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Client
National Growth Area Alliance

Project
Community Infrastructure - Outcomes and
Issue Report

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Contents

Overview

One of the most significant challenges facing local governments in outer metropolitan growth areas is the need to provide infrastructure to meet the needs of rapidly growing populations. Hard infrastructure such as roads, water and sewerage are typically prioritised for funding. However, the provision of soft infrastructure such as community, sport and recreational facilities is perceived as more discretionary. All tiers of government tend to prioritise infrastructure spending in this manner discounting the impact of community infrastructure on productivity, community wellbeing and harmony. Community infrastructure includes community centres, sports and leisure facilities, arts and cultural facilities, learning centres, libraries, community services facilities

A survey of members of the National Growth Area Alliance (NGAA) has highlighted many of the barriers to providing community infrastructure. By far the most significant barrier is a lack of funding to undertake the capital works required to construct community infrastructure to a contemporary standard that will meet the expectations of their communities. The survey revealed funding gaps in the $10 to 50 million range per Council over ten years, although some gaps were considerably more than this.

The scale of the funding gap largely reflects the trend towards larger multipurpose facilities such as a shared use community hub and recreational/leisure hubs. These multi-purpose hubs provide an opportunity to deliver numerous services from one location thereby minimising land take and reducing construction costs. They also often provide a revenue raising opportunity for the council.

The survey also revealed that the councils prioritised the provision of leisure centres (centres with a preventive health focus) and community service hubs although libraries, general community meeting spaces and cultural centres were also identified by several councils.

Research into Australian Government funding programs has revealed that there are currently very few programs available that fund capital works. The programs that are available, particularly the Suburban Jobs Program and the Regional Development Australia Fund are also highly competitive, with Australian Government funding capped and requirements for matching funds. The largest fund, the Regional Development Australia Fund also has a distinct bias towards regional/rural projects and councils.

This rural- regional focus, which is aimed at reducing service delivery and infrastructure gaps between rural areas and metropolitan areas, tends to portray metropolitan areas as homogenous urban agglomerations with equal access to services and infrastructure across the entire metropolitan area. This characterisation does not take account of the differences between outer metropolitan growth areas and established inner suburbs, or between new greenfield urban release areas and established areas. The regional focus is not just prevalent in grant programs but is also the focus on the recently announced review into the Australian Governments Financial Assistance Grants Scheme.

This lack of recognition of the challenges faced by rapidly growing local government areas in policy and funding programs and the long term consequences of not addressing the community infrastructure needs of a growing community in a timely manner support the case for the establishment of a growth area specific funding program.

This report also examines some strategies used by local governments in both Australia and overseas to attempt to bridge the funding gap for community infrastructure. These include partnership and brokerage models, local asset backed vehicles, local forms of PPPs, as well as improvements to asset management and community infrastructure planning. Place-based initiatives are also highlighted.

The purpose of this report is to highlight the nature and extent of the community infrastructure funding and delivery task in outer metropolitan growth areas around Australia. The second stage report will recommend options to address these deficiencies.

1 Introduction

In July 2012, the National Growth Areas Alliance (NGAA) commissioned Elton Consulting to undertake a consultancy project investigating the provision of community infrastructure in outer metropolitan growth areas in several States of Australia and to recommend a proposal for a future Australian Government funding program. This report documents the outcomes of Stage 1 of the Community Infrastructure for Growth Areas project.

This section of the report identifies the project purpose, objectives, context and key directions.

1.1   Project objectives

The purpose of the project is to establish an evidence base to assist the NGAA in securing commitment from the Australian Government to a new funding program for community infrastructure in outer metropolitan growth areas.

As outlined in the Request for Quotation, the objective of the project involves research, analysis and engagement to support the following objectives:

- Design a national funding program for community infrastructure for population growth areas, focusing on agreed facilities (for example, health/leisure centres, libraries/learning centres)

- Identify useful facility models and funding approaches

- Identify candidate projects which meet agreed criteria from the 25 member councils

- Quantify the social and economic benefits at local, state and national levels anticipated from funding of such facilities.

1.2   Strategic context

The NGAA supports its 25 member councils in the outer metropolitan areas of South Australia, Victoria, Queensland, New South Wales and Western Australia to manage the social, physical and planning challenges associated with the rapid growth occurring in these areas.

The 25 member councils share characteristics that make them critical to each of their states, as well as to broader national priorities. That is, the growth areas play a key role in accommodating growth in metropolitan regions and housing a large proportion of the incoming population. Between 2001 and 2008, the annual average population growth of NGAA member councils was 2.7 per cent, in comparison with 1.5 per cent in metropolitan areas.

As this intensive population growth continues, immense pressure is being placed on local government to deliver new, more sustainable infrastructure in new communities. This includes demand for physical infrastructure such as roads and utilities, as well as employment and community infrastructure, such as open space and parklands, recreational facilities, libraries and youth services. This project focuses on provision of social or community infrastructure.

The NGAA has developed a new framework for infrastructure delivery. This framework recognises the key role of the Australian Government and State Governments in supporting cities, including the need for community facilities in outer metropolitan urban growth areas. The NGAA proposes to consolidate existing urban policy-related initiatives into a new National Urban Investment Fund. Significant additional resourcing will also be required, with the first step towards the Fund being a community infrastructure program.

1.3   A national problem

The outer metropolitan areas of Australian capital cities are experiencing rapid growth. The population of the NGAA municipalities is projected to increase by approximately 1.8 million persons over the coming 15 years, reaching 5.4 million persons by 2026 and increasing at an average annual growth rate of 2.8% pa. This growth rate is more than twice the national population growth rate of 1.3% pa. This population in 2026 compares with approximately 3.6 million persons in 2011. NGAA municipalities will therefore be required to accommodate 37% of all population growth in Australia over the period 2011 to 2026, with the share of population living in NGAA municipalities increasing from 16% in 2011 to 20% by 2026.

Planning for these growth areas has improved in recent times with local authorities giving emphasis to the environmental conditions of these new developments and with core infrastructure such as roads, footpaths, and sewerage being provided prior to residents moving in. However despite the best intentions of Councils and developers to provide for sustainable communities a number of significant problems remain.   The first is the absence of a viable public transport system leaving new residents dependent on cars. The second, and potentially more challenging problem is meeting the demand for community infrastructure and services such as childcare, sport and recreational facilities, libraries and cultural centres and social services.

The NGAA has recognised a structural problem in the way new communities are planned and developed in Australia. Funding of community infrastructure usually relies on complex partnerships involving all levels of government, non-government and the private sector. The risk of partnerships not being supported across all levels of government is substantial. The effort required to coordinate across the three levels of Government is significant and in many cases impossible for Councils to achieve. Lack of coordination can result in missed opportunities to provide "joined up services", loss of economies of scale, underfunding of capital works or the establishment of facilities without recurrent funding for service delivery being secured. Ultimately the community suffers as a result.

Both the Productivity Commission (2008) and the Grattan Institute (2011) have highlighted that areas with rapid population growth do not receive funding for these services commensurate to the needs of residents. Local Governments with significant areas of newly subdivided greenfield developments have less capacity to pay themselves for local government services than slower growing or established areas. This is because local governments raise most of their funds from rates and user charges. By the time the rate base has grown to a level to support the development of community infrastructure social disadvantage and social exclusion may already be prevalent in communities.

Across the European Union and the United States Governments are now recognising the mistakes and associated costs involved in failing to provide for adequate community infrastructure in local communities. Many metropolitan and regional areas have been hard hit as a result of factors such as structural changes in the economy, changed patterns of employment and income distribution and demographic and social changes. The failure to make adequate provision for community infrastructure in the past has exacerbated the problems for these areas. Consequently, particular localities have been left in a state of extreme disadvantage but with few social support services to buffer the effects of these changes. In response, governments are now faced with attempting to apply remedial measures to compensate for previous under-provision.

1.4   Role of governments in infrastructure provision

In the past *(and indeed now)*, most infrastructure was provided by governments. Reflecting this, in 1994 all levels of government owned about 90 per cent of economic infrastructure and 87 per cent of community infrastructure. In 2005-06 around $55 billion was invested in economic and community infrastructure of which $43 billion was invested in economic infrastructure and $12 billion in community infrastructure (health and education).

In Australia, public sector investment in infrastructure has been trending lower as a share of gross domestic product (GDP) in recent decades. Infrastructure spending as a proportion of Australia's national resources has declined from about 6 per cent of GDP in the early 1960s to around half this figure in the 1990s. In countries that have limited spending on infrastructure, there is clearly a direct link to stagnant or declining economic growth. In line with this pattern, Australia's productivity has declined in the last 15 years from a rating of 3.3 per cent in the mid-1990s to 1.1 per cent in more recent times. In response to the Global Financial Crises the Federal Government embarked on an economic stimulus policy through government spending on

infrastructure. Much of the expenditure currently estimated at $42 billion is targeted at community infrastructure – social housing, education and community infrastructure.

The Australian Government accounts for about one quarter of public infrastructure, provided mainly by government business enterprises (GBEs). The Australian Government is constitutionally responsible for postal, telegraphic and telephonic services. However, its influence extends beyond these functions because it has the financial capacity and power under section 96 of the Constitution to provide financial assistance to the States and Territories in areas traditionally their responsibility such as roads, health, and education.

State Governments are responsible for most of the remaining 75 per cent of public infrastructure. This covers road transport, schools, hospitals, prisons and libraries. State owned GBEs provide most of the economic infrastructure, including railways, electricity, gas, water supply and reticulation, and ports.

Local Governments have increasing been providing community infrastructure and services to their communities. This reflects the lack of funding for these services and facilities from other sources and increasing community expectations about the role of Local Government's and the level of services they provide.

Level of government	Economic infrastructure	Community infrastructure
Commonwealth	Aviation services (air navigation etc) Telecommunications Postal services National roads (shared) Local roads (shared) Railways (shared)	Tertiary education Public housing (shared) Health facilities (shared)
State	Roads (urban, rural, local) (shared) Railways (shared) Ports and sea navigation Aviation (some regional airports) Electricity supply Dams, water and sewerage systems Public transport (train, bus)	Educational institutions (primary, secondary and technical) (shared) Childcare facilities Community health services (base hospitals, small district hospitals, and nursing homes) (shared) Public housing (shared) Sport, recreation and cultural facilities Libraries Public order and safety (courts, police stations, traffic signals etc)
Local	Roads (local) (shared) Sewerage treatment, water and drainage supply Aviation (local airports) Electricity supply Public transport (bus)	Childcare centres Libraries Community centres and nursing homes Recreation facilities, parks and open spaces

Source: Richard Webb: The Commonwealth Government's Role in Infrastructure Provision Research Paper no. 8 2003-04

1.4.1   Bundling infrastructure investment for Public Private Partnerships

Overall, PPPs account for a small amount of the total investment in public infrastructure and in Australia their share fluctuates from year to year and from state to state. The market in Australia is characterised by somewhat unpredictable deal opportunities which has made it difficult for the private sector to efficiently channel its investment and resources (Grimsey 2012).

Nevertheless, over the last seven years private sector investment in Australia's community infrastructure has increased significantly, with nearly $10 billion of contracts awarded. In Australia, approximately 25 community infrastructure PPPs have reached financial close since 2002, in areas such as health, education, defence,

correctional facilities, courts and social housing. While spending on transportation – particularly megaroads – exceeds this figure over the same period, community infrastructure accounted for more than double the number of deals (Grimsey 2012).

The characteristics of these projects have also changed over the years. Community infrastructure projects have trended towards being bigger in capital terms and more complex. For example, Victoria's first PPP hospital was the $70 million Casey Hospital, a regional hospital with 229 beds, which compares to the most recent Royal Children's hospital at $1.359 billion, a 353-bed tertiary hospital delivering specialist services to children in both metropolitan Melbourne and rural/regional Victoria. The current round of PPP hospitals includes the New Royal Adelaide Hospital and Sunshine Coast Hospital and both have announced capital investment of over $1 billion each (Grimsey 2012).

Bundled projects have featured where a number of facilities are procured together under a single PPP, in particular schools in NSW, Victoria, South Australia and Queensland, and also police stations and courts in South Australia. The bundled approach achieves a critical mass of capital investment that makes the PPP model viable. The value for money benefits of using a PPP to procure a $15 million secondary school is unlikely to outweigh the costs of putting the procurement and legal frameworks in place, whereas it makes more economic sense if a dozen or more schools are bundled together to create a project of around $200 million (Grimsey 2012).

1.5 Challenges in outer metropolitan growth areas

There are a number of important challenges relating to provision of community infrastructure in outer metropolitan growth areas. A fundamental difference between outer metropolitan growth areas and more established areas is that the latter are far better served by existing community facilities, while new facilities need to be created in outer metropolitan growth areas.

Many councils in outer metropolitan growth areas such as the City of Armadale in Western Australia are operating within a context of limited resources (in terms of available funds and in some cases land), and for many this has resulted in a dependence on one major community facility (a "hub") for their area.

In established areas community facilities are less likely to be shared (across the region), and the asset base they provide can be used to leverage funding.

In terms of achieving equity across existing and new growth areas, community networks (incorporating the voluntary sector, non-government organisations and churches) are often less likely have their own facilities in outer metropolitan growth areas. They are therefore often competing for access to limited public facilities to undertake their activities. These limited facilities are often not "fit for purpose" or available at a time that meets the needs of the particular community group.

1.6 Elements of a new funding framework

The establishment of a National Urban Investment Fund is one mechanism identified by the NGAA to help address the way new communities are planned and developed. Some of the key elements of this framework include:

- Consistency with the broader strategic planning framework – namely, Australia's National Urban Policy – *Our Cities, Our Future*

- A National Urban Investment Fund capitalised by the Australian Government

- Complementary funding from state and territory jurisdictions to support Australian Government investments

- Consolidation of existing urban-policy related initiatives into the new fund

- Significant additional resources injected

- Consistent criteria applied across all funding windows

- A clear focus on the needs of outer urban growth areas, with specific targets relating to improved access to services in these areas

- Leadership and regulation of the funding program by the Council of Australian Governments (COAG).

