Australian Government

Department of Infrastructure, Transport, Regional Development, Communications and the Arts

REGIONAL PROGRAMS BRANCH

Consultation on the Thriving Suburbs Program: a report summarising feedback received on the policy principles for this program

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Early engagement of stakeholders – roundtable discussions

Overview

The Regional Programs Branch of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the department) held a stakeholder consultation process on the Thriving Suburbs Program over the period 21 - 26 July 2023.

A roundtable discussion was conducted virtually with stakeholder organisations on 25 July 2023 including representatives from Regional Development Australia committees, Local Government, and peak bodies aligned to significant government priorities such as First Nation priorities and social, affordable and sustainable housing.

The objectives of consultation were to:

- Provide stakeholder organisations the opportunity to engage early and directly with the program design process.
- Seek feedback from potential proponents on the design principles for an effective grants program.
- Ensure the principles underpinning the proposed guidelines for the programs will achieve the program intent and outcomes.

Participating stakeholders were provided access to a Slido poll prior to the roundtable and requested to provide feedback.

This report presents the findings from the Thriving Suburbs Program consultation process.

Roundtable engagement

The roundtable focused on providing stakeholders an overview of the design principles of the Thriving Suburbs Program and an opportunity to respond to prepared questions on the design principles of the program.

The roundtable was well-attended with 118 participants logging into the on-line session. Participating stakeholders were engaged and interested and expressed their appreciation for the early engagement consultation process. Approximately 20 per cent of participating roundtable stakeholders provided feedback through the question and answer session or the Slido poll process. Slido was left open until COB 26 July to allow stakeholders time to consult or consolidate their responses.

The following questions, targeted primarily toward the application process, were provided to stakeholders prior to the roundtable via a Slido link included within invitations:

Thriving Suburbs Program questions

Question 1: Community Priorities

    A. How can we reflect your community's priority needs in our program design?
    B. What sort of evidence should we ask for?
    C. How can our requirement for evidence best align with the data or tools you already have?

Question 2: Program co-funding

    A. How should we structure co-funding requirements? Are the co-funding requirements used in the Growing Regions Program applicable to the urban and peri-urban environment?
    B. If there is a co-funding requirement, should there be exemptions?

Question 3: Funding limits

    A. Considering the types of projects you are likely to bring forward under Thriving Suburbs, what should the project funding limits be?

    B. Should we match the limits that have been used in the Growing Regions Program?

    C. Would a lower upper project funding limit allow a greater number of funded projects with more diversity (Thriving Suburbs will be one $200m round)?

Question 4: Application process

    A. How can we make the application process less onerous while ensuring fairness and transparency?

    B. How could application processes be improved?

    C. What resources/services do applicants require to submit successful grant applications?

    D. What barriers in the application process make it difficult to submit a compliant grant application?

Question 5: Stage 1 EOI application

    A. What are your views on the Thriving Suburbs Program (like Growing Regions) having a two-stage application progress - EOI and then Full application? If you do have concerns, what are they?

    B. If you have already submitted an EOI under the Growing Regions program – what did you like about the application process or what would you do differently?

Question 6: Supporting Australian Government priorities

    A. How could the Thriving Suburbs Program support other Australian Government priorities - Commonwealth housing policy?

    B. How could the Thriving Suburbs Program support other Australian Government priorities – sustainability and net zero emissions?

    C. How could the Thriving Suburbs Program support other Australian Government priorities – Gender equity, cultural responsibility and diverse social inclusion?

    D. How could the Thriving Suburbs Program support other Australian Government priorities – First Nations engagement and closing the gap outcomes?

    E. What could we do to support not-for-profit groups aligned with these priorities to submit a grant application?

    F. What other Government priorities are likely to be represented in the projects you might bring forward for funding under the program?

Question 7: General

    A. Is there anything included in the Growing Regions Program guidelines that isn't applicable to the urban and peri-urban setting?

