be covered in these reports.

The timing of reports will be negotiated as part of the funding agreement and will generally be closely linked to the agreed milestones. Where progress payments are linked to the achievement of specific milestones, these payments will only be made after the relevant progress report is accepted by the Department.

Site visits

Departmental representatives will also visit project sites, where appropriate, to monitor how projects are progressing.

7.2 PAYMENTS

Before the first funding payment can be made to an applicant a funding agreement must have been signed by both parties and a properly rendered tax invoice for the amount of the payment received by the Department. Also, if funding has been approved subject to meeting

certain conditions, evidence must be provided to the Department that the conditions for funding have been met. Subsequent payments will not be made until the Department receives and accepts the following items:

- an acquittal showing that previous payments have been fully expended
- progress reports as identified in the funding agreement, and
- a properly rendered tax invoice for the amount of the payments.

7.3 ACQUITTALS

Applicants must also provide the Department with acquittals, and for some projects, audited statements that demonstrate that they have spent the *Regional Partnerships* funding on, and for, the purposes agreed in the funding agreement.

Applicants should familiarise themselves with the *Regional Partnerships* funding agreement to ensure they are able to comply with the acquittal requirements.

When the project has been completed, applicants must complete:

- a 'post activity report', to demonstrate that they have achieved all the agreed milestones, and
- an acquittal, or audited statement, of all expenditure of *Regional Partnerships* funding.

A copy of the progress and post activity report templates are available from the Department's regional offices.

7.4 EVALUATION

To enable evaluation of the ongoing benefits of the *Regional Partnerships* programme each applicant is required to identify the project's key outcomes and the manner in which they will be measured (performance measures). These outcomes and performance measures will be included in the funding agreement. The post activity report is a requirement and will be important for documenting what was achieved with the total amount

provided for the project under the *Regional Partnerships* programme.

Information provided in this report will be used to:

- determine that the project has been completed and to assess whether or not it was successful, including whether the outcomes identified in the project application have been achieved, and
- to support overall programme evaluation and reporting, including to Parliament.

Applicants may also be asked, from time to time, to participate in broader *Regional Partnerships* programme evaluations.

SECTION 8: GLOSSARY

Acquittal: Formal statement by applicant at the conclusion of the project of income and expenditure against the project plan and project budget in the funding agreement.

Applicant: The organisation making an application for *Regional Partnerships* funding. The applicant can be a sponsoring organisation but must be incorporated under relevant Commonwealth or state (territory) legislation.

Australian Business Number (ABN): The ABN is the single business identifier that allows businesses to meet their regulatory obligations and access information and assistance through a single entry point to government. It is also for use when dealing with other businesses.

Australian Company Number (ACN): The ACN is a unique nine-digit number issued to every company registered under the *Corporations Act 2001*. The ABN includes the nine digit ACN.

AGRIS (Australian Government Regional Information Service): AGRIS is the Australian Government's information access service for people living in rural, regional and remote areas. AGRIS provides people living outside of the capital cities with a comprehensive range of information about Australian Government programmes, agencies and services.

Business plan: A business plan is a more comprehensive document than a project plan and is required for all projects over \$250,000. It should provide evidence that a business proposal is sound. A business plan should at least include: business description, target market, competition, positioning, customers, sales distribution and marketing, and a cash flow statement.

Commercial environment: A project operates in a commercial environment if its financial transactions result in profits to the applicant.

Competitive advantage: The advantage that one business or enterprise has over another, and which makes that business relatively more profitable or viable.

Cooperatives: A cooperative is an organisation owned and controlled by the people it serves who join together for a common benefit. A cooperative may be formed for

the provision of goods or services to members or for the supply of goods or services to the general public. Cooperatives will be considered a commercial enterprise if, according to their rules, profits are distributed to members.

Core business: Relates to functions which Government or the private sector might reasonably be expected to make a provision for — for example, a council maintaining its own facilities such as swimming pools.

Cost shifting (also referred to as duplication): Transferring a financial liability from a party that normally incurs that cost to another party, including government and other organisations.

Cost shifting applies to the transfer of those costs that organisations:

- * might reasonably be expected to make provision for, or
- * already receive funding from other agencies or sources.

Department: The Department of Transport and Regional Services (DOTARS)

Disadvantaged communities: Examples of disadvantaged communities include communities in a remote area under the ABS classification, local government areas with a low rate base, communities where the majority of people have a low income, communities experiencing sustained economic difficulties (eg drought or major industry closures) and special interest groups experiencing disadvantage within the community (eg Indigenous or migrant groups).

DOTARS: Department of Transport and Regional Services.

For-profit (organisation): An organisation is for-profit if it carries on activities for the profit or gain of its individual members. This applies to both direct and indirect gains.

Goods and Services Tax (GST): The GST is a broad-based tax of ten per cent on the supply of most goods and services consumed in Australia.

In-kind contributions/in-kind support: In-kind support to a project consists of products or services provided to the project that have an intrinsic value, but are not provided as direct cash or financial support.

Examples include volunteer labour and the use of an office at no charge (the value of the rent not charged would be an in-kind contribution).

Milestones: A key achievement at a specific stage in the project. Payments of grant instalments are generally tied to the achievement of milestones, usually at dates set out in the funding agreement schedule.

Non-profit (organisation): An organisation is non-profit if its activities are not carried on for the profit or gain of its individual members. The constitution or governing documents of the organisation should prohibit distribution of profits or gains to individual members.

Outcomes: An outcome is the result, impact or consequence of the project. For example outcomes could include: an increase in employment, increase in education opportunities or increase in community capacity. Projects should have a positive outcome. Outcomes should address the stated priorities of the *Regional Partnerships* programme.

Output: The output is the product of the project (e.g. a building, a plan, a service). An output should meet the assessment criteria and contribute to an outcome.

Partner/partnerships/funding partner: An individual or organisation that makes a financial and/or in-kind contribution to a project.

Performance measure: Performance measures are indicators of the extent to which progress towards the outcomes have been achieved during the project.

Programme: Refers to the *Regional Partnerships* programme.

Project viability: Evidence that the project outcomes are sustainable beyond the funding period, that the project has been appropriately costed and that there is sufficient funding to achieve the outcomes. The purpose of assessing project viability is to ensure that projects funded by the Australian Government will not need further funding to enable the outcomes to be completed or sustained.

Recipient: An organisation that receives *Regional Partnerships* funding.

Regional office: Refers to the regional offices of the Department of Transport and Regional Services.

Remote communities: Refers to the remote and very remote classifications under the remoteness criteria of the Australian Bureau of Statistics Australian Geographical Classification System.

Retrospective costs: Any project costs incurred prior to a funding decision by the Ministerial Committee. Applicants should not commit to, or incur, any expenditure on a project prior to a project being approved.

Small community: Refers to communities with a population of 5,000 people or less.

Sponsor: Organisations that are not incorporated under state or Commonwealth legislation, or lack project management skills, may wish to have an eligible organisation sponsor their application. In a sponsorship arrangement, the sponsor is considered to be the applicant.

Statutory approvals: Include approvals for building, excavation, tree felling, environmental or heritage approvals obtained through a local council.

Steering committee: A committee that oversees a project to make sure that it progresses and achieves its milestones and outcomes. Projects are encouraged to have an ACC representative on their steering committee.

Strategic Regional Plan: To guide its local-level activities, each ACC brings community stakeholders together to identify opportunities, priorities and growth strategies for the region. This community consultation enables each ACC to develop a three-year Strategic Regional Plan for its region.

Structural adjustment: A change in a community in response to the impacts of either a clearly defined one-off event or ongoing social, economic or environmental change. Examples include adjustment to closure of a major regional employer, sustained drought or changes to government regulations that deliver broad community benefits but impact disproportionately on a small group.

Support: The degree that the broader community is behind a project, including a commitment to sustain the outcomes of the project after the funding period. Community support for the project is critical to the long term success and viability of the project.

Sustainability: The continuation of the project outcomes beyond the period of funding.

APPENDIX A: *REGIONAL PARTNERSHIPS* – ELIGIBILITY CHECK

These questions will help you determine if your organisation and project are eligible to apply to *Regional Partnerships*.

ALL APPLICANTS

- 1) Is the applicant organisation one of the following types?
 - * Area Consultative Committee
 - * Australian Government department
 - * state government department
 - * an individual (does not include sole traders)

Yes to any – not eligible to apply

No – continue to next question.
- 2) Is the applicant organisation incorporated under Commonwealth or state legislation? For example, a company, a council, a cooperative, a registered charity, an incorporated association?