Recent work undertaken by the NGAA identifies examples of the types of projects that would be eligible to receive funding under an Australian Government funding program for community infrastructure. Characteristics evident across all the example projects are:

- Facilities with a catchment wider than municipal boundaries

- Partnerships which add value to community outcomes

- Venues for social service provision, which are often lacking in outer metropolitan growth areas

- Venues for recreational activities, which perform the important roles of facilitating exercise and healthy living, as well as community connectedness.

2 Project methodology

Section 2 outlines the methodology for the Community Infrastructure for Growth Areas project, with a focus on Stage 1.

2.1 Overview of project methodology

The methodology for the Community Infrastructure for Growth Areas project incorporates the NGAA's project vision and requirements as outlined in the Request for Quotation. The agreed methodology seeks to address the project objectives through a three stage process, as shown below.

- Stage 1: Inception, survey analysis and delivery of Outcomes Report

- Stage 2: Program design and project selection

- Stage 3: Final Report.

The tasks associated with each stage are proposed to ensure comprehensive analysis, targeted literature review and research, engagement of key stakeholders, development of funding model options and production of a Final Report and Summary for the NGAA. These documents will be used to support the NGAA's proposal to the Australian Government for a National Urban Investment Fund.

2.2 Stage 1 of the Community Infrastructure for Growth Areas project

Stage 1 of the project has involved the following key steps.

- An inception meeting with the NGAA project reference group to confirm the project requirements and to identify relevant stakeholders to consult with during key stages of the project.

- A background review of relevant policy documents and studies.

- Analysis of NGAA Member Survey feedback to understand local government priorities, potential funding models, and the evidence base (technical reports, existing community infrastructure plans etc) for community facilities provision. Analysis of survey data included early identification of potential candidate projects nominated by councils.

- Further consultation with selected NGAA members to obtain more detailed information on survey feedback. Some limited external consultation with key stakeholders was also conducted.

- Preparation of this Outcomes and Issues Report, providing an analysis of NGAA members' feedback, a summary of preliminary findings and an outline of the key focus areas for the subsequent stage of the project.

- Discussion with the project reference group regarding implications of the findings and directions for the next project stage.

Figure 1:

Project Stage 1:
Survey Analysis and Delivery of Outcomes Report
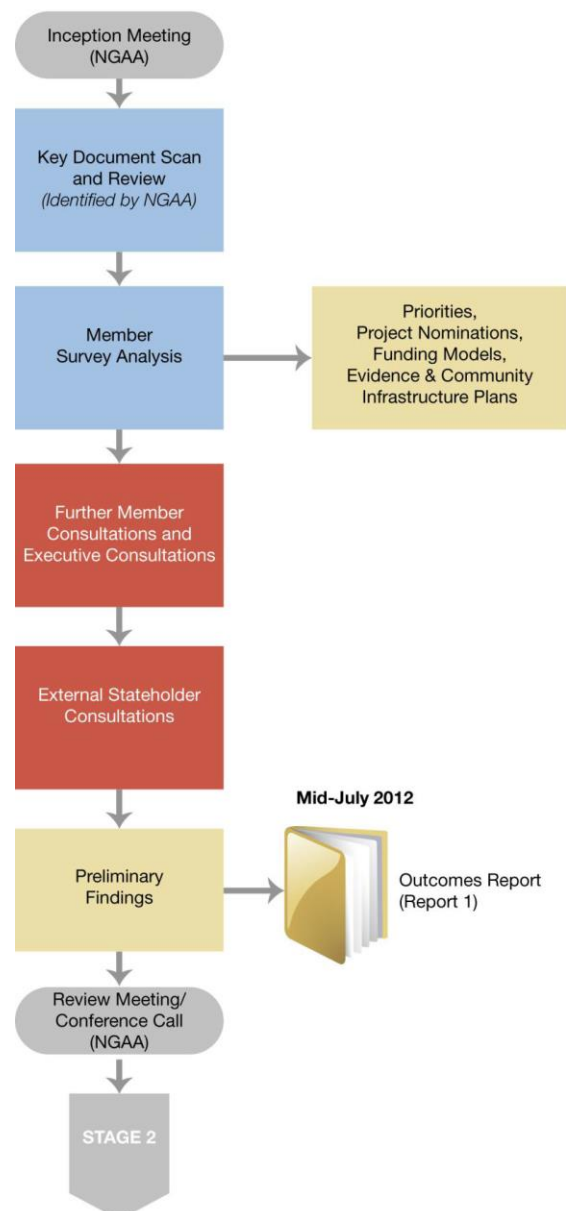
3 NGAA Member Survey outcomes

Section 3 documents the results of the NGAA Member Survey. The survey identified the community infrastructure priorities of member councils, projects that may be candidates for a funding program, and facilities which demonstrate useful models.

3.1 About the survey

3.1.1 Survey administration and response

A survey questionnaire was developed by the NGAA and sent to all 25 member councils in June 2012. Timing for conduct of the survey sought to enable prompt commencement to the analytic part of the Community Infrastructure for Growth Areas project. Return questionnaires were received by the NGAA in early to mid-July and were forwarded to the Elton Consulting project team. The level of detail provided by member councils varied greatly. Some gave high level responses, while others provided more comprehensive information. A number of councils appended detailed project plans and copies of relevant studies, to support their survey responses.

Table 1. Survey responses from NGAA member councils	NSW	QLD	SA	VIC	WA	Total
Survey responses	5	2	2	6	8	2323
Non-responses	0	1	0	0	1	2
Total member councils	5	3	2	6	9	25

The survey achieved a 92 per cent response rate (23 out of 25 member councils responded), as shown in the table above. Another two member councils decided not to participate in the study due to resource constraints (Moreton Bay Regional Council in Queensland and the City of Wanneroo in Western Australia).

3.1.2 Context for the questionnaire

The survey of member councils was conducted within the context of the NGAA's advocacy for investment in community infrastructure, in the lead-up to the Federal Election (which is due to take place by the end of 2013). The preamble to the questionnaire stated:

> …we need to know from Members your priorities for such infrastructure. We have in mind a national program of a particular type of infrastructure, as we believe this will enable a stronger case to be made.

Community infrastructure was defined as including 'community centres, sports and leisure facilities, regional level active open space, regional level play facilities, arts and cultural facilities, learning centres, libraries, community services facilities'.

3.2 Themes and types of facilities for a National Community Infrastructure Program

Member councils were asked to nominate their highest priority theme for a national community infrastructure program for growth areas. Over half (12 councils) nominated health as a high priority theme, followed by family support (7 councils). Education and training (5 councils) and community development (5 councils) were also commonly identified, with arts and culture identified as a high priority by four councils. This question permitted multiple responses, though most councils only identified one priority theme. The health theme encompasses leisure and recreation as well as primary care services. This theme may have scored highly due to the debates around both healthy urban planning and the links between provision of recreation opportunities and a healthier lifestyle. Health was clearly a high priority across all states, although education and training was also fairly prominent in both Victoria and Western Australia. Other suggestions (5 councils) focused on multipurpose and adaptable facilities.

Table 2. Highest priority community infrastructure for growth areas *(Total responses=38)*	NSW	QLD	SA	VIC	WA	Total
Health	2	0	1	4	5	12
Education and training	0	0	0	2	3	5
Family support	1	0	0	4	2	7
Arts and culture	2	0	0	1	1	4
Community development	1	1	0	1	2	5
Other – Suggestions included: • Business incubator • Community hubs • Community centres • Multifunctional facilities that can adapt to community needs • Multipurpose community hubs with co-located services (culture, learning, sport and recreation)	0	2	0	1	2	5

The next survey question related to the type of facilities needed to support the priority theme/s nominated by each member council. It is important to note this relationship between the two questions when considering councils' responses. The facilities regarded as necessary to support the priority theme were almost evenly split between leisure centres and community services centres. A number of councils identified a need for community hubs / community service centres. Libraries, general community meeting spaces and cultural centres were also identified by several councils. Other specific types of facilities were nominated (12 councils). While these suggestions have been incorporated into the existing categories, the more specific responses provided indicate particular needs among the member councils. This is an important finding and suggests that a 'one-size-fits-all' approach should be avoided in any funding program.

Table 3. Facilities needed to support highest priority community infrastructure theme/s for growth areas *(Total responses=62)*	NSW	QLD	SA	VIC	WA	Total
Libraries	0	1	1	3	4	9
Leisure centres	1	1	2	4	5	13
Cultural centres	1	1	1	1	2	6
Community services centres	2	1	1	5	5	14
General community meeting space	0	2	2	2	2	8
Other – Suggestions included: • Multi-functional centres • Aquatic centre • Sporting facilities • Civic arts precinct • Business incubator • Youth facilities	2	1	1	3	5	12

3.3   Models for community infrastructure provision

The survey asked about models of facility provision that might be useful in developing the new national funding framework. Dimensions of models suggested by participants included: a mix of functions or uses, design and construction, innovation in cost control, and approaches to financing and operation. This was an open question which attracted a wide range of suggestions, as shown in the table below. Though a seemingly wide range of different models were suggested, these could be placed into two broad clusters: a shared use community hub, and a recreation/leisure hub. Perhaps it should be noted in passing that there is a lack of common language around these models, though clearly similar ideas and concepts have percolated across states and amongst councils.

Table 4. Suggested models for provision
Cluster 1 – Shared use community hub
• Shared use / multifunctional / multipurpose sustainable centre
• Strategic co-location of facilities
• Community resource hubs
• Community centre (with training spaces and leaseholds)
• Youth centre (youth specific, multipurpose)
Cluster 2 – Recreation/leisure hub
• Regional sports complex / indoor sports centre
• Open space and community facilities – combined
Other
• Aboriginal child and family centre
• Living libraries
• The Rowlinsons Handbook

Nine member councils provided supporting information on suggested models. These were the City of Armadale (community hub with schools as anchors), Cardinia Shire Council (community services hub with non-government organisations as partners), City of Casey (regional recreation hub), Playford City Council (networked model of community infrastructure), Logan City Council (recreational facility with commercial spaces), City of Whittlesea (Aboriginal child and family centre and living and learning centre), City of Cockburn (youth centre), City of Mandurah (youth centre), and Ipswich City Council (community / sporting clubhouse). A selection of these models is presented as summary case studies below. These depictions reflect the individual council's perspective on each model, as relevant to their local government area. Please note, additional case studies identified through the broader research (beyond the survey) are discussed in Section 5 of this report.

Community hub with schools as anchors – City of Armadale, Western Australia

Facility: Shared community/sporting education site

Location: Nine shared use sites are planned for the City of Armadale's two major growth areas of North Forrestdale and Wungong.

What makes it a useful model? Mix of functions/uses.

The pressure for land use makes the option of shared use sites an imperative in order to meet the needs of the emerging communities in the two development areas. However, there is sound logic in focusing development of community infrastructure around the natural community hubs created by schools.

The City of Armadale has an overarching Memorandum of Understanding with the Department of Education relating to shared use sites in the City. Each site is subject to specific site design and agreements. The City and the Department of Education are about to embark on design studies for the first two shared use sites. It is anticipated that these studies will be completed by the end of 2012 and will contain guiding principles including design and functionality principles, that will inform other sites in the development areas. This work

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should be useful to inform similar projects in other council areas.

Design and construction, cost savings: The design is based on a shared use model. It is anticipated that the design studies will identify cost saving initiatives.

Financing approaches: Financing is based on a diverse funding model that accommodates contributions from several state departments.

Operation: A shared approach to maintenance and operations should optimise usage and share the load of recurrent expenditure.

Please note, information was also provided by the City of Armadale for three shared community and sporting facilities in Harrisdale East, Harrisdale North, Piara Waters South East, and Piara Waters South; the Hilbert District Community Centre; and the Wungong Regional Recreational Reserve.

Community services hub with non-government organisations as partners – Cardinia Shire Council, Victoria

Facility: Toomah Community Centre

Location: Pakenham, Lakeside South

What makes it a useful model? Mix of functions/uses. Functions included:

- Community centre – activity and meeting spaces
- Hospitality training kitchen – to deliver training by a Registered Training Organisation in partnership with council or non-government organisation
- Community kitchen – training for community in healthy cooking/eating
- Community hall – community functions and activity space
- Outreach consulting and office spaces – to attract non-government organisations to increase locally based service delivery
- Social enterprise café – to be run by a non-government organisation
- Leasehold space for large local non-government organisation – office and consulting space.

Design and construction, cost savings: The design stage incorporated an expression of interest process for non-government organisations providing an opportunity for long term leasehold on the first floor, using an economically advantageous model where the non-government organisation does not need to purchase land and can effectively 'build on' to the council facility, with shared spaces to minimise additional costs.

Financing approaches: The funding model includes allocation from the Department of Planning and Community Development's growth council's pool of funding, with contributions from non-government organisation and council revenue.

Operation: Governance model currently being planned.

Other issues: This facility is located in an activity centre adjacent to a train station and public transport node, maximising access for the community.

Regional recreation hub – City of Casey, Victoria

Facility and location: Casey Fields

Description: Casey Fields is a 76 hectare site being developed as the premier regional outdoor sporting facility in Melbourne's south east. It features a mix of active and passive sporting and leisure opportunities for the entire region. The fields consist of:

- Football - VFL and AFL Training Base

- Premier Cricket
- Regional Athletics
- Netball
- Rugby
- Tennis
- Cycling/Human Powered Vehicles
- Casey Soccer Centre of Excellence.

What makes it a useful model? In the growth area of the City of Casey local and district level sporting facilities are provided via the growth area planning process. However, to make provision for regional sporting facilities and facilities for minor sports, council must find other methods to address the unmet need.

The Casey Fields model demonstrates how the unmet need can be addressed, by providing a large regional level/minority sport mix of leisure facilities in one location. Please note, information was also provided by the City of Casey in relation to Selandra Rise Community Centre (multipurpose facility) and White Boulevard Children's Centre (triple kindergarten and associated community facility).

Networked model for community infrastructure – Playford City Council, South Australia

Playford City Council has developed a vision and guiding principles for provision of community infrastructure in liaison with key stakeholders, the community and councillors. Community infrastructure in the City of Playford caters for multiple uses, providing for a wide range of activities during the day and evening. Community infrastructure addresses both residents' needs and interests, and is viewed as an important physical part of the City of Playford's strength-based approach to community development. Community facilities are seen to be, and are promoted as, positive places where people can learn, gather, play, socialise, work, celebrate and be part of their community in a variety of both formal and informal ways.