    B. Is there anything that we haven't already covered that you would like to provide comment on?

Responses

Participating stakeholders were able to provide their responses via Slido and the department's Thriving Suburbs inbox from 26 - 27 July 2023. In total the department received 234 written responses.

Stakeholders were also provided with a further opportunity to ask questions and provide feedback through a Questions and Answers (Q&A) session at the end of the roundtable. Overall, the Q&A sessions captured 21 verbal responses.

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Outcomes

Early engagement stakeholder consultation

Stakeholder participation and feedback provided was well considered, passionate and insightful. The scope and focus of the questions posed, combined with the diversity of organisations represented, facilitated an inclusive environment and outcome.

Participants valued the opportunity to be involved in an open and transparent process, and valuable input was provided to the department on program design, the effectiveness and the development of program application processes and guidelines. This strengthens the relationship between the department, stakeholders and potential applicants as well as improving the policy design, application process and administration of grant programs.

Key findings on early engagement consultation include:

- Early engagement with stakeholders was strongly supported by participants.
- Stakeholders value the opportunity of being involved in designing policy principles for the grant program.
- Diverse participation results in range of opinions and feedback.

> **Outcome 1:**
>
> The department will consider including early stakeholder consultation in developing grant programs and publishing consultation reports on the department's website.

Geographic boundary definitions

There was discussion on geographic boundaries and the use of 2016 Australian Bureau of Statistics (ABS) Greater Capital City Statistical Areas (GCCSAs) to define geographic eligibility for the Thriving Suburbs and Growing Regions programs.

Concerns were raised in regards to geographic eligibility continuity with previous programs, specifically the Building Better Regions Fund (BBRF).

The department outlined the Australian Government's nation-wide approach to investing in community infrastructure. The Thriving Suburbs Program covers all communities within the GCCSAs, whilst the Growing Regions Program applies to the rest of the State or Territory region. Combined, these two programs cover the entire nation without gap or overlap.

A further concern was raised regarding the impact of applying the GCCSA boundaries on peri-urban areas as these suburbs/regions were considered regional under the BBRF. Therefore, some organisations based inside the boundary of GCCSA (and who were previously eligible for BBRF) voiced views of being disadvantaged by the need to compete with well-established and resourced metropolitan organisations for a smaller grant pool. They specifically advocated for their communities to be defined regional through an exemption to the GCCSA.

While it is understood and acknowledged some areas included within GCCSAs might prefer to be considered otherwise for the purposes of eligibility, it was noted a consistent and methodical approach and definition needed to be applied.

The use of GCCSAs provides a stable, consistent approach and a boundary reflecting the functional extent of each of Australia's capital cities. It includes those within the urban area of the city as well as people who regularly socialise, shop or work within the city, but live in towns and rural areas surrounding the

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city. It is widely used for the collection, analysis and presentation of social, economic and demographic data informing government and the communities they serve.

Lastly, as cities grow the boundaries of the GCCSAs will also expand into previously classified regional areas. The GCCSAs were recently updated by the ABS based on data from the 2021 census and the department will be using the more conservative 2016 GCCSA boundaries as the Growing Regions Program was established using this version. It is envisioned in the future, the peri-urban area will slowly expand into the land surrounding it.

A completely different geographic eligibility issue raised was the unincorporated areas around Australia. While unincorporated areas are geographically eligible under either the Thriving Suburbs or Growing Regions programs, these areas often do not have an eligible incorporated not-for-profit organisation or local government entity on their areas which prevents areas from applying. Several solutions were raised for this issue, including:

- Allowing relevant Regional Development Australia committees to be eligible entities for the purposes of unincorporated areas.
- Assisting these areas to establish a not-for-profit organisation for the purposes of supporting development in their communities.

It is noted eligibility for regional programs does not just relate to the grant application process per se, but also extends to the ability for local communities to deliver projects funded and sustainably operate facilities and services they provide. This is most often done by incorporated not-for-profit organisations or a local government agency or body. The remit of Regional Development Australia does not extend to the delivery and on-going operation of projects funded. Given these complexities the department will explore other possible solutions for future grant programs.

