ROUND TABLE DISCUSION

Topic 1: Developing the framework of a new regional and local community infrastructure funding program.

What should the objectives of a new program be?

Purpose

To provide complementary community infrastructure direct to local communities that supports the facilitation and growth of local commercial and industrial sectors in order to generate local employment opportunities.

Objectives

- To align the provision of funding with local priorities.
- To better understand local priorities for economic development
- To provide a funding model that is easy to access and does not create a resource burden upon local organizations accessing the funds.
- To ensure community infrastructure projects selected for funding are viable and generate employment opportunities through business attraction and development that is sustainable.

Subsidiary questions:

Should a new program be focused on providing funding for projects which promote the growth of regional communities?

Yes but the type of growth needs to be specific (i.e. economic growth). It should not fund, for example, population growth without employment. (i.e. dormitory suburbs in outlying city regions)

(job creation) or the liveability of regional communities?

Job creation should be the priority because with economic prosperity comes a higher standard of living, an increase in property values and "liveable communities" are generated as an outcome of strong economies.

How should "regional" be defined?

As per ABS Remoteness Structure– 5 regions – Major Cities, Inner Regional Australia, Outer Regional Australia, Remote Australia and Very Remote.

How should "community infrastructure" be defined for the purpose of the new Federal program?

Community infrastructure should be defined broadly to include all infrastructure that can assist in the facilitation and creation of prosperous and healthy communities. Community infrastructure should include public art, cultural facilities, toilets, parks and walkways, broadband infrastructure, CCTV, TravelSmart infrastructure such as end of trip facilities, community gathering areas, cultural facilities, events and conference meeting spaces, recreation and fitness facilities and impressive landscapes. These are some examples of community infrastructure that provide amenity to local CDBs and assist in the attraction and retention of knowledge and service industries.

What eligibility criteria should apply?

Local and regional governments should be the benefactors of RFP. The not for profit sector that have alliances and offer partnerships with local governments can also be eligible. Local government is the closest level of government to the community and have, over the years, suffered financially from cost shifting from the State. Local Government has the capability, credibility and the structures to adequately administer federal funds and hence should have priority in the RFP.

Where are the gaps in community infrastructure funding?

The gaps are in the ability for local government to provide community infrastructure that supports the attraction of commercial sector investment. Local Government funding is limited and the demand on local government services has grown exponentially over the past 20 years.

Should the Australian government's regional funding program be targeted? What are the benefits or disadvantages of targeting?

The RFP should be a combination of targeted and contestable funding. Infrastructure projects that have significant funding requirement s and generate high employment outcomes (i.e. a cultural, conference or wellness facilities) should be targeted as they are likely to generate the greatest economic benefit to the community. Grants for other type of infrastructure that enhance amenity but are difficult to quantify in terms of "economic multiplier" should be contestable and have smaller limits. (i.e. up to $100,000)

The benefit of using both will likely enable greater opportunities for local communities to be able to access a source of funds for the most important and broadest range of infrastructure enhancement projects.

How should a new program interact with other funding programs?

A new program should take into account all other funding programs through the Federal Govt. This will support synergies and achieve greater economies of scale and better outcomes for the community.

Subsidiary questions:

In what way could a future program be structured to ensure that it was flexible enough to take into account the local needs in specific regions while maintaining clear parameters regarding objectives and outcomes?

This can be achieved if objectives and outcomes are aligned to, and reflect, the general mandate of LG. The role of Local Government is clearly articulated in state legislation and the Local Government Associations are best placed to understand these needs and have clearly established communication networks in place to liaise effectively with individual Local Governments. The Federal Assistance Grants that are distributed direct to Local Governments have well established systems in place which could be used by the RFP to leverage existing networks and processes.

What should the role of RDAs be in assisting and assessing applications for the new Regional and Local Community Infrastructure Fund?

The RDA's should offer a support servcie for assisting grant applications to be developed and to ensure that they meet the funding criteria. The RDA should be a resource for Local Governments.

The RDA will need to be proactive and facilitative, they will need to establish and build on the networks created by the former ACC's . The ACC model in the Perth region has been effective and could be used as a case in point when establishing the new RDA.

The RDA's should NOT be required to develop any additional Strategic Regional Plans, this would be a duplication of work already being done by Local Government and regional bodies.

In establishing the framework for a new regional development funding program, how does the government avoid duplication with other Federal, state or local funding projects?

This can be achieved if the RFP has a communication network set up that provides information on the projects being assessed. Prior to approval all grants submissions should undergo a vetting process through the established network so that grant applications can be compared for duplication.

How can a new program work in cooperation with other funding programs?

A single point of information for comparison of grant programs across Australia and would be a useful tool to assist in cooperative ventures.

Topic 2: Application and assessment processes for a new regional and local community infrastructure funding program.

What are options for the application process?

The application process should be kept simple and require only critical information. The RDA should be available to provide hands on assistance to organisations that have an identified funding opportunity.

Subsidiary questions:

What assistance should be available to applicants?

The RDA could provide direct assistance with addressing selection criteria or offer broad advice.

How should applications be submitted?

Applications should go direct to the Federal Government agency in accordance with the funding guidelines.

What information should be contained in a funding application?