Vision and guiding principles for community infrastructure:

- Community infrastructure helps to create a sense of place and identity in Playford's new and established communities
- Community infrastructure is dynamic and vibrant
- Community infrastructure is responsive to community needs; it has the capacity to adapt and evolve as community needs change
- Community infrastructure is planned and designed to be flexible to respond to changing community needs and interests
- Community infrastructure is planned and designed to be efficient and effective
- Co-location and shared use models are common with a range of strong, collaborative partnerships allowing maximum efficiency to be gained while providing high quality and relevant facilities in a timely manner
- Community infrastructure is well located, with 'main street' locations being common
- Community infrastructure is part of a comprehensive network
- Community infrastructure is planned, developed and funded through partnership with State Government, the Commonwealth, developers, business and community members.

Applying the principles:

The principles have been applied in the context of a number of projects including Buckland Park, a new town of approximately 30,000 people on the fringe of the City of Playford. The Playford Future Directions Plan (for community centres) and Community Plan (broader facilities) identify a series of facilities for the Buckland Park project. Council has been working collaboratively with the developer on delivery of community infrastructure for Buckland Park, with the plans and recommendations forming the basis for those discussions. Ultimately, the principles will also provide a framework for a community infrastructure agreement regarding provision of identified facilities for the community of Buckland Park.

Logan Metro Indoor Sports Centre (LMISC) – Logan City Council, Queensland

Facility: Indoor sports facility / events centre comprising:

- 3 multi-purpose indoor sports courts built to international competition standards
- Retractable seating for 2,000 people
- Commercial gym and fitness centre
- Multiple function rooms suitable for training, events and conventions
- Commercial office space leased to two allied health services
- Commercial kitchen to provide in-house food and beverage services, including full liquor licence.

Capital cost: $17 million, of which $5 million came from a State Government grant and the balance from Council funds and borrowings.

What makes it a useful model? This project demonstrates an operational funding model rather than a model for capital funding. Income from commercial uses is used to offset public community use. The model aims to maximise the operational cost recovery of the facility whilst providing cost effective equitable access for the local community. Income is derived from:

- User pays membership fees for use of health and fitness centre
- Hiring of function, meeting and events spaces
- Commercial leasing of ancillary office space
- Food and beverage service that supports activities and events
- Retail outlet for sporting attire.

Income from these sources subsidises use of the centre for indoor sporting competitions, community events and some community health programs.

Operation: The health and fitness centre, function rooms and food and beverage services are the key income drivers to offset the operational costs of the main stadium. The venue is progressively moving towards achieving the target of 100% operational cost recovery, and is currently achieving about 80% cost recovery. An integral part of the commercial strategy was to retain the operational management of the venue in-house. This continues to provide opportunities to multi-task staff, meet community service obligations and demands for community based programs and services, and more importantly to ensure the delivery of quality customer service outcomes.

Commercial strategy: Council's endorsement of the commercial strategy was critical to securing a long-term commitment to the development and operation of the facility. What made this strategy so unique is that it was developed by members of the Major Venues & Facilities Branch rather than being outsourced. The benefit of this approach is that the commercial strategy was created by the team that has ongoing responsibility for management and operation of the venue.

Bubup Wilam for Early Learning (Aboriginal Child and Family Centre) – City of Whittlesea, Victoria

Facility: An Aboriginal Centre providing long day care, kindergarten programs and allied health services

Location: Thomastown, an established suburb in the City of Whittlesea

What makes it a useful model?
Mix of functions uses – the Centre focuses on the wellbeing of children and families. The design creates a new benchmark in the City combining Aboriginal culture in the landscaping, colours and flow of the centre, and providing spaces that support allied health services and community meeting spaces. It is located adjacent to two government schools (primary and secondary), an aquatic/recreation centre, library and is close to shops and public transport.

Design and construction, cost savings: Council worked with the Department of Education and Early Childhood Development (DEECD) to procure their architect and builder (for the adjacent primary school), to follow the complementary design to the school. This reduced the project timelines and supported cost savings in terms of staff time and construction costs.

Financing approaches: The facility was able to be delivered with funding from the Federal Government and Victorian State Government and land contribution from the City of Whittlesea.

Operation: The centre is operated by an Incorporated Association (Board of Management) that consists of Aboriginal members only. It is the first Aboriginal organisation in the City and has been operating an Aboriginal education and employment program, and has established strong partnerships with the Aboriginal community and local schools.

Please note, information was also provided by the City of Whittlesea for the Creeds Farm Living and Learning Centre.

Youth Centre – City of Cockburn, WA

Facility: A multipurpose community facility incorporating a youth specific focus.

Location: Cockburn Central

What makes it a useful model?

Mix of functions/uses – Youth centre, training facilities and complementary youth specific mental and traditional health programs.

Design and construction, cost savings: The commercial space provides rental income to assist operation of the whole centre.

Financing approaches: Approximately 60 per cent leased to third parties including commercial restaurant.

Operation: Memoranda of Understanding exist with training and health service providers. This helps to ensure services operate in a complementary way. In 2013 the centre will be joined by a GP Super Clinic / Allied Health facility and library, which will be built along similar lines – incorporating mixed uses, community and commercial operations, strategic location next to major regional hub and transport.

3.4   Projects

Member councils were asked if they had particular projects in mind that are consistent with the theme and type of facility they had nominated. Councils were requested to attach supporting information about these projects. This included evidence of need, links to strategic plans and infrastructure plans, links to state and federal government policy. In addition, they were asked for design and cost information, such as the design concept, value added features, site, cost estimate, and business case. Councils were asked to identify any project partners and to specify their respective roles and financial contributions. They were also asked to quantify the social and economic outcomes anticipated from the nominated projects.

Twenty out of 23 respondents nominated one or more projects, as shown in the table below. While the types and scale of the facilities varied considerably, the focus was on recreation facilities and community hubs.

Table 5. Growth area councils who identified a particular priority (theme) or facility						
	NSW	**QLD**	**SA**	**VIC**	**WA**	**Total**
Yes	4	1	2	6	7	20
Not stated	*1*	*1*	*0*	*0*	*1*	*3*
Survey total	5	2	2	6	8	23

Table 6. Project type
• Shared community and sporting facility
• Community resource hub/centre (library, family/youth/arts/recreation services)
• Multipurpose community facility (library, leisure, community centre)
• Leisure centre / aquatic centre / sports facility (multi-purpose sports and leisure precinct)
• Youth facility
• Recreation and community precinct
• Civic arts precinct
• Open space
• Rail trail
• Library / community training centre

In terms of project costs, not all member councils could specify this information. Out of the 15 who nominated cost data, six councils' projects were less than $10 million and five were above $30 million. Another four councils identified costs in the middle range cost categories.

Table 7. Project cost *(Total responses=15)*

	NSW	QLD	SA	VIC	WA	Total
<$10 million	0	0	0	3	3	6
$10-20 million	0	1	0	0	1	2
$21-30 million	2	0	0	0	0	2
>$31 million	0	0	1	3	1	5
Total responses	2	1	1	6	5	15
Not stated	*3*	*1*	*1*	*0*	*3*	*8*
Total	5	2	2	6	8	23

A full list of the nominated projects is provided in the table below. This list contains 34 individual projects from 20 councils. The information provided ranged from high level information to detailed project plans. Some councils nominated one project while others listed a number of projects. Three respondent councils (Camden, Serpentine Jarrahdale and Ipswich) did not nominate projects. In some cases, such as Liverpool City Council, only fairly non-specific information was provided. In other cases, specific projects were identified, but costs were not provided. Regional recreation facilities were by far the *most costly* projects and the smaller community hubs the *least costly*. Overall, there was a lack of socio-economic outcome data provided.

Table 8. Nominated projects and related costs ($m)

Member council – New South Wales	Project name	Cost ($m)
Blacktown City Council	Riverstone Community Resource Hub	24.0
Camden Council	No project nominated	-
Campbelltown City Council	Macquarie Fields Leisure Centre	tbc
Liverpool City Council	Multipurpose community facility	30.0
Penrith City Council	Penrith Civic Arts Precinct	tbc
Member council – Queensland		
Logan City Council	Beenleigh Aquatic Centre upgrade	14.0
	Flagstone Community Indoor Sports Centre	18.0
City of Ipswich	No project nominated	-
Member council – South Australia		
District Council of Mount Barker	Regional Recreation and Community Precinct	30-50
	Indoor Recreation and Aquatic Centre	4.5
Playford City Council	Multipurpose community facility (x 5)	tbc

Table 8. Nominated projects and related costs ($m)		
Member council – Victoria		
Cardinia Shire Council	Officer Youth Facility	4.3
	Henry Road East Children's Centre	3.7
City of Casey	Casey Community Resource Centre	7.0
	Selandra Rise Community Centre	3.8
	White Boulevard Children's Centre	3.2
Hume City Council	Craigieburn Aquatic Centre	40.0
Shire of Melton	Toolern Aquatic Leisure Centre	35.0
City of Whittlesea	Whittlesea Rail Trail	4.3
	Access All Abilities Playspace	4.2
Wyndham City Council	Wyndham Leisure Centre	65.0
Member council – Western Australia		
City of Armadale	Piara Waters South Community and Sporting Facility	5.9 (non DoE)
	Harrisdale East Community and Sporting Facility	7.0 (non DoE)
	Wungong Regional Recreation Reserve	40.0
	Harrisdale North Community and Sporting Facility	2.7 (non DoE)
	Hilbert District Community Centre	6.2
	Piara Waters South East Community and Sporting Facility	3.4 (non DoE)
City of Cockburn	Regional Aquatic Centre and Sports Facility	55.0
	Bowling and Recreation Club	6.9 (plus land)
City of Gosnells	Leisure World Fitness Extension	2.1
Town of Kwinana	Wellard Community Centre	tbc
City of Mandurah	Lakelands Community Centre	4-14
City of Rockingham	Baldivis Library and Community Centre	11.7
Serpentine Jarrahdale Shire	No project nominated	-
City of Swan	Ellenbrook District Open Space	tbc
	Regional Active Open Space	tbc
	Ellenbrook Recreation Centre	tbc

3.5   Studies, plans and evidence

Member councils were invited to identify evidence to support planning for community infrastructure provision, as part of the survey. Firstly, councils were asked about the plans and strategies underpinning their responses to the overarching themes and facility types for the proposed national funding program. The table below reveals a wide range of studies and reports including community infrastructure plans, community infrastructure plans, developer contributions plans, precinct plans, open space and recreational needs studies, and capital works programs. Clearly, there is no lack of evidence or supporting documentation for the member councils' identification of priority community infrastructure.

Table 9. Plans and strategies that underpin council's identified priorities and facilities (see Tables 2 and 3)
• Strategic Plan
• Community Infrastructure Plan / ReportSocial Infrastructure Plan
• Community Facilities Report / Plan
• Children and Families Strategy
• Developer Contribution Plan and/or Scheme
• Design studies for community sites
• Integrated planning and reporting
• Precinct structure plans

- Municipal early years plan

- Youth strategy

- Arts development and facilities plan

- Municipal health and well-being plan

- Capital works plan / program

- Community needs study

- Open space strategy

- Project feasibility reports / land demand and feasibility study

- Positive ageing strategy

- Place-based community infrastructure plans

- Bicycle network strategy

- Urban design framework

- Background paper and future directions summary report

Secondly, councils were asked to provide information on their community infrastructure plan/s to support their nominated projects, if they had such a plan/s in place. Just over half of the member councils (13) had a community infrastructure plan in place – including some that were still in draft form.

Table 10. NGAA growth councils with community infrastructure plan/s						
	NSW	**QLD**	**SA**	**VIC**	**WA**	**Total**
Yes	1	2	1	3	6	13
Facilities listed (open question)						

- Sporting and community buildings

- Aquatic centre

- Regional level recreation facilities

- District hall upgrade

- Early childhood clinics

- Family support services

- Therapeutic clinics

- Children's centre

- Library

- Civic facilities

- Arts and cultural

- Council administration space

- Heritage sites

- Skate and BMX parks

- Equestrian grounds

- Neighbourhood houses

These community infrastructure plans encompassed a diversity of facilities. Many councils used other supporting studies or plans as the basis for facilities planning. This included community facilities studies, community strategic plans and capital works programs.

Table 11. Basis for council's identified priorities and facilities (see Tables 2 and 3)

	NSW	QLD	SA	VIC	WA	Total
Community infrastructure plans	1	1	1	3	5	11
Other plans/strategies	4	0	1	3	3	11
Not stated	*0*	*1*	*0*	*0*	*0*	*1*
Survey total	5	2	2	6	8	23

Among those councils who had a community infrastructure plan, all had a time horizon greater than five years. The majority of community infrastructure plans incorporated a timeframe of 15 years and over (8 councils).

Table 12. Duration of community infrastructure plans						
	NSW	**QLD**	**SA**	**VIC**	**WA**	**Total**
5 years or less	0	0	0	0	0	0
6-10 years	1	0	0	0	2	3
11-15 years	0	1	0	1	0	2
>15 years	0	1	1	2	4	8
Total responses	1	2	1	3	6	13

Member councils were asked about whether they had undertaken an outcomes evaluation following provision of community infrastructure, particularly where benefits had been quantified. For instance, this could include summative evaluations of existing facilities, such as post-occupancy evaluations. Such evaluations had been undertaken by only five councils, with the majority undertaken in Western Australia. Several councils commented that it was too early to evaluate their facility or approach to service provision.

Table 13. Conduct of outcomes evaluations						
	NSW	**QLD**	**SA**	**VIC**	**WA**	**Total**
Yes	1	0	0	1	3	5
No outcome evaluation	4	2	2	3	3	14
Not stated	*0*	*0*	*0*	*2*	*2*	*4*
Survey total	5	2	2	6	8	23

3.6   Community infrastructure costings and the funding gap

The existence and quantum of the community infrastructure funding gap over the next 10 years is a central element to the NGAA study. The existence of this funding gap (after Council and all other contributions) provides a robust justification for a targeted national funding program for community infrastructure in high growth outer metropolitan councils. The following survey responses relate to the costings underpinning community infrastructure plans, and not specifically to the nominated projects. Please note that not all councils answered these questions. The tabulated responses are based on the responses provided.