Yes – continue to next question

No – not eligible. However, your organisation can be sponsored by a registered organisation.
- 3) Does the applicant organisation (or sponsor, where relevant) have an Australian Business Number (ABN) or an Australian Company Number (ACN)?

Yes – continue to next question

No – not eligible

Application pending. If your application to *Regional Partnerships* is successful in gaining funding you will not be eligible to receive that funding until you supply an ABN or an ACN. Refer to www.ato.gov.au to find out how to obtain an ABN/ACN.
- 4) Are you a private sector organisation seeking *Regional Partnerships* funding for a plan or study?

Yes – not eligible

No – you are eligible to apply.

If all answers indicate that you are eligible please consider preparing an application for *Regional Partnerships* funding in consultation with your local ACC. ACC assistance is a free service.

FACT SHEET

APPENDIX B: RURAL MEDICAL INFRASTRUCTURE FUND

The Rural Medical Infrastructure Fund (RMIF) is an Australian Government initiative designed to improve the access of regional communities to medical practitioners.

Funds are available to local councils including Indigenous Community Councils and local Divisions of General Practice to contribute to the cost of infrastructure for 'walk-in walk-out' health and medical facilities in regional communities, making it easier for the community to recruit or retain general practitioners and allied health professional services.

Who is eligible for the RMIF?	<ul style="list-style-type: none"> * The RMIF is available for local councils including Indigenous Community Councils (if there is not a local government body) and local Divisions of General Practice. * Clinics can only be funded if they fall within the Inner Regional, Outer Regional, Remote and Very Remote classifications under the remoteness criteria of the Australian Bureau of Statistics Australian Geographical Classification System. * They can only be funded in communities of less than 10,000 people.
How much funding is available?	<ul style="list-style-type: none"> * \$5.0 million per year nationally over three years. * Funding of up to \$400,000 is available per clinic.
When did the funding start and when does it finish?	<ul style="list-style-type: none"> * The RMIF started on 1 July 2005 and ends on 30 June 2008.
What exactly will be funded?	<ul style="list-style-type: none"> * Funds are available to contribute to the cost of infrastructure including fit out for 'walk-in, walk-out' community health and medical facilities for doctors and/or allied health professional services. * Residential housing can be considered for RMIF under exceptional circumstances (see below).
Is there anything that won't be funded?	<ul style="list-style-type: none"> * Funding will not be provided for operational expenses, practice management or ongoing building or equipment maintenance and repair. * Projects cannot be funded retrospectively.

<p>The RMIF is shown on the website under the Australian Government's <i>Regional Partnerships</i> programme. What is the connection?</p>	<ul style="list-style-type: none"> ⊗ The RMIF is a fund established by the Australian Government specifically to assist small regional communities to attract or retain general practitioners and allied health professional services. ⊗ It is being administered using the processes and procedures already established for the <i>Regional Partnerships</i> programme. Instead of setting up new administration, the Government is taking advantage of an established system for administering regional grants.
<p>Are there detailed guidelines?</p>	<ul style="list-style-type: none"> ⊗ Yes. They are available from: www.regionalpartnerships.gov.au or by calling 1800 026 222.
<p>Where is the application form for the RMIF?</p>	<ul style="list-style-type: none"> ⊗ There is no special application form for the RMIF. The <i>Regional Partnerships</i> programme application form is used or applications can be made online at www.regionalpartnerships.gov.au ⊗ When answering the questions on the application form, applicants will need to address the <i>Regional Partnerships</i> programme guidelines and the specific assessment considerations for the RMIF.
<p>What are the specific assessment considerations for medical-related projects?</p>	<ul style="list-style-type: none"> ⊗ An application should provide: <ul style="list-style-type: none"> – a clear demonstration of the need for improved health and/or medical services for the targeted population – a clearly defined and sustainable practice management approach – evidence of effective recruitment and retention strategies, and – support from key health and medical stakeholders.
<p>Can eligible applicants get help with their proposals?</p>	<ul style="list-style-type: none"> ⊗ Eligible applicants should develop their projects and applications in conjunction with their local Area Consultative Committee (see www.acc.gov.au for locations).
<p>Will health and medical groups be involved?</p>	<ul style="list-style-type: none"> ⊗ Applicants will need to demonstrate that health and/or medical groups in their community support the project. ⊗ Applicants will also need to develop a sustainable practice management model and effective recruitment and retention strategies. To do this they will need to work closely with health and/or medical organisations.

<p>When can the RMIF fund residential housing applications?</p>	<ul style="list-style-type: none"> ⊗ Residential housing can be considered for RMIF in the following circumstances: <ul style="list-style-type: none"> – the community is in a Remote or Very Remote area under the Australian Bureau of Statistics Australian Geographical Classification System, and – the community is at least 50 kilometres or 30 minutes travel away from the nearest clinical practice, and – the community demonstrates that there is no suitable housing available from either the private or government sector, and – the RMIF contribution to the residential property is capped at 30% of the total cost of the residence, and – there are restrictions in the funding agreement that the property cannot be sold for seven (7) years following the release of funds.
<p>What about partnership funding?</p>	<ul style="list-style-type: none"> ⊗ Requirements for partnership funding are the same as for the general <i>Regional Partnerships</i> programme however lower levels of partnership contributions will be considered where a community faces unusual challenges. This could include where: <ul style="list-style-type: none"> – the project benefits very small communities which have a low average income base, low rate base and/or are remote, and/or – the project benefits areas suffering from economic decline or natural disaster (such as prolonged drought).
<p>If a project is not eligible for funding under the RMIF can interested organisations apply under the <i>Regional Partnerships</i> programme?</p>	<ul style="list-style-type: none"> ⊗ The RMIF is targeted to an identified need in small regional communities. If a project is ineligible under the RMIF guidelines it may be eligible under the general <i>Regional Partnerships</i> guidelines (available at www.regionalpartnerships.gov.au). Applicants should liaise with their local Area Consultative Committee.
<p>If applying for a medical-related project under the <i>Regional Partnerships</i> programme rather than RMIF, what do applicants need to consider?</p>	<ul style="list-style-type: none"> ⊗ All <i>Regional Partnerships</i> programme projects need to address the programme assessment criteria which broadly involve demonstrated outcomes, partnership and viability. While not mandatory, it would be advantageous if the specific assessment considerations are addressed in the application.

Can applications be made to both the RMIF and the general *Regional Partnerships* programme for the same project but different components?

- ⊗ Funding for a medical-related project from both the RMIF and the general *Regional Partnerships* programme is not possible. However, applicants could seek funding for a medical-related project under RMIF and also submit a complementary general *Regional Partnerships* programme application for a separately identified, yet complementary project, for example, a community centre that contains medical facilities.
- ⊗ As an alternative, applicants can make one application under the general *Regional Partnerships* programme for the entire community centre.

What are allied health professional services?

- ⊗ For the purposes of the Rural Medical Infrastructure Fund (RMIF) allied health professional services can include:

Aboriginal Health and Mental Health Workers	Orthodontists/Prosthetists
Audiologists	Osteopaths
Chiropodists	Physiotherapists
Chiropractors	Podiatrists
Counsellors	Psychologists
Dentists	Radiographers
Dieticians/Nutritionists	*Registered nurses in specialist roles
Occupational Therapists	Social workers
Optometrists	Speech pathologists
Orthoptists	

*Specialist roles may include asthma management, diabetes education or mental health