Standard information identifying the scope and details and outcomes of the project. A project plan and milestones and associated costings (showing In kind support and financial contributions).

What are options for the assessment process?

The assessment process should be through an independent and objective assessment panel formed to assess and recommend on all submissions. This should occur centrally in Canberra.

Subsidiary questions:

Who should assess applications initially and who should recommend that the application progress?

A consulting company should be utilised to do an initial assessment – this is what happened with the Community Water Grants. Private consulting firms have a broad skill base of professionals who can effectively determine if a project demonstrates high value for money.

Who should make the final decision?

The Minister on recommendation from the independent assessment panel.

What should be the timeframes for assessment and final decisions?

With 3 months of closing dates.

How should decisions be communicated and by whom?

A direct letter, press release and website.

How should successful projects be funded?

80 percent up front 20 percent on completion.

Subsidiary questions:

What are the strengths and weaknesses of open and closed funding rounds?

The strength of a closed funding round is that Organisations know exactly when funding becomes available each year and can plan for allocating resources to the timeframes. The funding available each year becomes very transparent and information is concentrated to an annual event instead of ongoing.

A strength of open funding is that in some instances money is required at different times. Waiting for a funding round to open may detriment some projects but this could be mitigated if funding rounds were open in a time of the year (i.e. January) when organisations are doing their business planning and budgeting.

What would make receiving grants easier? Would capital or recurrent grants be better?

The RFP should be a combination of targeted and contestable funding as well as capital and recurrent. The greater the flexibility of the grant funding would likely lead to the greater opportunities for good projects to be developed. Infrastructure projects that are significant in funding requirement and generate high employment outcomes (i.e. a cultural, conference or wellness facility) should be targeted as they are likely to generate the greatest economic benefit to the community.

Should grants be capped or recurrent over the life of a project?

Recurrent funding should be allowed depending on the ongoing economic benefits that can be demonstrated, however these should be subject to time capping (ie 3-5 years) so that projects will need to build in sustainability into their plans that require recurrent funding in the first few years to establish the project.

How should the size of a grant be determined?

Grants for significant infrastructure projects should be up to $5 million; given this is the mid range cost for many such projects. Associated recurrent funding for 3 -5 years of $100,000 per year should also be made available.

Grants for other type of infrastructure that enhance amenity but are difficult to quantifying terms of economic multiplier should be contestable and have smaller limits. (i.e. up to $100,000).

Should the new fund require matching or partnership funding?

Yes partnership funding is desirable for large projects which should be a component of the assessment process, whereby a project that can demonstrate significant partnership funding will be assessed higher that a project that does not.

Matching funding is not desirable as many local organisations cannot always find this money and hence should not be excluded for this reason.

For smaller capped grants there should not be a requirement for any funding but in kind contributions should be highlighted.

Topic 3: Management of funding agreements for a new regional and local community infrastructure funding program.

What should be contained in a funding agreement?

Standard legal requirements of a contract as well as a project plan with milestones for reporting against.

Subsidiary questions:

How prescriptive should a new funding agreement be?

It should not be prescriptive but it should enable accountability of the funding. The project plan prescribes how the project will be executed.

Are more guidelines helpful or do they confuse?

Good consistent advice is generally more useful than guidelines.

What monitoring requirements should be outlined in the funding guidelines?

Monitoring should be in alignment with the project plan. The project plan should have agreed phases and milestones and reporting should occur on 6 monthly spans.

How should a funding agreement be monitored?

Through a reporting process and audit processes at completion.

Subsidiary questions:

What kinds of performance monitoring mechanisms should be contained in a new funding agreement?

Performance should be demonstrated against the project plan.

Do different types of projects require different performance measures?

Yes they will be different in each case which is why monitoring performance against agreed milestones is the best way to achieve this.

Should a monitoring plan prepared by potential grant recipients be a required part of the funding application?

Yes this should be against the agreed project plan and submitted in accordance with set phases i.e. six monthly reports.

Should there be a regular audit program for projects and if so how often should that occur?

Auditing should occur at the end of a project or if the project spans over more than one financial year an audit should be undertaken at the end of each financial year as part of the annual organisational audit processes.

Is there a need to have project audits presented to Parliament, either individually or a part of a volume of regular reports?

Parliament should be focussed on bigger issues other than reviewing funding audits.

How can performance monitoring overcome delays which might arise with a project?

They identify if milestones are being met in accordance with the approved plan and this will highlight issues as they arise.

How should a funding agreement be managed? Who should do it?

The funding agreement should be between the Federal Govt agency and the applicant organisation. The Federal Govt agency drafts an agreement and then the organisation reviews and agrees. Once agreement is reached the document is signed and executed.

Subsidiary questions:

What kinds of skills are required to manage a funding agreement?

Financial skills, analytical skills and written skills

Are local people better equipped to manage a funding agreement or does it matter?

Yes if they are a local government or have partnered with a local government. These skills are generally in place in most local governments throughout Australia. If the Local Government is not well resourced then it should be able to access support through the RDA and through the Local Government network and peak associations to support it.

What kinds of resources are required to manage a funding agreement?

Administrative resource people

If a program is created that provides funds for a wide range of projects, are there generic processes for managing funding agreements which can address the varied nature of the program?

Yes as outlined previously a simple standard approach through the use of project planning methodology will achieve this.