All but two respondents whose council had a community infrastructure plan stated that there were cost estimates in plans for each facility. Respondents' level of confidence in the costings was generally described as 'fair' or 'moderate' (7 responses), as would be the expected response in a five to 15 year infrastructure plan (5 respondents). Higher levels of confidence would be anticipated at the business case stage and at the commencement of architectural design. Significantly, most respondents stated that these costs were based on life cycle costings; that is they included on-going maintenance, periodic refurbishment, and depreciation. Another four respondents were very confident in their costings for facilities.

Table 14. Community infrastructure plans including estimated cost for facilities	NSW	QLD	SA	VIC	WA	Total
Yes	1	0	1	3	6	11
No	0	2	0	0	0	2
Total responses	1	2	1	3	6	13

Table 15. Level of confidence in facility costings	NSW	QLD	SA	VIC	WA	Total
Very	0	0	0	0	4	4
Fair/moderate	1	1	1	2	2	7
Not very	0	0	0	1	0	1
Not at all	0	0	0	0	0	0
Not stated	*0*	*1*	*0*	*0*	*0*	*1*
Total responses	1	2	1	3	6	13

Table 16. Community infrastructure plans that include lifecycle costs	NSW	QLD	SA	VIC	WA	Total
Yes	1	1	1	2	5	10
No	0	1	0	1	1	3
Total responses	1	2	1	3	6	13

The next questions related to the funding gap. Nine councils calculated their 10 year funding gap for community infrastructure. Half of these (five councils) stated that this was in the range of $10 million to $50 million. These were councils in Victoria and Western Australia. There were two councils who nominated a gap of $51 million to $100 million, and another two who nominated above $100 million. Two qualifications are necessary here. Firstly, some councils specified different timeframes, and secondly, the analysis does not take into account the future population that this funding gap is based upon.

Table 17. Total funding gap for community infrastructure (next 10 years) NB Some councils applied different timeframes to this response.	NSW	QLD	SA	VIC	WA	Total
<$10 million	0	0	0	0	0	0
$10-50 million	0	0	0	2	3	5
$51-100 million	1	0	1	0	0	2
>$101 million	1	0	0	1	0	2
Total responses	**2**	**0**	**1**	**3**	**3**	**9**
Not stated	*3*	*2*	*1*	*3*	*5*	*14*
Survey total	*5*	*2*	*2*	*6*	*8*	*23*

The survey asked a number of further questions about implementation of community infrastructure plans. As expected there were many types of facilities that would be affected by the funding shortfall. Indeed, most types of facilities were nominated.

Table 18. Facilities affected by funding gap
• Community centres
• Community and sporting facilities
• Playing fields
• Regional recreation centre
• Community hubs
• Regional sporting facilities
• Libraries
• Child care spaces
• Health and behavioural services

Strategies to address the funding shortfall were numerous and diverse, with no single strategy to overcome the funding gap emerging among member councils. This implies a recognition that multiple strategies will need to be employed in order to remedy the funding situation. The identified strategies can be clustered into four broad areas: increased funding, alternative sources of finance, partnership approaches, and project-based strategies. The distinction between funding and financing needs to be borne in mind here.

A succinct definition is provided in the recent report *Strong foundations for sustainable local infrastructure* (Ernst & Young, 2012). The report states:

> *Funding … is how the community pays for infrastructure. Financing (such as borrowing from institutional lenders) is the money raised to put it in place. Put another way, while financing refers to raising capital upfront to meet the costs of delivering a project or program, funding is the way in which the financing costs are paid over time. While financing can support funding, it is ultimately a secondary consideration.*

The need for increased funding was identified by many councils. Strategies nominated including increases in local government rates, which were sometimes recognised as being substantive in addressing the funding gap. This category also included the use of developer contributions as an alternative model. Increased state and federal funding was also highlighted. The main alternative source of project finance was municipal bond or loans. Various types of partnership solutions were suggested. These represented the full spectrum of possibilities from partnering with local developers to Public-Private Partnerships to deliver infrastructure. Finally, project-based solutions were considered. These were often the last recourse to address the funding gap. They included deferral, phasing, de-scoping projects, and reductions in service delivery. This category would include value engineering, though this term was not explicitly stated in the responses.

Table 19. Plans to overcome funding gap
Increases in funding:
• Increase rates – special rate applied to new growth areas / substantive rate rises
• External sources
• Federal/State grants
Alternative sources of finance:
• Municipal / loan funds
Partnership approaches:
• Partnerships with developers in planning stage
• Public/private partnerships / partnerships with other sectors
Project-based strategies:
• Defer / re-scope / abandon
• Modify delivery and timing

Table 19. Plans to overcome funding gap
• Reduce services provided by facility
• Stage the works

3.7 Obstacles to effective provision

Many member councils stated that they were experiencing obstacles to effective community facility provision. This was the case across four states. In South Australia, lack of a statutory provision for developer contributions was identified as a particular obstacle. Other issues included a general shortfall in resources, presumably both capital and recurrent funding, lack of human resources and inadequate forward planning. Another complication was the need to balance priorities between established areas and new growth areas.

Table 20. Councils with the ability to implement their community infrastructure plan/s	NSW	QLD	SA	VIC	WA	Total
Yes (includes 'Yes, subject to…')	1	2	1	3	5	12
No	0	0	0	2	1	3
Not stated	*4*	*0*	*1*	*1*	*2*	*8*
Survey total	**5**	**2**	**2**	**6**	**8**	**23**

Table 21. Barriers to implementation of plans
• Shortfall in resources for community services
• Funding / cash flow modelling
• Lack of developer contribution schemes (SA)
• Balancing priorities between existing areas and growth areas
• Expenditure on land acquisition limits funding for facilities (buildings)
• Lack of forward planning and future funding
• Shortage of human resources
• Limitations on financing

3.8 Key findings

The key findings from the NGAA Member Survey are:

- The health theme was selected as having the highest priority amongst growth councils, followed by family support, and education and training / community development.

- Leisure centres and community service hubs were nominated as the types of facilities most likely to support the priority themes.

- Member council responses focused around preferred facilities, indicating that a more nuanced approach is required and a 'one-size-fits-all' approach to a national program should be avoided.

- Conceptual provision models were clustered around two approaches: a shared use community hub and a recreation/leisure hub.

- Member councils that provided narratives around conceptual models suggested: a community hub model with schools as the anchor; a community services hub model with non-government organisations (the voluntary sector) as partners; a regional recreation hub; a networked model for community infrastructure which is being practically applied; an indoor sports facility / events centre which maximises operational cost recovery while providing cost effective equitable access for the local community; an Aboriginal Centre

providing long day care, kindergarten programs and allied health services; and a multipurpose community facility incorporating a youth specific focus.

- The majority of member councils nominated projects, ranging from community service hubs to large scale recreation facilities. One council put forward a large arts and cultural centre.

- Nominated project costs were in two clusters: those less than $10 million and those greater than $30 million.

- Member councils stipulated a variety of supporting studies, strategies and plans as underpinning their responses to the overarching themes and priority infrastructure. There is no lack of evidence or supporting documentation for the member councils' identification of priority community infrastructure.

- Around half of the member councils have community infrastructure plan/s. These are all for time horizons of more than five years and in most cases for over 10 years. However, few councils reported that they had undertaken an outcome evaluation of their community facilities.

- Most of the community infrastructure plans included facility costings, and these were generally based on life cycle costs. Most respondents expressed a moderate degree of confidence in the costs, which is to be expected for five to 15 year plans.

- Nine member councils identified a community infrastructure funding gap, and all of these were more than $10 million. Most were in the $10 million to $50 million range, although many were considerably more than this. Almost all facility types were said to be affected by this funding gap position.

- Further detailed analysis of the declared funding gaps is required in terms of the projected future populations for each member council area.

- Strategies to respond to the funding gap fell into four categories: (i) increases in funding, (ii) alternative sources of finance, (iii) partnership approaches, and (iv) project-based strategies.

- The majority of respondents stated there were impediments to the implementation of community facility provision.

4 Australian Government funding

Section 4 provides an overview of Australian Government funding programs of relevance to community infrastructure, to contextualise the NGAA's proposal for a National Urban Investment Fund.

The Australian Government is responsible for a series of funding programs that provide funds to non-Australian Government agencies to undertake a specific project or program of works. Many of these funding programs are competitive and are allocated as grants to eligible bodies. There are very few programs available to fund infrastructure or that meet the recurrent costs of projects beyond a specified time period (usually less than five years).

Most recent infrastructure related programs were part of the Economic Stimulus Package timed to respond to the Global Financial Crisis and are no longer in operation. Information about these programs has been included in this report, as a background to the types of programs that have been available and may consequently serve as a model for a future fund. The following table provides a summary of funding programs. Further details of each program are provided below.

Table 22. Funding Programs – Summary of delivery, status and eligibility requirements			
Funding Program	**Delivery**	**Status**	**Eligibility**
Regional Development Australia Fund (Department of Regional Australia, Local Government, Arts and Sport)	Rounds based	Announcement of opening of Round 3 and 4 is imminent	Guidelines for round 3 and 4 not available / Anticipate that all Councils will be eligible as per previous programs and that projects must be "shovel ready"
Regional Infrastructure Fund Economic infrastructure projects Regional Infrastructure Planning Projects (Department of Infrastructure and Transport)	Not rounds based / Eligible projects identified by Infrastructure Australian and relevant states/territory governments	Guidelines recently released	State and Territory Governments / For major, large scale infrastructure works eg roads, rail, airports, energy, communications and water
Suburban Jobs Program (Department of Sustainability, Environment, Water, Populations and Communities)	Round based grant	One round only which is currently closed to applications.	Restricted to suburbs of major capital cities subject to growth pressures. Councils are eligible applicants
Australian Sports Foundation – Sports Incentive Program (Australian Sports Commission)	Continually open	Continual assessment / Need to contact ASF to discuss proposal prior to being sent an application pack	Available to all councils
Education Investment Fund (Department of Industry, Innovation, Science, Research and Tertiary Education)	Rounds based	2012 round closed and currently being assessed	Councils ineligible to apply but can be a project partner
Local Solutions Fund (Department of Human Services)	Rounds based	Currently closed / Next funding round still to be announced	Restricted to specified LGAs
Diversity and Social Cohesion Program (Department of Immigration and Citizenship)	Rounds based	2012 round closed / New application forms available when next round announced	Councils are eligible. Preference given to specified councils

Table 22. Funding Programs – Summary of delivery, status and eligibility requirements			
Funding Program	Delivery	Status	Eligibility
The Liveable Cities Program (Department of Infrastructure and Transport)	Grant	Closure of program not announced but budget allocation fully expended.	Local Governments eligible.
Community Infrastructure Grants Program (Department of Regional Australia, Local Government, Arts and Sport)	Round based grants	Closed – Program Complete / Part of response to the GFC	Councils
Regional and Local Community Infrastructure Program (Department of Regional Australia, Local Government, Arts and Sport)	Grant – both an allocation and competitive	Closed – Program Complete / Part of the response to the GFC	Councils
Financial Assistance Grants to Local Government (Department of Regional Australia, Local Government, Arts and Sport)	Allocation via State Government for immediate distribution to Councils	Grants paid quarterly	All Councils receive funding / Quantum on grants pool changes annually in line with changes in population and CPI so as to maintain its real capital value

4.1   Current funding sources

The following funds and programs are the most relevant Australian Government grant programs for community infrastructure in outer metropolitan growth areas in operation as at 1 July 2012. They were selected on the basis that they represent all existing funding programs for infrastructure, plus some which offer operational funding for relevant projects – to address community issues within the region. Information is provided on three types of funding programs:

- Active programs with provision in 2012-13 Budget Estimates

- Active programs for which applications are now closed

- Programs which are not currently in operation / with no further funds to release.

The latter are included for contextual purposes only.

4.1.1   The Regional Development Australia Fund *(Department of Regional Australia, Local Government, Arts and Sport)*

The Regional Development Australia Fund (RDAF) supports the infrastructure needs of regional Australia. Funding is available for projects that are: predominantly capital in nature (such as new infrastructure and upgrades to existing infrastructure), are important to regional and local communities, align with Australian Government priorities and meet the objectives of the program. Nearly $1 billion has been allocated to the program (with some funding subject to the Minerals Rent Resource Tax). The program is administered by the Department of Regional Australia, Local Government, Arts and Sport. There have been two rounds of RDAF with a combined third and fourth round pending. In rounds one and two, approximately 68 per cent of all projects that received funding under RDAF were community infrastructure projects – equivalent to $223 million. The Budget Papers show total funding for RDAF of $479 million for 2012-13. However, this budget figure is subsequent to change, in the light of recent policy announcements by the Australian Government.

The NGAA notes that despite the high standard of NGAA applications to the Regional Development Australia Fund (with 11 of 19 project applications given priority status by their respective RDA's), the approach of RDA's nominating their top three projects is intrinsically inequitable. In the relevant RDA's covering NGAA areas, no projects at all were funded in Round 2 in Sydney, Northern Melbourne, Logan and Redlands, Perth or Peel regions.

Round One

Thirty five projects were funded under Round One, with nearly $150 million in grants provided to proponents. Funding supported upgrades to airports, construction of new and upgrades to sporting, cultural and arts facilities, and centres to support the disadvantaged. In order to be considered for funding, projects had to leverage investment in local and regional communities and facilitate the construction of community supported infrastructure. The sole grant provided to one of the NGAA member councils (City of Rockingham) is shown in the table over the page.

Funding of between $500,000 and $25 million per project was available. Partner funding was expected from sources other than the Australian Government for all project grants, except where extenuating circumstances prevent co-funding. Project grants over $5 million were required to be matched on at least a dollar for dollar basis (excluding funding from other Australian Government sources).

Funding could only be requested for projects that were 'investment ready' or 'shovel ready'. This means that they are ready to proceed within six months of signing the Funding Agreement. To be investment ready, it is expected that all planning, rezoning, environmental and native title approvals are in place.