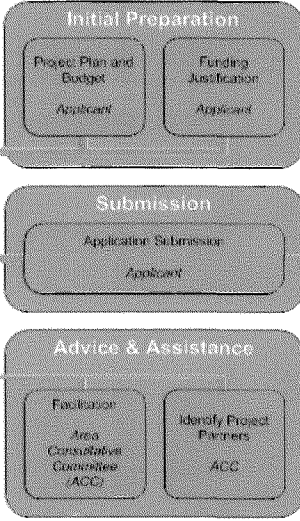
Attachment B

Regional Partnerships Program Workflow

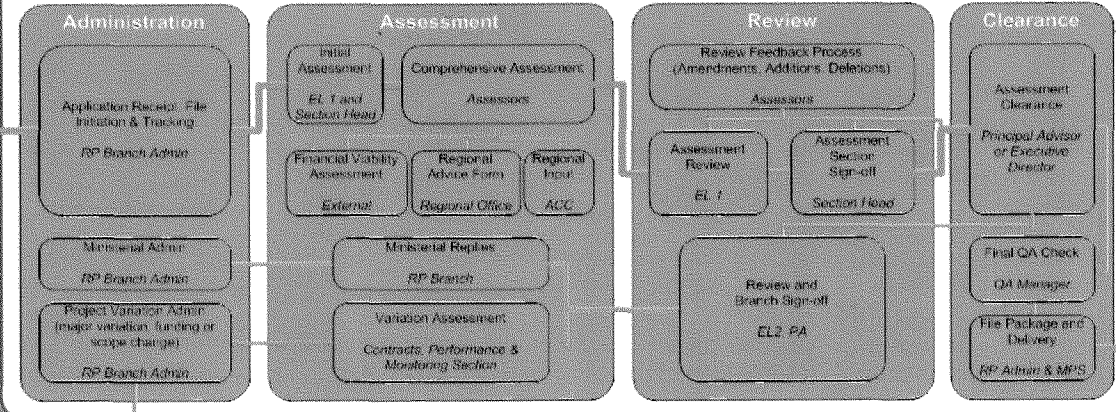
REGIONAL PARTNERSHIPS PROGRAMME WORKFLOW



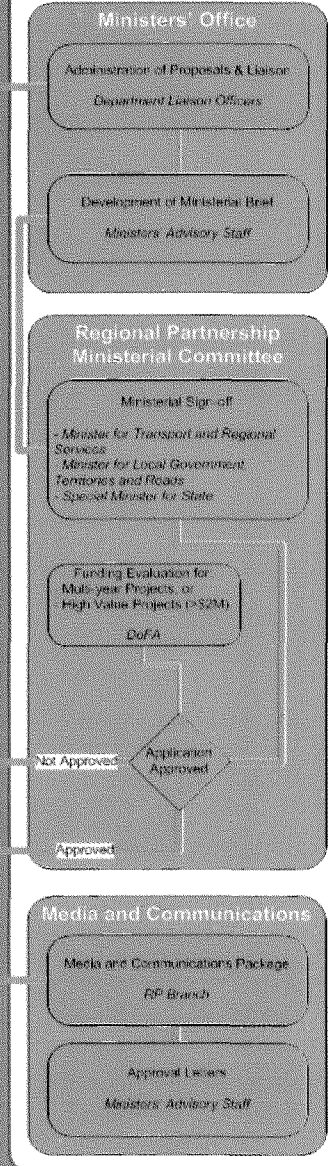
1. APPLICATION



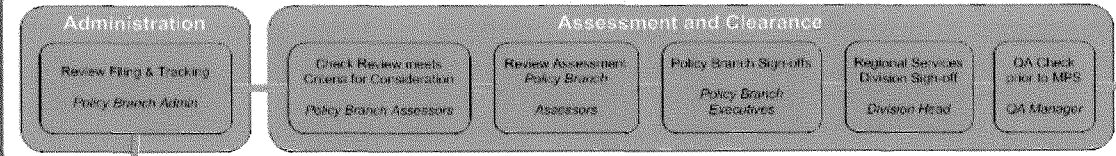
2. ASSESSMENT PROCESS



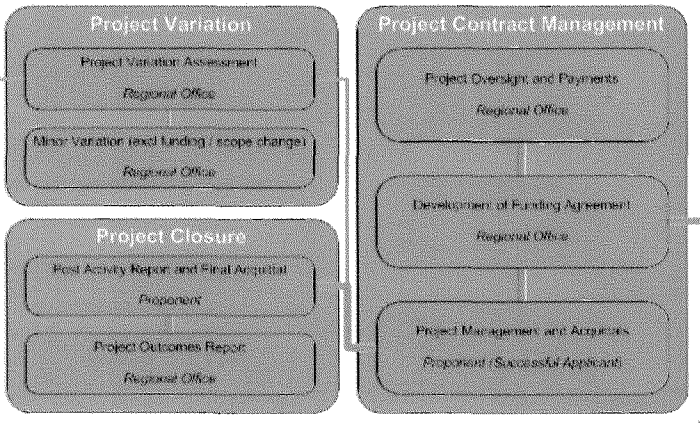
3. DECISION



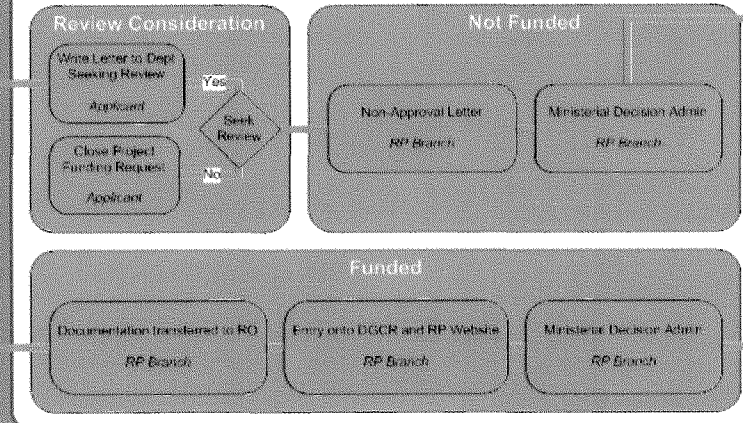
6. REVIEW PROCESS



5. IMPLEMENTATION



4. POST-DECISION ADMINISTRATION



Attachment C

Media Release by the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Anthony Albanese MP – funding for 86 not for profit and local government projects – 28 May 2008

MEDIA RELEASE

The Hon Anthony Albanese MP

Minister for Infrastructure, Transport,
Regional Development and Local Government



28 May 2008
AA051/2008

CERTAINTY AND FAIRNESS FOR COMMUNITY GROUPS MISLED BY FORMER GOVERNMENT

The Rudd Labor Government will provide certainty for up to 86 not-for-profit and local government projects which were granted approvals but did not have formal contracts under the previous government's Regional Partnerships program.

It is clear from our discussions with community groups and local councils that many were led to believe that funding agreements had been finalised with the previous government.

This has placed community groups in a difficult situation where many have spent their meagre resources to start work.

That is why the Government is taking a common sense approach in considering these projects.

Under the plan, the Government would give 86 not-for-profit and local government projects until 31 July 2008 to complete contract negotiations with my Department.

In addition, they will be required to meet strict timetables and requirements to begin construction. This is to ensure they are sustainable and genuine projects.

This approach will assist community groups and local councils that began work on projects based on false promises made by the former government.

The former government's approach was to promise all things to all people without putting in place proper processes which ensured projects were actually delivered.

For example, in Bundaberg, the Lake Ellen playground received a conditional approval of \$215,000 to purchase playground equipment for children, including those with disabilities. Without any contractual arrangements, the Lake Ellen playground was given Australian Government funding display signs to put up outside their construction site.

The Lake Ellen playground project was symptomatic of the former Government's approach, criticised in the Australian National Audit Office 1,200-page report released on 15 November 2007. The Audit Office said:

"A feature of the Programme's administration in the three years to 30 June 2006 was the frequency with which practices departed from the published Programme Guidelines and documented internal procedures."

(Performance Audit, Volume 1, page 35)

The Audit Office also highlighted the example of an \$845,000 Regional Partnerships grant for the Peel Region Tourist Railway which the Prime Minister approved without even an application being lodged.

In a 51-minute spending spree before the 2004 election caretaker mode, the former Parliamentary Secretary De-Anne Kelly also approved 16 projects worth \$3.3 million.

The Rudd Government's common sense approach will give not-for-profit groups who were misled by the former government, the opportunity to complete their contracts.

We also recognise that under the new plan, not all of these projects will meet the requirements to become eligible to receive financial support.

In addition, 21 other projects that were also approved but not contracted by the former government are already being funded either as election commitments or through the Rural Medical Infrastructure Fund.

The remaining eight projects were commercial for-profit projects that were also approved but not contracted by the former government, however they will not be considered under the Rudd Government's common sense plan.

From next year, there will be a new fund - the Regional and Local Community Infrastructure Program - to invest in community projects through a proper, accountable process.

The House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government, is conducting a public inquiry, with the assistance of Independent MP, Tony Windsor, on the structure of the new program.

Media Contacts

Moksha Watts (Mr Albanese's Office) 0413 389 070

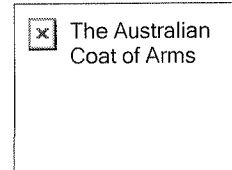
Local councils and community organisations that were approved but not contracted can contact the Departments Information Line on 1800 038 160.