Key findings on geographic boundary definition include:

- Feedback on changes to geographic boundaries based on the adoption of ABS GCCSAs focused on the changing definition of geographic eligibility from the BBRF.
- However, it was also noted the government needs to apply a consistent and widely recognised national approach to defining geographic boundaries.
- The ABS GCCSAs provide a consistent and widely recognised national approach to defining geographic boundaries and stakeholder feedback on applying these boundaries across four significant programs was well received.
- There are barriers to unincorporated areas benefiting from Australian Government grant programs.

Outcome 2:

The department will consider defining eligible project locations to be those located within the 2016 ABS defined [Greater Capital City Statistical Areas](#).

Community priorities

Participants broadly appreciated the Australian Government's place-based policy approach. It was noted community organisations and local government entities know their own local suburbs and urban areas well and were best placed to determine which projects should be put forward for funding opportunities. Stakeholders agreed peri-urban and urban infrastructure programs should empower communities to determine investments best suited to their needs and not be determined on a national basis. At the same time, stakeholders strongly supported the notion of providing evidence to back up the claim of local need/priorities and were keen to see the Growing Regions model followed for this principle.

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Regional programs should acknowledge the scale of community projects and note local community priorities are often not recognised within state-based infrastructure plans. Evidence of need can be established through:

- Local Government economic, community and corporate plans;
- RDA plans and research;
- Research reports identifying priorities;
- Industry led plans such as tourism plans;
- Chambers of Commerce plans; and
- Local First Nation community plans.

It was further suggested applicants can support project investments through the use of readily available economic, socio-economic and demographic information.

Key findings on community priorities include:

- Community/suburbs should determine their own local priorities/needs.
- Evidence for priorities needs to be provided and be commensurate with the scale of the project.
- Simplicity in application processes – particularly at the expression of interest stage.

Outcome 3:

The department will consider retaining the place-based approach of determining peri-urban and urban priorities adopted within the Growing Regions Program, with flexibility in the source of proof of priority to capture local community needs.

Co-funding options

Participating stakeholders supported the principle of co-funding to ensure local ownership and the conditions needed to achieve success. They noted co-funding helps to create a committed partnership and shares the costs, benefits and risk in investing in community infrastructure.

Stakeholders suggested the ratio of co-funding should be reflective of financial and human resource constraints, with low resource or highly disadvantaged areas contributing less. This would recognise low rate-base peri-urban, rural and regional councils adjoining urban boundaries and recognised high-growth/need suburbs. It will also support projects delivered within areas of high relative socio-economic disadvantage as determined by ABS Socio-Economic Indexes for Areas (SEIFA).

There was a diversity of opinion on co-funding possibilities with feedback including:

- Increasing co-funding requirements for First Nations organisations, i.e. from 10% to 30% or 50%.
- Using the Socio-Economic Indexes for Areas (SIEFA) to determine disadvantage and co-funding need as opposed to the Growing Regions Program approach based on remoteness, low rate-based local government entities and First Nation organisations.
- Adopting a similar tiered approach to the Growing Regions Program based on First Nation status and low-rate base councils.

Key findings on co-funding options include:

- Broad support for co-funding based on need and capacity.
- There is an acknowledgement peri-urban or fringe suburbs within the GCCSA may be disadvantaged in terms of both capacity and resources needed to apply for grant programs compared to the more established metropolitan areas.

    Diversity of opinion ranging from SEIFA to rate-based tiering.

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> **Outcome 4:**
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> The department will consider a base level for co-funding of 50% and co-funding exemptions for smaller, disadvantaged LGAs and organisations.
>
> For example:
>
> - Up to 90% for First Nations Community Controlled Organisations
>
> - up to 70% for low rate-based councils using a ratio of Financial Assistance Grants to Net Rate Income.