Local government bodies and incorporated not-for-profit organisations were eligible to apply for funding. These organisations could apply in their own right or as a member of a consortium. For-profit organisations could participate in applications for funding as part of a consortium. Round One projects were required to support at least one of the national priorities: skilling Australia, lifting productivity, maximising the opportunity of broadband, sustaining the environment, social inclusion, and water and energy efficiency.

Round One program outcomes included:

- Identification of regional priorities by local communities and investment in those priorities

- Support for regional economic development by assisting regions to develop and implement projects with broad based local support

- Support for projects with identified potential to deliver lasting economic and community benefits

- Sustained increases to the economic output of local and regional economies

- Increased social capital, amenity and/or liveability within the community

- Communities that achieve sustainable growth

- Integrated Australian, state and local government programs, activities and investment

- New opportunities for private sector participation and partnerships

- Removal of barriers and/or a direct incentive for business investment in regional locations

- Addressing specific areas of disadvantage faced by regional Australia.

Regional Development Australia Fund – Round One			
NGAA member council	Project funded	RDAF grant	Total project cost
City of Rockingham, Western Australia.	Baldivis Library and Community Centre. Theme – Education and Training Theme. The project will construct a library and community centre within the Baldivis Town Centre. The centre will provide amenities to support the local community, including a contemporary library encompassing literature, multimedia collections, e-services, e-training areas, early childhood and youth activity areas, study and outdoor reading spaces, staff amenities, storage and customer service.	$5.57m *(50 per cent of total project cost)*	$11.15m

Round Two

Round Two had an allocation of $200 million, with grants of between $500,000 and $15 million available to eligible applicants. Preference was given to applications which demonstrated partnership funding on a dollar for dollar basis for grant requests of $5 million or less, and of $2 for every $1 of RDAF funding for grant requests over $5 million. Projects located in capital cities had to demonstrate how the proposed project would benefit the broader region, or other parts of regional Australia.

Round Two program outcomes included:

- Investment in regional priorities which have been identified by local communities and are articulated in RDA committee's Regional Plans

- Sustainable regional economic development, economic diversification, and increases to the economic output of local and regional economies

- Increased social capital, liveability and social inclusion in regional communities, including contributing to 'Closing the Gap'

- Australian, state and local government, private sector and community partnerships to support investment in regional communities

- Creating dynamic regional communities with quality recreational and social facilities.

Round Two was characterised by a stronger focus on the regional benefits of projects. Preference was given to projects or benefits that spanned local government areas or RDA boundaries. Projects had to be capital in nature, such as new infrastructure and upgrades to existing infrastructure. Possible projects could include, but were not limited to, community or child care centres, sporting facilities (particularly those that will be used as a regional hub or host regional sporting tournaments), airport upgrades or expansions, infrastructure to support economic and industry diversity, facilities to support training, intermodal transport hubs, theatres and museums. Three NGAA member councils received funding in Round Two, as shown in the table below.

Regional Development Australia Fund – Round Two			
NGAA member council	Project funded	RDAF grant	Total project cost
Ipswich City Council, Queensland	Development of Robelle Doman (Stage 2) Parkland Theme – Health (Sport and Recreation) Robelle Domain will provide rest and recreational areas to support community members and individuals that work in the area, creating work life balance. It will improve the individual and community's physical and psychological health.	$5m *(33 per cent of total project cost)*	$15m
Moreton Bay Regional Council, Queensland	The Corso at North Lakes Theme – Education and Training The Corso at North Lakes is an exciting civic building incorporating a new regional library and community centre, supported by viable commercial office space and the Young People's space in the fast growing North lakes and surrounding region.	$7.8m *(17 per cent of total project cost)*	$44.9m
Melton Shire, Victoria	Melton Library and Learning Hub Theme – Community Engagement, Education and Training Melton Library and Learning Hub will incorporate a new library and learning facility four times the size of the former facility. It will provide expanded library facilities, access to children's health resources, formal and informal learning spaces, support for	$4m *(20 per cent of total project cost)*	$19.5m

	business through incubator spaces and an integrated social enterprise offering ongoing local employment and training opportunities.		

4.1.2   Regional Infrastructure Fund *(Department of Infrastructure and Transport)*

The Australian Government established the Regional Infrastructure Fund to invest the proceeds of a resurgent resource boom to address urgent infrastructure needs, while supporting the mining industry, boosting export capacity and developing and growing regional economies. The Regional Infrastructure Fund is worth $6 billion over 2010-11 to 2020-21 with $5.6 billion of the fund drawing on the proceeds of the Minerals Resource Rent Tax.

The broad objectives of the Regional Infrastructure Fund are to:

• Promote development and job creation in mining communities, and in communities which support the mining sector

• Provide a clear benefit to Australia's economic development, and to investment in Australia's resource or export capacity

• Address potential capacity constraints arising from export production and resource projects.

There are three program streams under the Regional Infrastructure Fund. Stream 1 comprises implementation of commitments made in 2010 for funding from the Regional Infrastructure Fund. This is worth $916 million. Stream 2 contains two elements: Economic Infrastructure projects and Regional Infrastructure Planning projects. This stream is worth approximately $4.5 billion. Finally, stream 3 is part of the Regional Development Australia Fund. Funding recipients and primary project proponents are state and territory governments, but projects can also involve local government and the private sector. Only state and territory governments are eligible for stream 2.

There will be no public call for submissions or application rounds for funding from this stream. Infrastructure Australia may accept and consider other proposals. However, it is not obligated to make recommendations in respect of unsolicited submissions. Proposals must be assessed by Infrastructure Australia in order to be eligible for funding. The Regional Infrastructure Fund will run over eleven years to 2020–21 and an allocation of funding over the life of the program for Stream 2 – Economic Infrastructure projects is expected. Allocations will be informed by the outcomes of Stream 2 – Regional Infrastructure Planning projects and future developments in the mining industry.

4.1.3   Suburban Jobs Program *(Department of Sustainability, Environment, Water, Populations and Communities)*

The $45 million Suburban Jobs Program was announced as a measure under the Sustainable Australia - Sustainable Communities Strategy in 2011. Grants under the program will support the implementation of projects from 2012-13 to 2014-15. The objective of the Suburban Jobs Program is to support state and local governments to plan and provide for increased local employment opportunities in the suburbs of Australia's major capital cities that are subject to growth pressures.

The program recognises that well planned and delivered local employment precincts will assist communities to be more sustainable in the long term by providing local employment opportunities for the diverse skills and aspirations of residents, improving the quality of public spaces, increasing the outputs of the local economy, and fostering a vibrant sense of place for residents. Funding has been announced to support the University of Western Sydney to develop the Werrington Park Corporate Centre. This project is led by the University of Western Sydney in a consortium with Penrith City Council and the Penrith Business Alliance and is a further catalyst for the planning and development of the Penrith Health and Education Precinct.

4.1.4   The Australian Sports Foundation *(Australian Sports Foundation (Australian Sports Commission)*

The Australian Sports Foundation (ASF) was established by the Australian Government to assist eligible organisations raise funds for the development of Australian sport. This is an incentive program and not a grant program. It assists with funding through allowable tax deductibility.

The Sport Incentive Program aims to increase opportunities for Australians to both participate in sport and excel in sports performance. The program enables eligible organisations to register sport related projects to assist with their project fundraising. Both rural and metropolitan councils and other government agencies are able to establish ASF projects to assist with their fundraising. Councils almost exclusively register facility development projects but can register any other project type.

The Australian Sports Foundation's listing in the Income Tax Assessment Act 1997 (Division 30, section 30-90) enables donations of $2 or more to the ASF to be tax deductible. The ASF is the only organisation able to offer this unique tax advantage for sport fundraising. Donors may nominate an ASF registered project as their preferred beneficiary. All claims are subject to acceptance by the Commissioner of Taxation. This process can assist an organisation's fundraising efforts as tax deductibility provides an incentive for individuals and businesses to donate.

4.1.5   The Education Investment Fund *(Department of Industry, Innovation, Science, Research and Tertiary Education)*

The Education Investment Fund (EIF) was announced in the 2008-09 Budget and is a major component of the Australian Government's Education Revolution. The role of the EIF is to build a modern, productive, internationally competitive Australian economy by supporting world-leading, strategically focused infrastructure investments that will transform Australian tertiary education and research. The EIF provides funding for projects that create or develop significant infrastructure in higher education institutions, research institutions and vocational education and training providers.

The EIF is one of three Nation-building funds, along with the Building Australia Fund and the Health and Hospitals Fund. EIF funding under the Regional Priorities Round is primarily available for projects that create or develop higher education teaching and learning infrastructure or VET infrastructure. Infrastructure funded through the Regional Priorities Round is expected to be located predominantly in the regions identified above unless there are exceptional circumstances where it can be demonstrated that locating infrastructure in major metropolitan areas offers the most efficient and effective way of supporting students in these regions. To be eligible for funding the applicant must be a higher education institution or a VET provider.

The following two initiatives provide funding for programs rather than capital funding.

4.1.6   Local Solutions Fund *(Department of Human Services)*

The Local Solutions Fund provides funding for innovative and creative solutions to increase social and economic participation in ten local government areas. The fund will provide $25 million across the ten selected areas from 2012-2015 to support projects designed by the local community. In terms of NGAA member councils, the following were included in the Local Solutions Fund: Hume City Council (Victoria), Logan City Council (Queensland), Playford City Council (South Australia) and the Town of Kwinana (Western Australia). The Local Solutions Fund is now closed.

4.1.7   Diversity and Social Cohesion Program *(Department of Immigration and Citizenship)*

Diversity and Social Cohesion Program (DSCP) grants provide funding to help a range of not-for-profit organisations, including schools, to develop their own projects to help build stronger community relations. DSCP grants provide funds of up to $50,000 for community groups and organisations to deliver projects that address local community relations issues. The focus of the program is on building strong social cohesion. DSCP is not available for major capital expenditure such as on buildings. Priority councils for 2012 included NGAA members: Blacktown (NSW), Ipswich, Logan and Moreton Bay (Queensland), Playford (South Australia), Casey, Hume and Melton (Victoria), and Rockingham (Western Australia). The 2012 round is now closed.

4.2   Funding programs not currently operating

4.2.1   The Liveable Cities Program - $2m over 2 years (fully expended) *(Department of Infrastructure and Transport)*

The Australian Government developed the Liveable Cities Program to support state, territory and local governments in meeting the challenges of improving the quality of life in our capitals and major regional cities. The program sought to leverage off significant investments in transport and other infrastructure, health, housing, education, social services and welfare. It encouraged partnerships between the levels of government to foster innovative solutions. The program aimed to achieve improved alignment of urban planning and design with the National Urban Policy and COAG principles. It also sought to enable lasting partnerships

between and within levels of government, and between governments, not-for-profit organisations and private interests.

4.2.2   Community Infrastructure Grants Program *(Department of Regional Australia, Local Government, Arts and Sport)*

This program was designed to fund projects identified by local communities across regional Australia. The proposed projects are to provide important community and community ifrastructure identified by local communities as priority investments for their regions. The projects include the construction and upgrade of local sport, recreation and community infrastructure. The provision of funding is conditional on proponents entering into contractual arrangements with the Australian Department of Regional Australia, Local Government, Arts and Sport. The Community Infrastructure Grants program is not open for new applications.

4.2.3   Regional and Local Community Infrastructure Program *(Department of Regional Australia, Local Government, Arts and Sport)*

The Regional and Local Community Infrastructure Program was announced by the former Prime Minister at the Australian Council of Local Government inaugural meeting on 18 November 2008 as part of the Nation Building Economic Stimulus Plan. Since its inception, the Regional and Local Community Infrastructure Program has made more than $1 billion available to local governments to build and modernise community infrastructure such as community centres, town halls, park and playgrounds, pool and sports facilities. This program is now closed.

4.3   Financial assistance grants to local government

There may be potential for councils experiencing rapid growth and change (or more specific criteria) to obtain special funding for through financial assistance grants to local government, which are administered by the Australian Government to states and territories on an annual basis through the Department of Regional Australia, Local Government, Arts and Sport.

The Australian Government has provided general purpose assistance to local governments since 1974-75. Current arrangements for financial assistance grants are made up of general purpose assistance and untied local roads grants. General purpose assistance is the larger of the two components of the financial assistance grants, and is distributed between the States on a per capita basis, while untied local roads grants are paid on the basis of 1991-92 interstate road shares.

The financial assistance grants are adjusted annually, based on an escalation factor that the Treasurer determines with reference to population growth and the consumer price index. These grants are paid to State Governments, after which State grants commissions determine the intrastate distribution of the financial assistance grants between local governments. Both forms of funding are untied and can be spent according to each local government's own priorities.

Table 23: Financial Assistance Grants to Local Government (2010-12)

$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2010-11									
General purpose assistance	474.9	362.1	294.2	149.2	107.7	33.3	15.0	23.4	1,459.8
Untied local roads grants	187.9	133.5	121.4	99.0	35.6	34.3	15.2	20.8	647.8
Total(b)	662.9	495.6	415.6	248.2	143.3	67.7	30.2	44.2	2,107.6
2011-12									
General purpose assistance	360.9	277.0	225.7	114.9	81.9	25.3	11.5	17.9	1,115.0
Untied local road funding	143.5	102.0	92.7	75.6	27.2	26.2	11.6	15.9	494.7
Total(c)	504.4	379.0	318.4	190.5	109.1	51.5	23.0	33.8	1,609.7

Source: Australian Government Department of Regional Australia, Local Government, Arts and Sport (http://www.regional.gov.au/local/assistance/index.aspx)

Local government grants commissions have been established in each State and the Northern Territory to recommend the distribution of the Financial Assistance Grants to local governing bodies in accordance with the Act and the National Principles for allocating grants. For a copy of the National Principles see Appendix D.