URL: http://www.minister.infrastructure.gov.au/aa/releases/2008/May/AA051_2008.htm

Attachment D

Media Release by the then Minister for Transport and Regional Services outlining changes to the *Regional Partnerships* Program – 15 November 2005

MEDIA RELEASE



The Hon Warren Truss MP

Minister for Transport and Regional Services

15 November 2005
051WT/2005

CHANGES TO MAKE *REGIONAL PARTNERSHIPS* STRONGER

The Australian Government's delivery of regional services funding will be streamlined, and the role of local advisory committees strengthened, through changes to the *Regional Partnerships* program announced today by the Minister for Transport and Regional Services, Warren Truss.

Mr Truss said the changes were aimed at making a good program even better.

"The *Regional Partnerships* program had been running for just on two years when I became Minister [in July], so it is timely to review its operation and see how we can make it even better."

"The changes will make the application process simpler and faster, and provide clearer guidance on what kind of projects will be approved.

"Department officers in the regions will work closely with local Area Consultative Committees (ACCs) to develop quality applications, which will then go through a single assessment process in Canberra.

"This streamlining will mean that any problems with project applications can be identified locally and dealt with quickly, and final decisions on projects will be made sooner," he said.

ACCs will receive annual letters identifying the Government's *Regional Partnerships* priorities and there will be wider consultation in the development of strategic plans.

Final decisions on projects would now be made by a committee of Ministers: Mr Truss; the Minister for Local Government Territories and Roads, Jim Lloyd; and the Parliamentary Secretary to the Prime Minister, Gary Nairn.

Mr Truss said he also wanted to strengthen and develop the role of 56 Area Consultative Committees around Australia.

"The ACCs are a great resource, and we should be making more use of them to help in the delivery of a broad range of Australian Government programs, not just the *Regional Partnerships* program.

"From next year, the operational budget allocations for ACCs will be separated from the overall *Regional Partnerships* program allocation, and ACC budget will be provided as a three-year funding contract.

"This funding separation will make it easier for ACCs to attract and retain quality staff, to institute longer-term strategic plans, and to develop strategies to facilitate other Australian Government programs.

"A review will be held into the boundaries of the ACCs and the Government will provide guidelines for the appointment of ACC members.

"These and other changes will reinforce the relationships between ACCs and local communities, improve access to a variety of government programs, and make it easier for regional communities to pursue projects to build economic and social capital.

"The *Regional Partnerships* program has already played a valuable role in building local communities, and I am confident that these changes will build on that success," Mr Truss said.

*See [attachment](#) for details of changes and backgrounder for history of the Regional Partnerships program.

Media Contacts

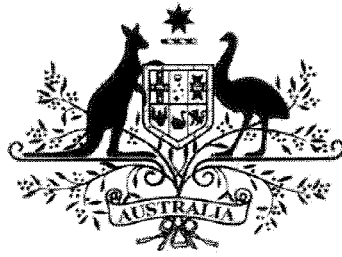
Kylie Butler (Mr Truss's office)

02 6277 7680 / 0417 652 488

URL: http://www.ministers.dotars.gov.au/wtr/releases/2005/November/051WT_2005.htm

Attachment E

Response to the Senate Inquiry Report tabled on 5 December 2006



Australian Government

SENATE REPORT

FINANCE AND PUBLIC ADMINISTRATION REFERENCES COMMITTEE

REGIONAL PARTNERSHIPS AND SUSTAINABLE REGIONS PROGRAMMES

GOVERNMENT RESPONSE

November 2006

Introduction

On 2 December 2004 the Senate referred a number of matters to the Finance and Public Administration References Committee (the Committee) regarding the administration of the *Regional Partnerships* and *Sustainable Regions* programmes.

The Committee tabled its report in the Senate on 6 October 2005. The report comprised a majority report and a minority report from Government Senators.

Government Response

The majority report of the Committee responds to allegations of misuse of the programmes in the period prior to the 2004 election, serious impropriety in approval and announcement processes, concealed processes and political conditions placed on grants. The report fails to substantiate any of these allegations and reaches the conclusion that the administration of both programmes is 'reasonably sound'.

The Government welcomes this finding and with it the bipartisan endorsement of the role of the Area Consultative Committee (ACC) network and Sustainable Regions Advisory Committees (SRACs) in delivering positive outcomes for Australian communities.

The minority report highlights the hundreds of successful projects across the country and the benefits these projects are providing to local communities. Some \$250 million has been approved for nearly 1000 projects identified by local communities as high priority since 2001.

Six case studies cited in the Report from which the majority of conclusions have been drawn are atypical of most projects funded.

Two of these projects (Primary Energy and Beaudesert Rail) were originally assessed under arrangements that existed prior to commencement of the *Regional Partnerships* programme.

In two of the six cases (A2 Dairy Marketers and Tumby Creek) no Australian Government funds had been spent at the conclusion of the Inquiry, and approval for the A2 Dairy Marketers project had been withdrawn.

The Committee found no evidence of inappropriate interference by Ministers in the assessment of projects and has not identified any breach of the established caretaker conventions prior to the 2004 election.

The Committee also received evidence in this Inquiry that the distribution of approved projects closely reflects the pattern of applications received. The Government encourages all Senators and Members of Parliament across all States and electorates to work with their local communities to identify worthwhile projects within their communities that may be eligible for assistance under the *Regional Partnerships* and *Sustainable Regions* programmes.

The majority report claims to have been hindered by a lack of cooperation by the Department of Transport and Regional Services (DOTARS). It is critical of claimed "misleading information" provided by the Department to ACCs and for failure to table all documents sought by the Committee, particularly in relation to the Department's advice to Ministers.

The Department operated over the course of this Inquiry within long-standing conventions accepted by successive Governments relating to non-disclosure of advice provided to Ministers. The Department's position was supported by advice from across the public service and Ministers. Consistent with that advice, the approval of the Minister was sought before documents were released to the Committee.

RESPONSE TO RECOMMENDATIONS

Response to Majority Report Recommendations

Regional Partnerships Program

Recommendation 1: The Committee recommends that the operation of the SONA guidelines cease.

Government Response – Noted

The Government announced on 15 November 2005 that changes to the *Regional Partnerships* programme will permit the Government to direct a pool of funds within the *Regional Partnerships* programme for specific investment priorities which may not otherwise be brought forward by Area Consultative Committees (ACCs).¹

The *Regional Partnerships* programme has been used by the Government to deliver associated programmes. One such example is the Rural Medical Infrastructure Fund, which is based on *Regional Partnerships* programme guidelines but is also subject to specific criteria. These criteria are published on the *Regional Partnerships* web site. When new Government priority areas are identified, additional or modified guidelines or criteria may be issued as required, and published on the *Regional Partnerships* web site.

The SONA procedures have not been used since August 2004 and it is considered that special considerations such as those made under SONA procedures will no longer be required.

Recommendation 2: The Committee recommends it be mandatory for all Regional Partnerships program applications to be developed in consultation with local Area Consultative Committees.

Government Response – Disagree

It is usual practice for ACCs to be consulted in relation to *Regional Partnerships* applications, however, it is important that the Government maintains the ability to fund projects which have not come to its attention through the work of ACCs and which it regards as a high strategic priority. It is also important for reasons of fairness that applicants retain the ability to have an application assessed under the programme even if it is not supported by an ACC.

Recommendation 3: The Committee recommends that Area Consultative Committees must receive relevant applications and be afforded an opportunity to consider and make recommendations not less than ten working days from receipt of the application.

¹ Minister for Transport and Regional Services – Media Release – “Changes to make *Regional Partnerships* stronger” – 15 November 2005

Government Response – Agree

This is existing practice under the *Regional Partnerships* programme. It is normal practice for ACCs to comment on applications and generally have at least ten working days for comments.

See response to Recommendation 2.

Recommendation 4: The Committee recommends that the Department of Transport and Regional Services incorporates and outlines appropriate assessment procedures for multi-region funding applications into the published Regional Partnerships guidelines.

Government Response – Agree in part

There has never been an impediment to multi-region projects under the *Regional Partnerships* programme. The published guidelines apply to multi-regional projects.

As part of the Government's proposed enhancements to the *Regional Partnerships* programme, DOTARS Regional Offices will work with local ACCs to facilitate the development of quality projects including the coordination of projects which cross ACC boundaries.²

Recommendation 5: The Committee recommends that multi-region funding applications be referred to all relevant Area Consultative Committees for review comments and recommendations.

Government Response - Agree

This is existing practice under the *Regional Partnerships* programme.

See also response to Recommendations 2 and 3.

Recommendation 6: The Committee recommends that a biannual statement be tabled in the Senate by the Minister representing the Minister for Transport and Regional Services, listing:

- . the Regional Partnerships program grants approved in the preceding six month period;
- . the Department of Transport and Regional Services and Area Consultative Committee's recommendations; and
- . where the funding decision is inconsistent with the departmental and/or Area Consultative Committee recommendation, a statement of the reasons for the decision.

