

Linda Lloyd

From: Anne Nihill
Sent: Friday, 16 February 2018 4:45 PM
To: Carly Alder
Subject: FW: BoR Round 4 - MBN17/1647

Hi Carly

Below is the response from Jae Lancaster, A/Executive Director, RS&P, relating to the issues raised by the Director-General.

I will drop the hard copy of the brief back up to you now. It has been amended in the source and assigned to ESU to progress.

Regards

Anne



Anne Nihill
Principal Executive Officer
Regional Economic Development
Department of State Development,
Manufacturing, Infrastructure and Planning

**Queensland
Government**

P [REDACTED] M [Sch. 4\(4\)\(6\) - Disclos](#)
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From: Jae Lancaster
Sent: Friday, 16 February 2018 3:18 PM
To: Anne Nihill <Anne.Nihill@dsdmip.qld.gov.au>
Cc: Bernadette Zerba <Bernadette.Zerba@dsdmip.qld.gov.au>; Lynda Plint <Lynda.Plint@dsdmip.qld.gov.au>; Anita Hicks <Anita.Hicks@dsdmip.qld.gov.au>; Deena Morley <Deena.Morley@dsdmip.qld.gov.au>
Subject: BoR Round 4

Hi Anne

In response to the DG's query regarding the alignment of Round 4 of Building our Regions with the EY Review please be advised of the following:

- The Round 4 proposed timeline is consistent with delivery of Round 3 and the EY Efficiency Review recommendations.
- However, modifications have been made based on learnings from Round 3 and feedback from councils.
- The main change is to the "assessment of EOIs" to include assessment against key criteria. It will add 4 weeks to the Round 4 timeframe but is required to allow for DSDMIP assessment against key criteria/external agency assessment/consideration of this feedback/moderation and Advisory Committee activities to occur.
- None of these activities were required in Round 3 as the first stage just involved an 'eligibility check'.
- The inclusion of this 4 week timeframe for the assessment of EOIs will reduce the number of poor quality projects reaching business case stage and make the overall process more efficient for councils and the department.
- A more focussed assessment at the EOI stage will also ensure projects that proceed to business case are aligned with the new economic development objectives of the program.

Please let me know if I can assist any further. The briefing note has also been amended and is coming back to you.

Regards

Jae

Jae Lancaster

A/Executive Director

Regional Economic Development

Department of State Development,

Manufacturing, Infrastructure and Planning



**Queensland
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RTI RELEASE - DSDMIP

Linda Lloyd

From: Anita Hicks
Sent: Friday, 6 October 2017 10:18 AM
To: Maree Parker
Cc: Helen Polzin; Arja Tidmarsh; Anne Nihill; Anita Hicks
Subject: Ernst and Young report - BoR
Attachments: Ernst and Young Report - BoR

Maree,

I have embedded an email you can send Michael attaching the EY report for BoR. The email includes a brief synopsis of the recommendations.

Please let me know if you need any further information.

Thanks

Anita

Anita Hicks

A/Executive Director

Regional Strategy and Programs

Department of State Development

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Level 18, 1 William Street, Brisbane QLD 4000
PO Box 15009, City East QLD 4002



**Queensland
Government**

Linda Lloyd

To: Michael Schaumburg
Cc: Maree Parker; Jae Lancaster; Anita Hicks
Subject: Ernst and Young Report - BoR
Attachments: BoR Program Review report_final_220917.pdf

Dear Michael

As previously discussed, please find attached the latest draft of EY's report on the Building our Regions program.

The final draft of the EY report is attached. The key recommendation is:

- *EY recommends a group of targeted incremental refinements be implemented to build on the BoR program's achievements and ensure its continued success. Further targeted incremental refinements may also be investigated in parallel while the remaining changes could be considered in future.*

Recommendations for implementation:

- Redefine the purpose of the BoR program to make economic development the primary purpose.
- Require proponents to establish the need for the project at the EOI stage.
- Redefine 'economic development' as a project category.

Recommendations for investigation:

- Seek opportunities to further implement outcome-based reporting.
- Seek opportunities to further implement 'real world' reporting measures.
- Amend appropriate BoR materials to emphasize the importance placed on supporting ongoing or operational jobs.

Each of the recommendations could be implemented incrementally, reviewing at each step to assess and address or capture impacts.