On 31 August 2012 the Federal Minister for Local Government Simon Crean announced a review into the Local Government Financial Assistance Grants program to be conducted by the Commonwealth Grants Commission. The review "will identify tangible measures for improving the impact of Financial Assistance Grants on the effectiveness of local governments and their ability to provide an equitable level of service to their residents"

The review will be conducted in two stages .The initial stage will examine the policy and administration of the Financial Assistance Grants program to make the most of existing funding. This will include making sure the National Principles that guide the distribution of Financial Assistance Grants to local governments are still valid. The Commission is expected to report to Government in December 2013."

Terms of Reference for the review are as follows:
Objective: To identify tangible measures for improving the impact of the Local Government (Financial Assistance) Grants (FAGs) on the effectiveness of local governments and their ability to provide services to their residents within the current funding envelope.

Scope of the Inquiry—Stage 1
Component 1
1   Examine the impacts of FAGs on local government bodies and its appropriateness by focusing on:

   a.   examining in the intrastate context whether the National Principles that guide the allocation of the general purpose grants remain valid and are conceptually consistent with each other

   b.   valuating the economic and financial benefits of untied vs tied funding for enhancing the effectiveness of local governments and their ability to ensure effective services for their residents

   c.   identifying the impact of the Minimum Grant principle on the intra-state distribution of FAGs

   d.   assessing the relative need of local governments in each state and territory with a particular focus on those that service regional and remote communities.

Component 2
2   Identify options for improving the administration (efficiency) of the current process for determining the annual FAGs allocation.

The specific reference to regional and remote communities is of concern for outer metropolitan councils and contrary to the finding of need in local government by the Grattan Institute in (2011).

4.4   Conclusions

In late August 2012 the Gillard government imposed across the board cuts to government spending on federal grants, estimated at $2 billion a year. This came as a direction for ministers to review all grants and to strictly control any funding that has not already been paid or contracted, as part of an effort to balance the federal budget (Crowe 2012; Shanahan and Uren 2012).

A number of conclusions emerge from the overview of Australian Government funding programs provided in Section 4 of this report.

- Very few funding programs are available for infrastructure projects as a whole. Those that are available are highly competitive and typically require matching funding from the proponent or the state/territory government.

- Since the Global Financial Crisis all infrastructure projects have been required to be at the 'shovel ready stage'. The exception to this is the recently released Regional Infrastructure Fund, which provides for projects at planning stage. However these projects are only in designated areas.

- There are no funding programs that relate exclusively to outer metropolitan growth areas. Given the Australian Government's current reliance on the rural independents to maintain government, it is unlikely that this will change in the short term. Currently, many of the funding programs are prioritising closing the gap between service and infrastructure provision in rural regional areas and metropolitan areas. Outer metropolitan growth areas are typically categorised as 'metropolitan' and are assumed to have ease of access to services and infrastructure.

- The Regional Development Australia Fund is the current funding program most likely to meet the needs of NGAA member councils, as the majority of projects funded to date have been for community facilities. To

obtain these grants, funded projects need to be 'shovel ready', have matching funds, and be consistent with the identified priorities of the relevant Regional Development Australia committee outlined in their regional strategies. It is worth noting that the regional strategies are soon to undergo their annual review.

- Analysis of funding recipients from Rounds One and Two of the Regional Development Australia Fund has revealed that only four NGAA member councils have received project funding.

- The guidelines for Round Three and Four of the Regional Development Australia Fund have not yet been released. Given the current policy agenda around productivity, skills and health, disability and aged care reforms, there may be a new government priority in this funding round.

- There may be potential for councils experiencing rapid growth and change (or more specific criteria) to obtain special funding through financial assistance grants to local government administered by the Australian Government to States and Territories on an annual basis.

5 Issues identified through the research

Section 5 discusses some of the main issues emerging from the NGAA Member Survey, supplementary interviews with key stakeholders, and analysis of funding programs. Relevant case studies from Australia and the UK are also used to illustrate opportunities and directions for provision of community facilities.

5.1   National Urban Policy

Our Cities, Our Future – A National Urban Policy (2011) sets out the Australian Government's objectives and directions for Australia's 18 major cities. The policy recognises the roles that state, territory and local governments, the private sector and individuals play in planning, managing and investing in cities. The rationale for the policy is that urban areas of Australia are where the vast majority of people live, and that cities are integral to the economy and future prosperity. The policy is also justified due to the significant challenges facing cities, such as population ageing, climate change, and the complexities of an increasingly global economy. The National Urban Policy recognises that past policies and investments by the Australian Government have not always been coordinated with other levels of government, nor well understood in terms of spatial impacts and outcomes. The policy commits the Australian Government to work cooperatively through COAG to achieve the outcomes of the National Urban Policy.

In November 2011, the Major Cities Unit of the Australian Department of Infrastructure and Transport published the *State of Australian Cities*. This publication fulfils a commitment to produce an annual report on the progress of Australia's cities in terms of improved productivity, sustainability, and liveability. It highlights important trends in urban areas, particularly related to patterns of settlement and urban change. This report highlights the diverse nature of urban development patterns in Sydney, Melbourne and Perth. The data shows both expansion in outer areas of these capital cities as well as what it terms 'resurgent growth' in inner areas (p.44). The strength of outer suburban growth was most pronounced in Melbourne and Perth between 2001 and 2010. Outer suburbs contributed 69 per cent of population growth for Perth, 61 per cent for Melbourne and 47 per cent for Sydney. Though some of this growth was contained within established parts of the outer areas, most was attributable to greenfield development on the urban fringe (p.49).

The National Urban Policy recognises the challenge of outer suburban growth in its core objectives. Objective 9 identifies the needs to support affordable housing choices by 'supporting new outer metropolitan housing with access to facilities, services and diverse education and employment opportunities' (p.20). The key challenge is identified as better linking the location of housing with employment opportunities (p.27), and the solution to this issue is seen as the development of 'local employment precincts' (p.27). The National Urban Policy includes a commitment to a Sustainable Communities package which would include 'demonstration projects to show how new investments in community facilities and better planning can help improve quality of life in our outer and growth suburbs' (p.43). However, despite the significance of outer metropolitan growth in Australia's major capital cities, little attention is given to these beyond those very specific commitments. Even though the National Urban Policy recognises the need for greater understanding of the 'spatial implications of Commonwealth and State activities in cities' (p.15), the significance of outer metropolitan growth is not sufficiently accommodated in the detailed provisions.

The National Urban Policy identifies many specific programs which are not relevant for funding of community infrastructure in outer metropolitan growth areas, with the notable exception of the Suburban Jobs program (and the Liveable Cities program which is now closed). If community infrastructure provision in outer metropolitan growth areas is to keep up with demand, it will be critical to reactivate funding programs which used to provide for much needed community facilities in these areas or commence a new funding program designed to meet the community infrastructure needs of growth areas.

5.2   Models of delivery

It is difficult and perhaps not desirable to attempt to identify a single model for community infrastructure for growth areas. Interview data and a review of community infrastructure plans suggests that the most common approach to community infrastructure in growth areas is based around the broad 'community hub' concept. An essential feature of these community hubs is multipurpose, flexible space that caters for a range of community activities, programs and services. However, many of the community hub models include an anchor. This can be a library, indoor recreation facility or similar with the identification of the appropriate anchor based on local community needs analysis. The attractiveness of the hub model is that community hubs can include more than one anchor. One example is co-location of a leisure centre and a library (see case study).
The preference for the community hub model is based on an approach to community infrastructure where a variety of activities occur and where a wide range of community needs can be met in both formal and informal ways. Importantly, integration and collaboration are essential components of community hub type models. The intention of this model of community infrastructure is to bring together a range of service providers, community organisations and groups often under the one roof. Potential benefits include a more coordinated and efficient approach to service delivery and greater accessibility of services to growth area residents.

The specific features of a community hub need to reflect the *local* context. Feedback from growth area councils and leading practice highlights the importance of ensuring that community infrastructure planning addresses local community needs. The key point is that different models of community infrastructure are suited to different areas and a 'one size fits all' is unlikely to produce the best community benefits.
 Depending on locally identified needs the community hub's emphasis could be on health, education, childhood development, skills and training or other issues relevant to the circumstances of that particular growth area. While a fixed model is, seen as impractical and in many ways undesirable, what can be identified are some essential characteristics of a community infrastructure model for growth areas. These are:

- Respond to, and are shaped by, the unique circumstances, needs and assets of their community

- Co-locate or cluster a range of community facilities and human services – include local, state and federal government programs

- Are located with or adjacent to variety of uses (including residential, retail and commercial) that attract different groups of people at different times of the day for a variety of purposes and meet a wide range of community needs

- Attract people and are identified as a focal point and gathering place for the community

- Are readily accessible to ensure all members of the community can use them including by public transport

- Have a civic quality, sense of stability and level of amenity that mark them as an important place in the community and help to create a sense of place (often challenging in new growth areas)

- Include an inviting public domain, including exciting public art installations and projects that encourage people engage with the facilities, bringing them to life.

Community Hubs, Australia

The community hubs model is emerging as an appropriate model for community infrastructure provision across Australia due to a number of factors. This model is underpinned by the principles of:

- Clustering facilities with activity centres to create focal points and promote safety

- Maximising the efficient use of resources (for instance through shared or co-located facilities)

- Providing community infrastructure that is multipurpose and provides for a range of services, activities and programs

- Locating facilities in convenient and central locations that are accessible by public transport

- Ensuring flexible and adaptable facility design to respond to changing community needs

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- Promoting equitable access through distribution, design and management of community infrastructure

- Where possible, locating facilities adjacent to open space to allow for overflow activities

- Creating a sense of community identity, pride and ownership (NSW Department of Health 2009).

Characteristics of the community hubs model that are particularly important for growth areas include:

- Community hubs require less land and potentially less funding – For example, the City of Armadale in Western Australia is gravitating towards the hubs model due to a shortage of available funds and land.

- This model involves lower operational costs than would be required by multiple facilities, and in some cases has the capacity to achieve a higher income stream.

- While the community hubs model is favoured for a number of reasons, there is a trade off in having fewer, larger facilities particularly in relation to accessibility.

Case study 1: Mount Pleasant – Mixed-service facility, Vancouver, Canada

Key facility: Mount Pleasant Community Centre
Governance: Mount Pleasant Community Centre Association
Established: Opened 2009
Costs: $4.75 million (Canadian)

Community characteristics
Mount Pleasant, a neighbourhood in the City of Vancouver, was originally a working-class area that is currently undergoing gentrification. The area has high proportions of first-time homeowners and young professionals, as well as a growing number of families.

Objectives and focus
The Mount Pleasant Community Centre arose from the need to expand the size and offerings of existing community facilities in the Mount Pleasant area including the existing branch library. The Centre was planned in line with Vancouver's CityPlan vision for developing 'neighbourhood centres' and the concept of 'one stop shopping', where multiple facilities and services are co-located in a single building that is accessible and centrally located.

The Centre involved relocation of an existing library and community facilities into a single, expanded, multi-storey facility on a new, centrally located site.

Key inclusions
The Centre includes a broad range of facilities which arose as key community needs during an extensive planning and community consultation process. These facilities include:

- A new branch library of 1,115 square metres (approximately double the size of the old library which it replaced)

- A childcare centre operated by the Mount Pleasant Community Centre Association

- A fitness centre including climbing wall

- A gymnasium able to accommodate volleyball, basketball, badminton and indoor soccer and a dance studio

- Art rooms and multipurpose rooms

- Outdoor space.

The Centre offers a variety of services and programs targeting a broad range of user age groups including cooking, creative arts, education, social groups, language, music and school holiday camps. The Centre's

recreation facilities and programs are a key focus with extensive recreation and sport classes and competitions offered.

The Centre also includes a residential component that consists of rental housing units that were planned in response to a lack of affordable housing in the local area.

Delivery
The planning process involved an extensive community engagement process to assist in determining community need. This process identified the need for additional childcare services in the area and a desire for art spaces and activities, social groups, sport and recreation programs as well as personal and family support services.

The project's housing component, held as part of the City of Vancouver's investment portfolio, generates income for the City and offsets some of the projects ongoing operational costs. The fitness centre is also an ongoing income generator for the Centre.

In addition to brokers who are primarily focused on project delivery, there is a need for community facilitators to ensure optimal activation of these facilities.

5.3   Partnerships and brokerage

For a variety of reasons, leading practice in community infrastructure provision has trended towards larger, better appointed, multipurpose facilities. Service access, management and maintenance and asset ownership issues have helped to shape a general trend towards fewer, larger, multipurpose facilities rather than multiple, smaller, specific purpose facilities.

One impact of this trend has been the need for collaboration between different levels of government, the community sector, private developers, and others as these larger, multipurpose facilities are rarely the sole responsibility of a single entity. These processes of collaboration can be complex and have proven difficult in many circumstances. Where there has been success it appears that the role of a partnership broker has been critical. A project in Caroline Springs and Laurimar in Melbourne's growth areas provide a useful case study for how the brokerage model for community infrastructure can work. Learnings from these communities are outlined below.

Case study 2: Caroline Springs and Laurimar, Victoria (Brokerage model)
The project evaluation for the delivery of school and community infrastructure in Caroline Springs and Laurimar found that the partnership model led to more timely and coordinated delivery of services and infrastructure. In Caroline Springs, the Northlake Alliance partnership led to greater innovation and opportunities that would not have otherwise been realised, including joint use of facilities and integrating health, education and community services in one precinct.

The evaluation report for the delivery of community infrastructure in Caroline Springs and Laurimar identifies the following key success factors:

- A good high level broker facilitator to build relationships – a highly skilled, independent broker was used to build and mediate relationships between project partners and other organisations, act as a conduit of information, coordinate activities and support meetings, and build capacity within member organisations. The broker played a key role in helping project stakeholders to navigate the state bureaucracy.

- The right decision makers at the table with a commitment and willingness to contribute – the people who attended project meetings were not 'seat warmers'. They had the expertise to make valuable contributions and authority to make decisions including financial commitments. Decision makers were identified as being respectful, passionate and trusted.

- A clear purpose – A shared vision, clear purpose and objectives that clarify roles and responsibilities were identified as critical. This was seen as being particularly important for partnerships that involve a range of voices negotiating who would provide resources.

- A good process – A good process for conducting meetings, creating work plans, documenting project activities, and ongoing communications were seen as critical for effective partnerships.