Government Response – Disagree

The Government is not persuaded that this proposal would improve programme accountability. The publication of advice concerning recommendations made to the Minister for Transport and Regional Services by departmental advisers and by other bodies such as ACCs, is not supported. Publication

² Media Release – 15 November 2005

of such advice would make it difficult for ACCs to provide a critical assessment of projects. This approach is consistent with long-standing practice in relation to the confidentiality of departmental advice to Ministers.

A list of all projects funded under both programmes is already available on the Department's web site.

Recommendation 7: The Committee recommends that the Government address inequities in the distribution of Regional Partnerships program funding consistent with the ANAO Better Practice Guide.

Government Response – Agree in part

The distribution of approved projects reflects closely the pattern of applications received. ACCs are already required to ensure equitable distribution of projects within their regions under key performance indicators imposed by the Department.

In accordance with ANAO's Better Practice Guide, all applications for funding under the *Regional Partnerships* and *Sustainable Regions* programmes, are assessed "in accordance with requirements of procedural fairness" (page 45).

Recommendation 8: The Committee recommends that the exclusion of the Australian Capital Territory (ACT) from eligibility for Regional Partnerships program funding be rescinded.

Government Response – Agree

Current programme policy permits Australian territories to apply for funding. However the programme guidelines do not permit the funding of projects which would result in cost-shifting from Territory Governments to the Australian Government. Guidelines will be changed to clarify Territory government eligibility.

Recommendation 9: The Committee recommends that the Government review resourcing of Area Consultative Committees, and training for committee members and employees, to ensure that they can adequately perform their role in relation to the Regional Partnerships program.

Government Response – Agree

See also response to Recommendation 10.

Recommendation 10: The Committee recommends the introduction of three-year operational funding contracts for Area Consultative Committees.

Government Response – Agree

The Government announced on 15 November 2005 that funding to meet the annual operating costs of ACCs, which is currently met from within the funds appropriated to the *Regional Partnerships*

programme as a whole, will be separately identified and ACCs will be allocated funding in accordance with a three year contract.

This three year contract will encourage ACCs to continue to facilitate other Government programmes though they will not be permitted to reduce the level of effort involved in developing suitable *Regional Partnerships* projects.

The operational funding appropriation for ACCs will also be indexed within existing appropriations.³

Recommendation 11: The Committee recommends that the Government negotiates with each Area Consultative Committee in relation to key performance indicators including job creation and partnership support, to ensure performance measures are regionally appropriate.

Government Response – Agree in part

Key performance indicators currently apply to ACCs to ensure programme objectives are met. Performance indicators for ACCs will be reviewed this year. While the review will involve consultation with ACCs, effective measurement of ACC performance and performance across the *Regional Partnerships* programme, requires a national set of indicators.

The Government announced on 15 November 2005 that the Minister for Transport and Regional Services will provide written advice and guidelines each year to ACCs outlining the Government's broad policy priorities for the *Regional Partnerships* programme.⁴

Recommendation 12: The Committee recommends that Area Consultative Committee recommendations be disclosed to funding applicants on request.

Government Response - Disagree

The Department provides unsuccessful applicants with advice setting out the reasons their projects did not meet the programme's criteria, including the extent of support for the project. It is not appropriate to release the views of ACCs or other bodies and individuals which are provided to the Minister for Transport and Regional Services in the course of considering the merits of individual projects. To do so would reduce the ability of ACCs to provide a frank assessment of the priority of individual projects.

Recommendation 13: The Committee recommends that the Government conduct a review of the role of Area Consultative Committees to ensure that their contribution to regional development is maximised.

Government Response - Disagree

The Inquiry report reaches positive conclusions regarding the role of ACCs. ACCs often make suggestions for improvements to the Minister for Transport and Regional Services and the

³ Media Release – 15 November 2005

⁴ Media Release – 15 November 2005

Department which are often adopted. The need for a further review is not considered necessary at this time beyond the normal processes for ensuring continuous improvement.

The Government is implementing a series of changes to improve the effectiveness of ACCs and their governance arrangements that were announced on 15 November 2005. These changes include:

- local communities and local Members of Parliament will be consulted more extensively by ACCs in the process of developing each ACC's strategic regional plan;
- funding to meet the annual operating costs of ACCs, which is currently met from within the funds appropriated to the *Regional Partnerships* programme as a whole, will be separately identified and ACCs will be allocated funding in accordance with a three year contract;
- the Government will appoint the Chair and Deputy Chair of each ACC, and provide guidelines for the appointment of other members to help committees be representative of the communities they serve; and
- ACC boundaries will be reviewed to ensure boundaries of rural ACCs reflect areas of common interest, and consider whether the boundaries and number of metropolitan ACCs are appropriate.⁵

Sustainable Regions Program

Recommendation 14: The Committee recommends that the appointment process for Sustainable Regions Advisory Committee members, including selection criteria, be made public.

Government Response – Disagree

It is not usual practice to disclose the reasons for the appointment or non-appointment of Board members. The case has not been made to depart from that convention in relation to this programme.

Recommendation 15: The Committee recommends that the Government adopt a skills-based approach in relation to the appointment of future Sustainable Regions Advisory Committees, including the two new bodies announced during the 2004 election campaign.

Government Response - Agree

This has been the approach adopted.

Regional Partnerships and Sustainable Regions Programs

Recommendation 16: The Committee recommends that the Australian National Audit Office audit the administration of the Regional Partnerships and Sustainable Regions programs, with particular reference to case studies highlighted in this report.

Government Response – Noted

⁵ Media Release – 15 November 2005

The Australian National Audit Office is conducting a performance audit of the *Regional Partnerships* programme in 2006.

Recommendation 17: The Committee recommends that projects that cannot obtain or have not yet obtained relevant approvals or licences not be eligible for Regional Partnerships or Sustainable Regions funding.

Government Response – Agree in part

This is already generally the case. However, there are some instances where it is not appropriate to insist on development approvals ahead of assessment. For instance, a community group that has raised funds through raffles and similar activities should not necessarily be forced to use those funds seeking approvals while there is high uncertainty about a project proceeding because they have not secured programme funding. In such cases approvals are made subject to securing relevant consents.

Recommendation 18: The Committee recommends that competitive neutrality procedures be strengthened, including the introduction of a procedure for potential competitors to lodge objections.

Government Response – Agree in part

The Government announced on 15 November 2005 that greater emphasis will be placed on assessment of competitive neutrality issues associated with applications. Projects where assistance greater than \$25,000 is sought for a business or commercial venture will require a statement from the ACC Chair that identifies any competitive neutrality risks posed by the project, prior to the assessment of the project for funding approval.⁶

Recommendation 19: The Committee recommends that due diligence procedures be strengthened, including a routine inquiry into legal action against applicants.

Government Response – Disagree

Due diligence is already assessed rigorously. The scope to continually improve processes will be reviewed. It is not considered appropriate to exclude consideration of an applicant due to pending legal action as such action may have no basis.

Recommendation 20: The Committee recommends that no funding be approved for projects that do not meet Regional Partnerships and Sustainable Regions guidelines and fail other tests including proper due diligence.

Government Response – Agree in part

See response to Recommendation 1.

⁶ Media Release – 15 November 2005

Recommendation 21: The Committee recommends that it become formal policy that ministers and their staff are kept strictly at arm's length from decisions, including all relevant departmental advice, on applications from their own electorates. The portfolio minister and his or her staff should not be included in the circulation of departmental advice on applications for projects in the minister's electorate.

Government Response – Agree in part

The Government announced on 15 November 2005 that funding approval will be subject to decision by a new Committee comprising the Minister for Transport and Regional Services, the Minister for Local Government, Territories and Roads, and the Special Minister for State.

The Committee has adopted the practice that, where there is consideration of a project in the electorate of one of the Ministers, the Minister in question does not take part in the decision-making process.

However, the Government considers that Ministers should retain the normal capacity of Members and Senators to make representations on behalf of their constituents in respect of an application for funding.

Recommendation 22: The Committee recommends that Ministers and Parliamentary Secretaries, and their staff, should be prohibited from intervening in the assessment of grants.

Government Response – Agree in principle

No evidence of inappropriate interference has been identified by the Inquiry.