Participating stakeholders highlighted the limited budget of $200 million and the single round of funding committed for the Thriving Suburbs Program. Stakeholders suggested lowering the maximum amount of funding available to projects in order to increase the number of projects funded and communities benefiting.

Feedback on lowering the maximum amount available for a project included:

- Maximum grant funding limited to $10 million.
- Maximum grant funding limited to $5 million.

Stakeholders also suggested reducing the lower limit of $500,000 to encourage smaller projects and resulting in a larger number of projects funded and communities benefiting.

Feedback on lowering the maximum amount available for a project included:

- Minimum grant funding lowered to $200,000.
- Minimum grant funding lowered to $100,000.

Key findings on funding scope include:

- The program budget is limited to $200 million and one round which limits the number of projects which will be funded – compared to the Growing Regions Program.
- The option of reducing maximum grant funding available for each project resulting in an increase to the number of projects funded and communities benefiting.
- The option of reducing minimum grant funding available for each project resulting in an increase to the number of projects funded and communities benefiting.

> **Outcome 5:**
>
> The department will consider if the funding scope for projects should be changed to $500,000 and $10 million to enable the program to fund the greatest possible number of projects.

Application process

Participating stakeholders recognised the need for due diligence and transparency in assessing and awarding grants.

Overly onerous and time-consuming application processes increase resource requirements and limit the ability for low-resourced councils and organisations to apply.

The majority of participants expressed support for an expressions of interest (EOI) stage as part of the application process for the Thriving Suburbs Program. A simple EOI process was viewed as an effective and timely way of determining eligibility and reducing effort on projects unlikely to succeed.

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Stakeholders raised the timeframe required to asses and contract grants and the cost escalation risk this poses. It was noted under the terms of the grant agreement the grantee is responsible for any overruns. Whilst this is reasonable, stakeholders suggested a shorter application and grant negotiation timeline to mitigate cost risk.

Stakeholders broadly agreed with the approach adopted within the Growing Regions Program, but emphasised the need for simple application processes and requirements – particularly within the EOI stage, which they posited should be predominately a box ticking exercise, with proof provided within the full application. This approach would recognise the limited resources and skills available to small Local Government agencies, First Nations and not-for-profit community organisations.

It was suggested that EOI process should predominately be a box ticking exercise to determine:

- eligibility
- community need and how the project meets this need
- alignment to program objectives and community priorities
- project maturity (readiness)
- organisational operational and financial commitment
- confirmation and proof of these would then be required should the application be invited to progress to stage 2 – Full application.

The department noted the high number of EOI applications received for the Growing Regions Program - Round 1 seems to indicate organisations are prepared to provide robust documentation.

Key findings on application process include:

- Need for due process recognised.
- Overly complex and onerous processes disadvantage low-resourced organisations.
- Assessment and negotiation timeframes should be limited to mitigate cost overrun risk.
- Response to Growing Regions Program EOI stage indicates robust EOI processes may not be an impediment to applicants as the program received a significant number of applications.

Outcome 6:

The department will consider a two-stage application process for the program.

Applicant support

Participating stakeholders identified the need for the development of project evaluation, project management and grant writing skills (Project rational/Business Case) within small councils and community-based not-for-profit organisations including First Nation organisations.

Stakeholders suggested low-resourced organisations be provided with base funding to assist with grant writing requirements.

Stakeholders requested the department conducted information sessions for potential applicants prior to applications opening providing guidance on the programs objectives and application process(es).

The department notes Regional Development Australia committees currently provide grant writing assistance for any organisations within their region.

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The department mentioned it co-hosted a webinar with the Business Grants Hub, within the Department of Industry, Science and Resources, at the opening of the EOI process for the Growing Regions Program to take potential applicants through the application process. This webinar, and an accompanying frequently asked questions document, is available on the department's website. There was strong support for a similar webinar to be held when Thriving Suburbs Program opens for EOI.

Outcome 7:

The department will consider working closely with Regional Development Australia committees to deliver high-level guidance and support to resource-constrained applicants and conducting information webinars at appropriate times throughout the application process.

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