- Champions and early results – Finding ways to keep people motivated to stay involved are important. Scepticism from organisations subsided as early successes were achieved with funding applications and projects on the ground.

One critical gap identified in the interviews with growth area councils to date has been the higher order, sub-regional type community infrastructure, such as a large library or aquatic centre. The funding costs of these facilities cannot be met by a single municipality. However, there is generally a lack of joint regional planning processes that have a real focus on community infrastructure.

It may be that the brokerage model could be one avenue to explore in relation to planning and delivery of this higher order community infrastructure. This is especially warranted where there are multiple government funding agencies (federal, state, local) involved. A brokerage model becomes essential if private sector involvement is included in any major way. Given the trend to part funding and match funding in Australian Government grant programs, partnerships with strong brokerage elements may increasingly become the norm in the future.

Funding source/s: The costs of managing the two partnerships over two years were approximately $250,000 – contributed by Delfin (37%), DPCD (34%), DEECD (15%), Melton Shire Council (8%) and City of Whittlesea (6%). This represents around 0.7% of the $38.7 million of services and infrastructure which the alliances have overseen.

Lessons learned:

- A highly skilled and experienced broker facilitator is critical to provide leadership and guidance for community infrastructure projects.

- The personal and professional qualities of these individuals cannot be understated. Project brokers should be senior personnel with experience in both public and private sectors, political clout and influence within the highest levels of the State bureaucracy, and expertise in finance and funding.

- Brokers need to provide a genuine facilitator role through access to funding (ie rather than acting as a gatekeeper).

- In order to attract individuals with high levels of experience and expertise, it may be necessary to provide remuneration in line with the private sector (as per the experience of Urban Development Corporations in transforming places in the UK).

- The brokerage model may support planning and delivery of higher order community infrastructure in outer metropolitan growth areas, particularly where the private sector is involved as a project partner.

Case study 3: Wythenshawe Forum Centre, Manchester UK

The Wythenshawe Forum Centre is the main community hub of a large inter-war year housing estate outside Manchester. The City Council wanted to develop a large one-stop community hub to rejuvenate the centre of the estate. The Wythenshawe Forum Trust Ltd was established in September 2002 to provide the strategic leadership for the Forum redevelopment project.

The Trust is a company Limited by Guarantee and is governed by its Articles of Association. It has no shareholders. The Trust's initial role was to provide the strategic leadership for the £20 million Forum redevelopment project. To allow it to do this the Trust was granted a 25-year lease on the building by Manchester City Council. The Trust administers the site through a variety of contracts, agencies and tenancy agreements.

The redevelopment project required the alignment of around two dozen separate funding streams to achieve the project outcomes. The council adopted an intensive brokerage model that involved negotiation with funding bodies and the adjustment of funding constraints in order to realise an integrated project. The broker had a small team and reported directly to the chief executive. The Wythenshawe Forum opened in 2005. This successful centre now includes a bright and modern leisure centre, an extensive library, adult learning centre, nursery, cafe, and a health centre that includes a well-equipped NHS Walk-In Centre. Retail units include a pharmacy and a newsagent.

Funding source/s: This project was funded via two funding packages as outlined below:

- GBP 19 million – from Neighbourhood Renewal Fund, Single Regeneration Budget and Sure Start (UK Government), European Regional Development Fund (European Union), Northwest Development Agency, SEMMMS (local transport plan), Neighbourhood Nurseries Initiative, Willow Park Housing Trust, Manchester City Council, and loans.

- GBP 4 million – from South Manchester Primary Care Trust through NHS Local Improvement Finance Trust.

Lessons learned:

- A key success factor for this project was that the brokerage was institutionally backed. This may be applied in outer metropolitan growth areas.

5.4   Funding models

One implication of the survey data relating to the funding gap is that it is possible that public sector grant funding may be unlikely to fill funding gaps of the magnitude reported, with two councils reporting a shortfall of over $100 million. The next stage of the project will further examine the dimensions of this funding gap. The number and cost of facilities that require funding over a five year period will need to be estimated from existing community infrastructure plans.

The recent report by Ernst & Young Strong Foundations for Sustainable Local Infrastructure (2012) highlighted the current problems with local government funding of infrastructure and presented some policy recommendations to the Australian Government. The basic premise of the study is that under-investment in local infrastructure has significant negative impacts on the economy, environment and social amenity. Thought local government is investing in infrastructure, the rate of provision is lagging behind the need. The Ernst & Young report considers a number of ways to obtain more private sector involvement in local infrastructure but states that the 'central issue constraining greater private sector financing of infrastructure in Australia is lack of available funding, and not access to capital'. Put simply, this is not a question about how finance is raised but how it is paid back. Payment can only come through general taxation (including rates), user charges or beneficiary charges.

The Ernst & Young report makes 13 recommendations. These address how councils can leverage existing funding sources for investment in new infrastructure, improve their access to finance, and better identify and develop infrastructure. These recommendations are grouped around three themes: investing, financing and enabling. A number of these recommendations may have direct relevance to community infrastructure provision.

Recommendation 13 states that the Australian Government should provide incentives for councils to create formal regional structures with responsibility for delivering and financing infrastructure investments. The recommendation notes that the Australian Government will need to work with the states and territories to achieve this, but this may align well with reforms proposes in various states such as a sub-regional focus for infrastructure planning in NSW. The report places emphasis on local roads, but this could equally apply to higher order community hub facilities that perhaps have a sub-regional catchment rather than a local one. The incentives could include funding of a brokerage model of delivery, with a possible view to engaging private sector partners for leisure or even retail components.

Recommendation 12 states that local government bodies should review their asset portfolios with a view to testing whether these should continue in public ownership. This may not be the only rational for doing this. The box outlines a developing model in the UK called Local Asset Backed Vehicles, whereby local councils use property assets to leverage private sector investment. The other model from the UK is the Local Improvement Finance Trust, whereby a Public-Private Partnership is established to finance and develop a pipeline of small scale health projects. Rental is achieved over the long term through rental income from the health facilities. Measures such as tax increment financing (Recommendation 2) and a national financing authority (Recommendation 3) are major reforms that would require legislative change.

Recommendations of *Foundations for Sustainable Local Infrastructure*

Investing

- Information portal for grants programs – The Australian Government should develop a portal to bring together information and application material relating to local government grants programs in a single location.

- Tax increment financing – The Australian Government should work with the states and territories to investigate the legislative change that would be required to enable councils to introduce Tax Increment Financing.

- Local government impact statements – Federal, state and territory governments should commit to completing local government impact statements as part of the business cases prepared to support new policy proposals and projects, where there is likely to be a direct cost impact upon local government.

- Review of asset ownership – Local government bodies should review their infrastructure portfolios with a focus on identifying and testing the rationale for continued ownership.

- Regional infrastructure delivery – The Australian Government should work with the states and territories to develop incentives that can be given to councils to create formal regional structures with responsibility for delivering and financing infrastructure investments relating to specific asset classes, with a particular emphasis on local roads.

Financing

- National financing authority – The Australian Government should work with the states and territories to investigate the feasibility of establishing a national financing authority to aggregate local government borrowing and facilitate the creation of debt products for private investors.

- Trial project for private financing of local infrastructure – The Australian Government should identify an opportunity for a suitable local or regional infrastructure project whereby a market can be created, and establish a collaborative group of stakeholders to take the project forward. A waste to energy project may be a good candidate.

Enabling

- Capability building programs – Programs of targeted training and capability building in asset and financial management should be extended.

- Review of asset and financial management practices – Asset and financial management reform initiatives should be supplemented by periodic independent reviews of the implementation of the Nationally Consistent Frameworks.

- Local government roles and responsibilities – All tiers of government should commit to building on the intent of the Inter-Governmental Agreement 2006 by outlining clear steps to achieving better clarity of the roles and responsibilities of each tier of government.

- National advisory board for local infrastructure provision – The Australian Government should work with the states and territories to establish a national body to provide skills and oversight of local government infrastructure. Its role would include capability building and the development of policy, guidelines and other assistance.

- Major project procurement guidance – Major project procurement guidance should be developed and issued to local government to promote awareness of the spectrum of alternative procurement models for infrastructure delivery.

- Rationalisation of existing regional structures – All tiers of government should work together to rationalise and align the regional structures which currently exist.

Case study 4: Local Improvement Finance Trusts in the NHS

In 2000, the UK Government issued a 10 year blueprint for investment in the NHS. The *NHS Plan*, was designed to deliver major improvements in health and identified targets for increased investment in primary health and social care facilities. This included 500 new 'one-stop shops' and the modernisation of 3,000 GP premises.

In order to deliver these small scale improvement projects, a new approach to finance and delivery was developed called the Local Improvement Finance Trust (LIFT). Local bodies, primarily councils and local NHS Primary Care Trusts, formed a LIFT company (LIFT Co) with a private sector delivery partner. The LIFT Co as a separate entity owned and developed the assets for primary, community and social care agencies. The overall aim of LIFT was to develop a new market for investment in primary care and community-based facilities and services. LIFT companies typically span more than one local government area, but rarely more than three. They have largely been successful in delivering packages of small scale upgrades and additional new facilities in growth areas.

Barking and Havering LIFT
This LIFT Co had seven schemes in the first tranche of projects. These were all designed to include integrated health and social care services and other community facilities. **Thames View Scheme**. The Thames View community is located on the edge of a large new development in Barking Reach in the Thames Gateway in East London. The new facility was critical as a resource to support the early days of the development of this new population. The scheme is a campus site with other local community services. The council owned the land. The new health facility provides accommodation for six GPs in two practices with a full range of community services.

Funding source/s: LIFT Companies – through private sector partnerships.

Lessons learned:

- The principle of clustering can be successfully used to deliver health services and community facilities using a one-stop-shop approach, through public / private partnerships

- Part of the success of LIFT companies is their cross regional approach, with many spanning three or more LGAs.

Case study 5: Local Asset Backed Vehicles

Since around 2004, local authorities in the UK have increasingly used Local Asset Backed Vehicles (LABVs) to better utilise their property assets to deliver a range of regeneration projects. The most relevant type of LABVs are town centre improvement projects where councils have used their property assets in an area to create a partnership with a private sector body to initiate mixed use development projects. These typically include a commercial element (retail or office) alongside affordable housing and community facilities.

Although many LABVs have been established in inner city locations, a number of town centre LABVs have been entered into for regional towns such as Tunbridge Wells, Torbay and Bournemouth. LABVs for town centres typically are of longer duration that other types and include a comprehensive plan of public realm improvements and community facility developments.

Clapham One
The Clapham One project involved a partnership between a south London borough and two developers, to deliver a new public library and leisure centre, at no cost to the public. This project involved the Cathedral Group and United House (developers), the London Borough of Lambeth (client and landowner), Notting Hill Housing Trust (registered social landlord), and Studio Egret West and LA Architects (architects).

In 2007 Lambeth Council entered into a partnership with the developers, with Council contributing its land to the project. The developers made a commitment to provide Council with a new library, leisure centre and health facilities funded by the sale of private housing on the site – comprising 136 apartments above the library, and 44 affordable housing homes / 19 private homes next to the leisure centre. Under the agreement developer profits were capped, with any additional returns being split between the partners. Council also retained an option to take over the project if it ran into trouble.

Funding source/s: Wholly developer funded through development and sale of residential housing on the site.

Lessons learned:

- Innovative funding models can be successfully used to deliver public facilities in partnership with private developers – where there is mutual benefit and a well-considered development agreement in place.

- Councils need to be able to contribute property assets into the vehicle. These need not be high value assets in their current (unimproved) state but should form a significant contribution to the asset value of the final development.

5.5   Metropolitan plans and strategies

Metropolitan plans and strategies for the various States of Australia typically do not identify requirements for new community infrastructure in growth areas nor discuss requirements in detail, with community infrastructure mainly referred to in terms of overarching objectives and directions. We note, the 30 Year Plan for Greater Adelaide does identify community infrastructure including major indoor and outdoor sports facilities and other venues. Community infrastructure proposals may be identified in documents that support metropolitan plans and strategies, such as growth area studies and infrastructure plans.

However, this may be of concern if future funding of infrastructure by the Australian Government is predicated on being identified in metropolitan plans, as stated in the Coalition Infrastructure Policy (2010, p.5). The intention of recent proposals for reform to the planning system in NSW is precisely to better integrate land use and infrastructure planning, with a requirement to produce Growth Infrastructure Plans at the sub-regional level. At minimum, there is a need to identify plans for significant community infrastructure, such as regional community hubs, within the relevant metropolitan or subregional strategy. Preferably, indicative timing and costings would also be included. An overview of references to community infrastructure in existing metropolitan plans and strategies is provided below.

Western Australia

Directions 2031 and Beyond: This document identifies the Urban Development Program (UDP) as an implementation tool for monitoring past, current and projected residential development and the associated provision of essential services and community infrastructure within a five year time horizon. It recognises the crucial nature of community infrastructure in that it highlights the need to 'plan for an efficient and equitable distribution of community infrastructure', and identifies key challenges in providing new growth areas with appropriate community infrastructure. However, it does not provide specific information in relation to the funding or specific future locational requirements of community infrastructure.

Outer Metropolitan Perth and Peel Sub-regional strategy: The *Outer Metropolitan Perth and Peel Sub-regional strategy* recognises that growth within the sub-region will require significant investment in community infrastructure. The strategy however highlights that specific requirements of community infrastructure will need to be developed by considering the estimated dwelling yields; WAPC (Western Australia Planning Commission) Liveable Neighbourhoods policy standards, consultation with the relevant service providers and local government authorities and the existing levels of community infrastructure.

New South Wales (NSW)

Green Paper: The *Green Paper* outlines major changes in key areas of the planning system, which will result in major reforms across a number of areas, including strategic planning. Within the paper emphasis is placed on the provision of community/community infrastructure, particularly in relation to how such infrastructure has been provided in the past.

The paper recognises that development contributions at the local government level have evolved significantly over the past two decades to include a greater emphasis on community infrastructure. This greater emphasis

is identified within the paper as a key contributor to the reduced supply in housing, and consequentially a reduction in housing affordability.

Within the paper it is recognised that recent reforms to the local contributions frameworks have not addressed the fundamental flaws in the funding process, which remains a major issue for both the development industry, and local councils.