Recommendation 23: The Committee recommends that from 1 July preceding a general election, the following procedures apply to grant approvals and announcements: when a Minister's decision to approve or not approve a grant is different to the recommendation of either the Area Consultative Committee or the Department, or the funding amount approved is different from the amount recommended, then the grant approval decision be made in conjunction with the relevant Shadow Minister. The Committee further recommends that all grants approved in these circumstances be jointly announced by the Minister and the Shadow Minister.

Government Response - Disagree

Established caretaker conventions already exist which prescribe grant decision making practice ahead of an election. The Committee found no evidence that there was any breach of caretaker conventions prior to the 2004 election in the case of these programmes.

Recommendation 24: The Committee recommends that the government develops and discloses procedures to govern cessation or transition of Regional Partnerships and Sustainable Regions programs.

Government Response – Agree in principle

As such transitions are now complete, there would appear no need for such procedures. However, this recommendation will be considered should such circumstances again eventuate.

Recommendation 25: The Committee recommends that the government reviews the efficacy of a grants-based approach to regional development.

Government Response - Disagree

The Government is committed to a grants-based approach to regional development.

The Stronger Regions Statement of 2001 sets out the Australian Government's policy for regional development which contains the following principles:

- regions and communities taking responsibility for dealing with the challenges and opportunities confronting them;
- the Australian Government standing by as a partner to help regions and communities realise the future they want for themselves; and
- a recognition that regions and communities almost always have a better understanding of their needs and opportunities than central agencies or governments.

Recommendation 26: The Committee recommends that the Regional Partnerships and Sustainable Regions programs should complement, not compete with state and local government funding programs.

Government Response – Agree

Regional programmes are aimed at working partnerships with a wide range organisations, government agencies and businesses.

The programmes leverage on average three dollars for every dollar of Australian Government support. State and/or local governments are funding partners in relation to the majority of projects. Contributions to projects by state governments equate to an average of \$0.93 for every \$1 of support from the Australian Government under the *Regional Partnerships* programme. Contributions to projects by funding co-partners (including state governments) equates to an average of \$2.15 for every \$1 funded under the *Sustainable Regions* programme.

Response to Minority Report Recommendations

Recommendation 1: The Government Senators recommend that the Government promotes the RP and SR programs and educates the public on how the programs work, to restore the public's confidence in these programs following the misperceptions generated by this inquiry.

Government Response - Agree

Options to best promote the support available under these initiatives are being considered. Area Consultative Committees and Sustainable Regions Advisory Committees will continue to play a key

role in assisting their regions to understand the programme guidelines to enable them to access this assistance.

Recommendation 2: The Government Senators recommend that the Key Performance Indicators be promoted publicly, to assist in educating the public about the benefits of the programs and the outstanding returns delivered to local communities.

Government Response - Agree

Key performance indicators for ACCs have been put on the *Regional Partnerships* and ACC web pages (www.regionalpartnerships.gov.au and www.acc.gov.au). Aggregate results against indicators will be published when available.

Recommendation 3: Government Senators recommend that project applications requiring co-funding be considered simultaneously by the relevant levels of government.

Government Response - Disagree

Implementation of this proposal could adversely affect applicants and could delay approval of applications. State and local government programmes have different mechanisms for considering proposals, including annual funding rounds.

Recommendation 4: Government Senators recommend that restrictions on ACC media activities be lessened.

Government Response - Disagree

As organisations that receive the majority of their funding from the Australian Government, it is appropriate that the current procedures for marketing of ACC activities be retained so that consistent messages about programmes and the ACC network can be communicated.

Recommendation 5: Government Senators recommend that template marketing material be developed for only minor adjustment by individual ACCs.

Government Response – Agree

ACCs are provided with generic marketing material. Templates that ACCs can tailor for their own purposes are being developed as part of ongoing support for ACCs.

Recommendation 6: Government Senators recommend that ACCs be advised of grant approvals in advance, and that they be encouraged to assist with arranging grant announcements and any follow up matters relevant to their local projects.

Government Response – Agree in part

Members of Parliament and Senators are encouraged to include their local ACCs in the announcement of successful applicants and any subsequent public events including launches and openings.

Attachment F

ANAO Audit of the Regional Partnership Program – Summary of Recommendations
and Departmental Response

Summary agency responses to the audit

283. DOTARS provided the following summary comment on the report:

DoTARS welcomes recognition by the ANAO of the comprehensive administrative changes made to the Regional Partnerships Programme. DoTARS has been and is committed to continuously improving the programme's management.

It is now over a year since the end of the period reviewed by the ANAO (July 2003 to June 2006) and the operation of the Regional Partnerships programme has altered significantly in that time.

DOTARS commenced implementation of a comprehensive suite of reforms to the programme following the announcement by the Government on 15 November 2005 of major changes to the operation of the programme. These changes included establishing a Ministerial Committee to make funding decisions, centralisation of project assessment and the updating of programme guidelines to provide greater clarity and transparency.

These initiatives have been subsequently supported by the development of a more detailed and prescriptive internal procedures manual to assist over 130 staff involved in administering the programme in 12 different geographic locations. As well DOTARS has provided extensive training for staff and developed a series of practical measures to assist staff such as checklists, templates, a reporting pack, a more detailed funding agreement and introduced case management for more complex projects.

DOTARS accepts the ANAO Report's recommendations noting that two of the recommendations (5 and 7) relate to practices which the ANAO seeks to promote on a whole of government basis, one recommendation (2) is made to the Department of Finance and Administration and three recommendations 10, 12 and 14 will require the agreement of the Government and the Ministerial Committee. DoTARS is actively implementing the remaining recommendations.

284. Finance agreed with Recommendation No.2 which concerned assessing the merits of a proposed change to the financial framework to require approvers of proposals to spend public money (including grants) to document the basis on which they have concluded that the proposed expenditure represented efficient and effective use of public money, and is in accordance with relevant Commonwealth policies.

Recommendations

Part 2: Application Assessment and Approval Processes

- Recommendation No. 1**
Paragraph 2:2.24
- ANAO *recommends* that, in the design and implementation of discretionary grants programmes, the Department of Transport and Regional Services further strengthen its administrative processes, and provide relevant advice to responsible Ministers in relation to:
- (a) the statutory obligations relating to the approval and payment of grants arising under the applicable financial management legislation; and
 - (b) options for implementing administrative arrangements that satisfy programme policy objectives while ensuring the efficient and effective compliance with all applicable statutory obligations.

Agency response: DOTARS agreed.

- Recommendation No. 2**
Paragraph 2:2.100
- ANAO *recommends* that, as part of its responsibilities for developing and maintaining the Commonwealth's financial framework, the Department of Finance and Administration assess the merits of proposing amendments to the FMA Regulations that would have the effect of requiring approvers to document the basis on which the approver is satisfied that the proposed expenditure:
- (a) represents efficient and effective use of the public money; and
 - (b) is in accordance with the relevant policies of the Commonwealth.

Agency response: Finance agreed.

Recommendation No. 3
Paragraph 2:3.62 ANAO *recommends* that the Department of Transport and Regional Services appropriately qualify its assessment and advice to Ministers in circumstances where the assessment of a Regional Partnerships application has been truncated or expedited.

Agency response: DOTARS agreed.

Recommendation No. 4
Paragraph 2:3.100 ANAO *recommends* that the Department of Transport and Regional Services:

- (a) examine, and advise the Ministerial Committee on, options that promote timely announcement of successful applications for Regional Partnerships funding; and
- (b) amend its administrative procedures for preparing draft announcement material for approved Regional Partnerships grants to make appropriate reference to any funding conditions.

Agency response: DOTARS agreed.

Recommendation No. 5
Paragraph 2:4.36 ANAO *recommends* that, in the light of Ministers' statutory obligations when approving the expenditure of public money, the Department of Transport and Regional Services advise Ministers of any measures considered necessary in managing the risks to the Commonwealth achieving value for money when acting on election commitments.

Agency response: DOTARS agreed.

Recommendation No. 6
Paragraph 2:5.89

ANAO *recommends* that, in the interests of transparency, accountability and equity, the Department of Transport and Regional Services develop, for consideration by the Ministerial Committee, amendments to the published Regional Partnerships Programme Guidelines documenting the circumstances in which the eligibility and assessment criteria set out in the Guidelines may be waived.

Agency response: DOTARS agreed.

Recommendation No. 7
Paragraph 2:6.18

ANAO *recommends* that, in the interests of accountability, transparency and equity during the assessment and decision-making stages, the Department of Transport and Regional Services develop, for consideration by the Ministerial Committee, procedures for recording the participants and outcomes of any significant meetings or substantive communications that may occur between applicants and Ministers and/or their Offices in relation to Regional Partnerships applications.

Agency response: DOTARS agreed.

**Recommendation
No. 8**

Paragraph 2:6.66

ANAO *recommends* that, in order to enhance the transparency and accountability of the Ministerial consideration of Regional Partnerships applications, the Department of Transport and Regional Services develop procedures to ensure that:

- (a) any communications of significance received by the department from the Ministerial decision-maker or his or her Office in respect to an application subsequent to the department providing the Minister(s) with its assessment and funding recommendation are appropriately recorded; and
- (b) where a signed Ministerial funding decision is re-considered:
 - (i) the circumstances that gave rise to that re-consideration are documented; and
 - (ii) where a previously recorded funding decision is changed, the departmental documentation provides for the Ministerial decision-maker(s) to identify the basis on which the revised decision was made, including any additional inquiries undertaken, or caused to be undertaken.

Agency response: DOTARS agreed.

Part 3: Partnerships and Support

Recommendation No. 9
Paragraph 3:2.62 ANAO *recommends* that the Department of Transport and Regional Services strengthen the governance framework for the approval of minor variations to partnership funding arrangements for approved projects by:

- (a) clarifying the extent of any delegation of authority in circumstances where Ministers have approved funding for projects that do not satisfy the indicative partner funding percentages specified in the Programme Guidelines; and
- (b) seeking to obtain a revised delegation from the Ministerial Committee in which limits on the delegation are specified in the delegation instrument.

Agency response: DOTARS agreed.

Recommendation No. 10
Paragraph 3:3.103 ANAO *recommends* that the Department of Transport and Regional Services establish a trigger to identify projects warranting further investigation because of the high ratio of partnership funding to Regional Partnerships funding, so as to be better placed to advise the Ministerial decision-maker(s) as to whether the project is likely to proceed without Regional Partnerships funding and, if so, what additional outcomes would be achieved solely through the contribution of the Regional Partnerships funds.

Agency response: DOTARS agreed with qualification.

**Recommendation
No. 11**

Paragraph 3:5.71

ANAO *recommends* that the Department of Transport and Regional Services further improve its management of contracted partner contributions to Regional Partnerships projects by including in Funding Agreements clear provisions to address circumstances where completed projects cost less than was budgeted, including the sharing of any significant cost savings.

Agency response: DOTARS agreed.

**Recommendation
No. 12**

Paragraph 3:5.108

ANAO *recommends* that the Department of Transport and Regional Services promote improved performance reporting in relation to partnership outcomes for the Regional Partnerships Programme by:

- (a) using audited financial acquittals for completed projects as the basis for reporting the level of achieved partner co-funding, rather than the anticipated contributions identified in Funding Agreements; and
- (b) differentiating between cash and in-kind contributions.

Agency response: DOTARS agreed with part (a) and agreed with qualification with part (b).

Part 4: Identifying, Assessing and Managing Viability Risks

Recommendation No. 13

Paragraph 4:3.48

ANAO *recommends* that, having regard to the value that can be obtained from thorough expert advice regarding relevant financial risks and their effective management, the Department of Transport and Regional Services promote greater attention to the identification and management of viability risks by:

- (a) enhancing the recently adopted parameters for deciding when external advice on viability risks relating to particular projects is to be obtained to include explicit consideration of the size and complexity of the overall project, as well as the amount of Regional Partnerships funds being sought; and
- (b) where it is proposed to rely on viability assessments undertaken or commissioned by other parties, obtaining a copy of the report of such assessments and developing an understanding of the extent, nature and relevance of the investigations and analysis that underpinned the work.

Agency response: DOTARS agreed.

**Recommendation
No. 14**

Paragraph 4:4.36

ANAO *recommends* that, where incorporated entities apply for Regional Partnerships funding, the Department of Transport and Regional Services better inform its assessment of such applications against the Programme Guidelines by:

- (a) amending the application procedures to require these entities to provide, with their application for funding, financial and other information on the corporate entity that is undertaking the project, and any relevant related entities in the corporate group; and
- (b) using the information provided by the applicant, together with publicly available information and/or the results of any external viability assessments, to prepare an analysis of the applicant entity and its corporate group in order to better inform an assessment of the value for money that would be achieved through the provision of public money to the applicant.

Agency response: DOTARS agreed with part (a) and agreed with qualification with part (b).

**Recommendation
No. 15**

Paragraph 4:4.84

ANAO *recommends* that the Department of Transport and Regional Services better manage risks to the Commonwealth in relation to Regional Partnerships applications submitted by for-profit entities by explicitly assessing:

- (a) whether the project is at an appropriate development stage for funding;
- (b) whether the applicant has investigated the availability of relevant alternative funding sources (both debt and equity); and
- (c) the terms and conditions attaching to any other contributions for the project.

Agency response: DOTARS agreed.

**Recommendation
No. 16****Paragraph 4:4.97**

ANAO *recommends* that the Department of Transport and Regional Services improve the rigour and reliability of its assessment of viability risks in relation to applications for Regional Partnerships funding received from for-profit organisations by:

- (a) enhancing the minimum financial information required to be submitted by for-profit organisations, particularly with respect to the provision of more extensive data on projected cash flows to underpin reliable financial analysis; and
- (b) developing procedures for project viability assessment that involve the quantitative analysis of financial information provided by applicants so as to better inform decisions on the merits of approving funding, and the appropriate quantum of funding.

Agency response: DOTARS agreed.

Part 5: Managing for Outcomes

Recommendation No. 17
Paragraph 5:3.52 ANAO *recommends* that the Department of Transport and Regional Services seek to promote equitable access to Regional Partnerships funding by developing, for Ministerial Committee consideration, proposals for more effective promotion of the availability of funding under the Programme including material for all Members of Parliament.

Agency response: DOTARS agreed.

Recommendation No. 18
Paragraph 5:4.69 ANAO *recommends* that the Department of Transport and Regional Services improve its oversight of the timely completion of Regional Partnerships projects by:

- (a) completing and implementing planned systems to promote the timely receipt and analysis of progress reports required from funding recipients;
- (b) monitoring delayed projects by requiring additional, and possibly more frequent, progress reports from the funding recipient; and
- (c) using data obtained from progress reports as the basis for measuring the performance of the Programme in obtaining anticipated outcomes in a timely manner, and the reasons for any delays.

Agency response: DOTARS agreed.

- Recommendation No. 19**
Paragraph 5:5.37
- ANAO *recommends* that the Department of Transport and Regional Services promote the achievement of, and accountability for, outcomes for approved Regional Partnerships projects by:
- (a) establishing and reporting against effectiveness targets for the Programme; and
 - (b) using data reported by funding recipients on the extent to which the project has achieved the outcomes specified in the Funding Agreement (as measured by the contracted performance measures) to:
 - (i) inform future Programme evaluations, and
 - (ii) provide more comprehensive reporting in departmental Annual Reports of the achievement of expected project outcomes.

Agency response: DOTARS agreed.

- Recommendation No. 20**
Paragraph 5:5.69
- ANAO *recommends* that the Department of Transport and Regional Services improve its assessment of project budgets supporting applications for Regional Partnerships funding by:
- (a) promulgating guidance to potential applicants on the cost estimating standards they are expected to meet together with the circumstances (if any) in which contingency allowances and/or escalation factors may be included; and
 - (b) developing and delivering training for project assessors that specifically addresses the scrutiny of cost estimates prepared by applicants.

Agency response: DOTARS agreed.

Attachment G

Budget Media Release by the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Anthony Albanese MP, on New Regional Initiatives – 13 May 2008

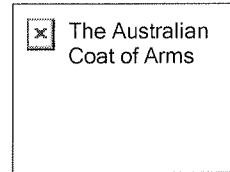
MEDIA RELEASE

The Hon Anthony Albanese MP

Minister for Infrastructure, Transport,
Regional Development and Local Government

13 May 2008

BUDGET-INFRA 13/2008 Joint



Joint Media Statement

The Hon Anthony Albanese MP
Minister for Infrastructure, Transport,
Regional Development and Local Government

The Hon Gary Gray AO MP
Parliamentary Secretary for Regional
Development and Northern Australia

NEW DIRECTION FOR REGIONAL AUSTRALIA

The 2008-09 Budget delivers a new direction for regional Australia, with a \$176 million Better Regions program and up to \$74 million for the Regional Development Australia network.

A new Regional and Local Community Infrastructure Program will supplement these programs from next year's Budget and fund major investments in regional communities.

The Rudd Labor Government's regional development initiatives in this Budget will help drive economic prosperity and growth in regional Australia, and engage with communities to meet their needs.

The Government understands that good community infrastructure supports towns and communities and attracts greater investment and job opportunities.