Metropolitan Plan for Sydney 2036: This Plan identifies jobs, transport, appropriate and affordable housing, physical and community infrastructure as essential to achieving equity, liveability and social inclusion. Crucial to achieving this strategic direction is ensuring the adequate provision of appropriate community infrastructure and services, to foster social networks and social capital.

A key action identified within the document includes to 'Plan and coordinate the effective and timely provision of community infrastructure and services'.

In order to achieve this action, at a minimum it is identified that Planning for community infrastructure needs to:

- 'Address current needs and future projected demand in the context of existing local, subregional and regional community infrastructure provision

- Boost social cohesion and be accessible to existing and new communities

- Ensure facilities and services are available at the earliest feasible time in the development and renewal process

- Ensure facilities and services are located to achieve Metropolitan Plan aims, i.e. in centres and near transport, jobs, and homes

- Ensure facilities are well–designed, functional, attractive, provide Universal Access and are adaptable to future uses

- Ensure facilities provide for multiple uses, where appropriate

- Ensure facilities and services address the specific needs of groups such as Aboriginal people, people with a disability, and people from culturally and linguistically diverse backgrounds

- Investigate ways to improve the quality and management of existing facilities to meet new demands be considered in Subregional Strategies and LEP Preparation'.

South Australia

The 30 Year Plan for Greater Adelaide: The Plan focusses heavily on the identification and elaboration of land use policies to manage predicted growth and change. It briefly outlines the importance of structure plans in the role of setting land use directions for transit corridors and new growth areas.
The Plan identifies a key role of structure plans for State Significant Areas as being to determine the range and location of land-use activities in an area, as well as the economic and community infrastructure required to support those activities. Also documented as important is the need to maximise the location of economic and community infrastructure by collecting government services in higher order activity centres and transit oriented developments, integrating health and education facilities with transport facilities and locating them near retail centres. The Plan also emphasises the importance of planning for human services in areas identified as growth regions, as well as the importance of integrating community sporting hubs and links with transport services.

In addition to specific required actions relating to social and economic infrastructure, the Plan identifies the importance of ensuring linkages between South Australia's Strategic Plan, the long term strategic planning located in the 30 Year Plan for Greater Adelaide, and state and local government infrastructure planning and investment – so as to align with the Council of Australian Government's (COAG) objective to establish best practice principles for strategic land-use and infrastructure planning to facilitate timely and efficient investment in social and economic infrastructure.

South East Queensland Regional Plan (SEQRP): The Plan places emphasis on describing the function of community infrastructure and its integral function in the operation of a high quality community. However, it

provides little information in regards to future requirements of community infrastructure within South East Queensland.

The strategy identifies a number of funding and charging mechanisms that are currently used to finance infrastructure projects and services. These include federal and state taxes, local government rates, state agency funding, special-purpose levies, user charges, private investment, public private partnerships and developer contributions (Section 10.2 p.127).

A key section within the strategy focused around the provision of community infrastructure identifies a principle, outlining the importance of planning and coordinating the effective and timely provision of community infrastructure. In addition, key policy directions identified to ensure the provision of community infrastructure include:

- Identify and plan for community infrastructure provision in sequence with residential development

- Provide community infrastructure that is well located and accessible in relation to residential development, public transport services, employment and educational opportunities

- Identify and secure sites for community infrastructure, particularly in broad hectare developments located in outlying areas with high service and transport needs, and in development in activity centres and established urban areas identified to accommodate further growth

- Provide multipurpose, flexible and adaptable community infrastructure that can respond to changing and emerging community needs over time

- Co-locate and integrate community facilities and services to improve service delivery, and form accessible hubs and focal points for community activity, where appropriate. Identify opportunities to use surplus government land or infrastructure for community purposes

- Engage in partnerships with the private, public and non-government sectors to collaboratively plan and deliver affordable and accessible community infrastructure (section 10.8, p. 132).

Victoria

The Victorian Government is currently preparing a new metropolitan planning strategy to manage Melbourne's growth and change. The strategy will contribute to the overall vision for the State including links with regional Victoria. As a result, the most current strategic document is *Melbourne 2030: a planning update,* completed in 2008 which is an updated version of Melbourne 2030 completed in 2002.

Melbourne 2030: a planning update: The strategy outlines in detail the current funding process for infrastructure in growth centres, however emphasis is placed on major infrastructure rather than community infrastructure at a local level. Some attention is given however to the funding characteristics of community infrastructure in which it is outlined that councils presently require local infrastructure charges to offset the costs for local roads, parks and community facilities. The strategy identifies the lack of consistency, transparency and flexibility in local charges as creating uncertainty for the development industry. As a result of the current arrangement the Government intends to reform local infrastructure charges in the growth areas and undertook consultation in 2009 with growth area councils and the development industry to develop a new system.

5.6   Community infrastructure plans

A key finding from the survey research is the balance between those growth area councils who have community infrastructure plans in place and those who do not. Among the latter, many referred to other supporting studies which provide the context for planning and delivery of community infrastructure – such as community facilities studies, Community Strategic Plans, Community Plans and other research at the local level.

It is suggested that it would be useful for all growth Councils to have specific Community Infrastructure Plans Ideally community infrastructure plans should not only include types of infrastructure but also funding and delivery routes. Appendix 1 details the key requirements of a Community Infrastructure Plan.

5.7   Extending existing funding programs

At this stage of the electoral cycle and with the current Australian Government's focus on maintaining and increasing the budget surplus before the coming Federal election it is unlikely that a new funding program will commence. Instead the NGAA could lobby to have existing programs modified so that growth area councils are prioritised. The most obvious program to modify is the Regional Development Australia Fund as it provides significant funds towards infrastructure projects.

To date the members of the NGAA have only gained a small percentage of funds through the RDAF. There are a variety of reasons for this including:

1) In most (or all States) the RDAs that cover the outer metropolitan areas cover the entire metropolitan area. Not all states (mainly Sydney and Perth) Hence there is strong competition from other councils and other eligible applicants to even get through the RDAF prioritisation round. RDAF prioritisation round was only employed in RDAF Round 2. Each RDAF was only able to prioritise three projects from within their region to move to stage 2 of the process. Priority was given to projects with multi-regional implications.

2) A bias towards rural regional projects rather than metropolitan projects.

There were a number of changes between Rounds 1 and 2, with Round 2 guidelines stating that "Round Two will be characterised by a stronger focus on the regional benefits of projects". In most cases regional benefit was taken to mean two or more RDA regions. This multi-RDA approach is also consistent with the "place based" approach being employed by the Department of Regional Australia.

Release of the guidelines for Round 3 and 4 is imminent. However, it is likely that there will be another round before the upcoming election. The Government could be lobbied to prioritise areas/regions that are experiencing rapid demographic change and are unable to provide essential community infrastructure in a timely manner without partnership funding. This would mean that the fund would also apply to a number of mining areas.

The place based program also fits under this heading

5.8   Developing a new funding program

A new funding program could also be developed for growth areas and presented to both the current Government and the opposition for consideration as part of their election platforms (NB the Nationals platform at 2010 included a funding program).

The eligible locations should be limited to local government areas that are experiencing (or predicted to experience in the short term) very high levels of population growth. This could be determined as a relevant threshold, rather than as a percentage of population growth. For example, above 20,000 people over 10 years. Possible criteria could include:

- Extent to which the project leverages funding from a variety of sources

- Extent to which the project will contribute to and sustain community wellbeing

- Extent to which the project will provide community benefits – number of people who will utilise the approved project, the contribution the project will make towards community amenity and social capital

- Extent to which the project supports services to local and regional communities

- Sustainability and ongoing viability of the project

- Demonstrated capacity to implement and maintain the project

- Innovation and multifunctional nature of the project.

5.9   Place-Based Initiatives

The Australian Government is also seeking to maximise economic development through improving its planning and decision making. Its focus is to shift from a project by project and jurisdiction by jurisdiction basis to more integrated, coordinated and long-term planning and decision making which delivers on national priorities and objectives.

5.9.1   Stronger Regions, Stronger Nation

In May 2012, the Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts, Simon Crean released a statement on 'Stronger Regions, Stronger Nation' (Commonwealth of Australia 2012). This initiative is underpinned by 'an understanding of the importance of the regions to Australia's economy, environment, wellbeing and identity' (page 5). Stronger Regions, Stronger Nation seeks to benefit communities directly through improved infrastructure and services, but to benefit all Australians through better national economic performance and greater national wealth.

Key budget investments identified for 2012-13 include the national Living Longer, Living Better aged care plan ($3.7 billion over 5 years), Remote Jobs and Communities Program ($1.5 billion), and National Disability Insurance Scheme ($1 billion over 4 years), as well as a range of other initiatives. Continued investment by the Gillard Government is also identified for The Regional Development Australia Fund, the Health and Hospitals Fund, the Education Investment Fund and the National Broadband Network.

5.9.2   Overall approach

Place-based initiatives recognise that a 'one size fits all' policy approach may not suffice to support each region to reach its full potential or to deliver enhanced outcomes at a regional level. Spatially aware or place-based approaches take into account the different opportunities and challenges faced by different regions, and support the development of regions and industries through community input.

The Australian Government supports 'bottom-up', locally-designed strategies to promote and or manage growth. With the implementation of such strategies, support may be required in a particular region to assist that region's response to international, national or cross-border challenges or opportunities.

People in each region are best placed to know what their region needs to prosper and grow and it is governments that can facilitate and provide support for them to do this. Making this work on the ground however is a combined effort – with all levels of government working together with local communities.

In a media release dated 15 December 2011 the Federal Minister for Regional Australia, Simon Crean and Queensland Minister for Agriculture, Food and Regional Economies Tim Mulherin were said to have agreed the first priority for the place based initiatives would be the development of a Northern Queensland Regional Development Strategy. Other regions would then be targeted based on their 'high potential for growth that are facing significant constraints, and for regions that are experiencing economic transition'.

Identifying outer metropolitan growth areas as 'places'?

The Australian Government's place-based approach centres on the connections between investment in infrastructure in our (rural) regions and related benefits for the Australian economy. However, there may be an opportunity for outer metropolitan growth areas to also be considered as 'places' in their own right. For instance, the ACT is considered a place as part of the Capital Region Economic Strategy on Department of Regional Australia, an initiative involving the Department of Regional Australia, and the ACT Government and NSW Government as key stakeholders.

5.10   Government and opposition priorities

Since the 2010 Federal election both the Government and Opposition have increasingly focussed their agendas on productivity. Both parties have narrowed their focus on infrastructure provision to "Nation Building" infrastructure projects – typically being economic infrastructure such as roads, rail, airports, ports and telecommunications. There is very little if any discussion of the importance of community infrastructure, with the exception of hospitals and child care centres, the latter as they relate to productivity. There is increasing discussion within the bureaucracy about funding infrastructure for productivity only. For instance, funding two-lane expressways for trades, buses and freight, rather than a four lane road for all community users.

The concepts of social inclusion and community wellbeing that were a feature of the Rudd Government have also disappeared from the political agenda of both the Government and the Opposition with the exception of "closing the gap" in terms of Indigenous disadvantage.

It is assumed that the current Opposition will not walk away from the Commonwealth's current involvement in urban policy, but that its involvement may be different. It is assumed that a Coalition Government will adhere to the planning policy it took to the 2010 election. This requires a firm business cases for any Commonwealth investment in infrastructure.

5.11   Project costs

There was a wide disparity in development costs for nominated projects evident in the survey responses. This is an area that may need further investigation in stage two of the project.

6 Next steps

This report documents the first stage of the Community Infrastructure for Growth Areas project which is being conducted on behalf of the NGAA. The Stage 1 research findings will be used to inform the next steps in the project. As identified in this report, Stage 2 provides an opportunity to further explore the issues identified in this Outcomes and Issues Report, with a view to supporting program design and project selection. Stage 2 is focused on undertaking targeted research to develop a robust program and structure for the funding of community infrastructure in growth areas. A critical part of the next stage is liaison with Australian Government agencies to understand budget priorities and analyse existing and future funding program structures. This will enable the preparation of a community infrastructure funding program targeted to community infrastructure in outer metropolitan growth areas.

There may be opportunities for funding of community infrastructure under existing programs and identifying opportunities for the 'best-fit' with potential modifications to existing funding programs. Some of these issues have been covered in this report already. It is acknowledged that existing programs do not reflect the specific needs of outer metropolitan growth areas. A place-based approach which looks at outer metropolitan growth areas as clusters in each State may provide an opportunity for further exploration. Further to this, highly experienced brokers may also provide part of the solution for leadership and access to funding. In all cases, the current highly pressured funding environment will need to be taken into account to identify the preferred route in presenting a case to the Australian Government and Opposition.

The work should also be useful in raising the issue with the States.

7 Appendix

Community Infrastructure Plan Requirements

The community infrastructure planning process is based around five key questions:

- What is there now, who does it serve and how well is it working?

- How are things going to change – how many people, where and when?

- What is needed to provide for the future community (existing and new)?

- What is the best way for this to be provided?

- How will it be paid for? (City of Charles Sturt, 2011).

Key elements of a Community Infrastructure Plan include:

1. Existing situation analysis – This includes: policy and document review, profile of the existing community, facility audit and mapping, initial community and stakeholder engagement, existing levels of service, existing gaps and inefficiencies, and existing situation mapping.

2. Future situation analysis – This incorporates: Key development areas / projects, population projections, planned urban hierarchy and community infrastructure hierarchy, gaps/projected unmet demands, further community and stakeholder engagement.

3. Identification of likely requirements – Key elements are: Standards and thresholds, comparative rates of provision, mapping of future needs, initial assessment of community infrastructure requirements, further community and stakeholder engagement.

4. Future Plans – This incorporates: Development of models of provision, integration with land use planning and master planning, development of a community infrastructure spatial plan, exploring funding and delivery options, further community and stakeholder engagement.

5. Funding and delivery – This focuses on: Confirming and developing partnership opportunities (and identifying roles and responsibilities), identifying links to statutory planning and other delivery mechanisms, identifying funding options, finalising the strategy and implementation plans. (City of Charles Sturt 2011; City of Rockingham 2011).

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