The new Regional and Local Community Infrastructure Program, and our Better Regions election commitments will replace Sustainable Regions and the Regional Partnerships program, which the Australian National Audit Office discredited last year as having *"fallen short of an acceptable standard of public administration"*.

The Government will honour all existing contracts under the Regional Partnerships and Sustainable Regions programs; however, uncontracted applications will not be proceeded with.

BETTER REGIONS

The \$176 million Better Regions program will deliver on the Government's election commitments and provide regional Australia with much needed community facilities and services.

The Better Regions projects encourage economic and community development and invest in local infrastructure such as:

- the revitalisation of towns' main streets;
- multi-purpose community and resource centres;

- major sport and recreational venues; and
- community transport infrastructure.

Critical community projects will be funded across Australia under the \$176 million Better Regions program including investments in the Hunter Region, Kempsey, Geelong, Townsville, Bendigo, Alice Springs, Mandurah, Sunshine Coast and northern Tasmania.

REGIONAL DEVELOPMENT AUSTRALIA

The Government is committed to genuine engagement with regional communities. We are establishing Regional Development Australia (RDA) with an allocation of more than \$17 million this year to ensure effective engagement with communities.

The new RDA network across Australia will build on and replace Area Consultative Committees.

The Government's new body will take on a broader role to provide strategic input into national programs, improve the coordination of the Government's regional development initiatives, link closely to local governments and other regional organisations.

The RDA's final structure will be developed over this year in consultation with regional communities and stakeholders.

REGIONAL AND LOCAL COMMUNITY INFRASTRUCTURE PROGRAM

From next year's Budget, the new Regional and Local Community Infrastructure Program will be funded to deliver major investments in regional and local community, recreational and environmental infrastructure initiatives.

In line with the Rudd Labor Government's national approach to infrastructure investment, our new program will be accountable, transparent and based on community needs.

To make sure the program is developed properly and reflects the needs of regional communities, we will consult widely with the community. The public consultations are expected to be conducted by the new RDA network and the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government.

Through these major investments, the Australian Government will deliver infrastructure investments and promote sustainable economic growth in regional communities.

[Back](#)

Media Contacts

Jeff Singleton (Mr Albanese's Office) 0410 476 890

URL: http://www.minister.infrastructure.gov.au/aa/releases/2008/May/budget-infra_13-2008.htm

Attachment H

Ministerial Statement by the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Anthony Albanese MP – Regional Development Australia – 20 March 2008



EMBARGOED UNTIL AFTER DELIVERY BY MINISTER

IN HOUSE OF REPRESENTATIVES

4.30PM

20 MARCH 2008

Statement by the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Anthony Albanese, MP

Regional Development Australia

20 March 2008

This Government is committed to supporting Regional Australia.

Today I am announcing one of the Australian Government's initiatives to help drive economic prosperity in regional Australia and deliver on our commitments in the lead-up to the election.

One of our key regional election commitments was that Area Consultative Committees (ACCs) would provide the basis for the creation of Regional Development Australia (RDA).

Consistent with this commitment, today the Government announces that ACCs will transition to become local Regional Development Australia committees. As a first step, the ACC Chairs' Reference Group will become the RDA Interim Board until 31 December 2008.

Parliamentary Secretary, Gary Gray and I will convene a meeting with the Interim Board to discuss the transition of the ACC network to RDA, including the development of a Charter for Regional Development Australia and its proposed responsibilities. We shall also want to discuss with the Interim Board ways of ensuring closer ties with the local government sector. Regional Australia's communities and economy will benefit from a closer relationship between the new RDA and the local government sector.

The ACC Network was established by the previous Labor Government in 1994 under the Employment Services Act 1994. ACCs originally provided advice and generated support for labour market programs. Over time their role has evolved and recently their primary role has been to promote, identify projects and assist in the development of applications for the Regional Partnerships program.

There are 54 ACCs across Australia, which are not-for-profit, community-based organisations. Hundreds of Australians give their time to serve their communities as members of ACCs. Only the Chairs and their Deputies are appointed by the Government. Committee members are volunteers from all walks of life: business people, farmers, retirees, local government representatives, educators. They are united by their commitment to their local communities. They are a valuable source of local knowledge and advice for the Government. Some have been more effective than others and there is a need to recognise that Regional Development requires a reform of existing advisory structures.

The new RDA network will build on the success of its predecessor, but will take on a broader role to develop strategic input into national programs to improve the coordination of regional development initiatives and ensure that there is effective engagement with local communities. The Rudd Government is committed to listening to communities and the RDAs will assist that process.

The actual roles and responsibilities of Regional Development Australia will reflect our consultations. I am confident that the Interim Board will have ideas to present to the Government. The role of individual RDAs and the network as a whole could provide advice to government on a range of issues, including:

- Advise on community infrastructure
- Advise on regional issues and opportunities
- Advise on local implementation of specific Commonwealth initiatives in the region, as requested
- Facilitate economic development planning and investment attraction
- Identify any unique local attributes that would favour the development of new and innovative industries
- Promote initiatives to retain and expand skills and local businesses and industries
- Disseminate information about Commonwealth programs
- Undertake ad hoc consultations on behalf of Federal agencies where a regional network is required
- Advise on adequacy of service delivery in regions
- Build networks and relationships with other levels of government and key stakeholders in the region
- Advise government on social inclusion issues
- Advise on ways to improve the efficiency, effectiveness and coordination of Commonwealth regional initiatives.

I am looking forward to working with Regional Development Australia and receiving valuable advice on the development needs of regional Australia.

To conclude, this Government's new vision for Regional Australia is based on building partnerships to ensure the Government is responsive to local priorities and needs, but is underpinned by major new investments in the areas of infrastructure, broadband, housing, health care, education, skills development, innovation and water.

The message to regional communities is clear – this Government will work with you to make your solutions work. We will bring fresh ideas and a new approach which will harness the potential of our regions and develop them for a better future.

Today's announcement relating to the establishment of Regional Development Australia is the first in a number of initiatives of the Rudd Labor Government.

We will strengthen and invest in the future of Regional Australia.

ENDS.

Attachment I

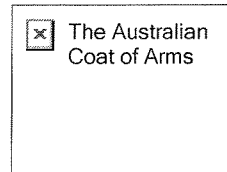
Joint announcement, the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Anthony Albanese MP and the Parliamentary Secretary for Regional Development and Northern Australia, the Hon Gary Gray MP, committed the Government to a wide consultation process in the development of the RLCIP – 15 May 2008

MEDIA RELEASE

The Hon Anthony Albanese MP

Minister for Infrastructure, Transport,
Regional Development and Local Government

15 May 2008
AA042/2008 Joint



Joint Media Statement

The Hon Anthony Albanese MP
Minister for Infrastructure, Transport,
Regional Development and Local Government

The Hon Gary Gray AO MP
Parliamentary Secretary for Regional
Development and Northern Australia

REVIEW TO DEVELOP NEW REGIONAL INFRASTRUCTURE PROGRAM

The Rudd Labor Government today welcomed the House of Representatives Standing Committee's inquiry into our new regional infrastructure program.

The Parliament has also appointed Independent MP, Tony Windsor to assist the Committee in its consultations.

In the Budget, the Government signalled a new direction on regional development and will establish a new and accountable Regional and Local Community Infrastructure Program to fund local community infrastructure in regional Australia.

Good community infrastructure supports towns and communities and attracts greater investment and job opportunities.

We are committed to consulting widely to develop the new program and make sure that the mismanagement of Regional Partnerships does not re-occur.

To this end, the Committee will consult and report on two issues:

- future role and structure of our new Regional and Local Community Infrastructure Program in order to invest in genuine and accountable community infrastructure projects; and
- the former government's practices outlined in the Australian National Audit Office report on Regional Partnerships.

The Government is serious about making sure that regional communities and stakeholders are consulted in the development of the new program - and the House of Representatives Committee will assist us in doing that.

As part of our future policy development, there is value in looking at past practices to see what lessons can be learnt.

The Regional Partnerships program was run so badly that it was beyond repair.

In contrast, our new program will encourage economic development and invest in genuine community infrastructure initiatives.

Infrastructure development involves action not only on larger scale projects like ports and roads, but also on projects which improve the quality of life within local communities.

The Government will work closely with the Committee and with local governments and other regional organisations to improve and better coordinate regional infrastructure and services.

Media Contacts

Moksha Watts (Mr Albanese's Office) 0413 389 070

URL: http://www.minister.infrastructure.gov.au/aa/releases/2008/May/AA042_2008.htm