Of particular interest, EY report that under the current BoR program:

- An average of 10.1 FTEs were supported per project, with an average BoR funding allocation of \$1.305m.
- On average BoR funding comprises only 39% of total project values (leverage), with co-funding comprising the remaining 61%.
- In benchmarking against comparable programs, EY found that the maximum threshold for individual grants and total program value is materially higher for BoR compared to other programs.
- The transparency provided to the public through the reporting of program benefits and outcomes far exceeds that of comparable programs. More than half of the compared programs have no formal public reporting.
- EY found that BoR performs very strongly against other programs when comparing individual grant and total program size, its public level of reporting, leverage and range of asset classes funded.

The draft report includes a recommendation to pilot any design changes. Our view is this would be warranted if more substantial design changes are proposed that would necessitate trialling substantially new processes. However, given the acknowledged success of BoR, substantial changes in the short to medium term are not proposed.

I would welcome your thoughts on the report, and, in the context of future funding, implementation of key incremental improvements.

Regards

Maree

Maree Parker
Acting Deputy-Director General
Regional Economic Development
Department of State Development

P [redacted] M [redacted] Sch. 4(4)(b) - Discl
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PO Box 15009, City East QLD 4002



RTI RELEASE - DSDMIP

Linda Lloyd

From: Anita Hicks
Sent: Friday, 12 May 2017 8:00 AM
To: Maree Parker; Jae Lancaster
Subject: Fw: Building our Regions - one pager
Attachments: DSD BoR overview v0.2.pdf

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Action Required, Important

For discussion

From: [Sch. 4(4)(6) - Disclosing personal information]@au.ey.com>
Sent: Friday, 12 May 2017 6:58:41 AM
To: Anita Hicks
Cc: Jae Lancaster
Subject: Building our Regions - one pager

This email is to be read subject to the disclaimer below.

Hi Anita.

I've attached a one-pager that I hope starts to address your request the other day.

We took the liberty of preparing it in DSD colours (from your Strategic Plan) but can switch it back to EY colours if you'd prefer.

It's built around this narrative / idea:

- Overview of the BoR program
- The program is strong because it focuses on economic development (not just economic growth).
- DSD is the only Queensland Government organisation uniquely focused on economic development.
- (Implied) That's why BoR belongs with DSD.
- The program's benefits manifest in a variety of ways, and DSD is working on ways to report that.

Happy to chat through the day. I'll call later in any case.

All the best,

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[Sch. 4(4)(6) - Disclosing perso

Director | Economics, Regulation and Policy

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No.1 in Australia and New Zealand: EY Transaction Advisory Services tops *Mergermarket's* Accountancy Advisor league tables, advising on the highest value and volume of deals in FY16.

From: Anita Hicks <Anita.Hicks@dsd.qld.gov.au>

Date: 4 May 2017 at 1:49:07 pm AEST

To: [Redacted] <[Redacted]@au.ey.com>

Cc: Jae Lancaster <Jae.Lancaster@dsd.qld.gov.au>, Maree Parker <Maree.Parker@dsd.qld.gov.au>

Subject: Building our Regions

Sch. 4(4)(6) - [Redacted]

The below is the text I referred to in our conversation yesterday:-

The BoR program can achieve more than its already impressive record for regional Queensland. BoR Round 4 provides an opportunity to reshape the program towards achievement of a more ambitious economic goal to boost and transform regional economies. BoR, in partnership with councils, and with the economic expertise of DSD, is uniquely positioned to deliver this increased economic capacity to regional Queensland.

Many of the economic development infrastructure opportunities identified and facilitated by DSD work can be collaboratively funded through BoR. For example, current investigations into industrial land across the State could result in infrastructure development projects. Common user infrastructure opportunities could be realised with BoR funding contributions.

With DILGP infrastructure funding targeting core council infrastructure needs, BoR can be used to draw on DSD's economic credentials and fulfil the demand for infrastructure that delivers jobs and economic growth - to lay the foundations for economic sustainability for regions suffering the cyclical effects of resource production and bolster regions wanting to diversify their economies into new and emerging sectors.

Kind regards,

From Anita



Anita Hicks

Acting Director, Operations and Engagement

Regional Programs

Department of State Development

P [Redacted] M [Redacted]
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PO Box 15009, City East QLD 4002

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Through collaborative & targeted funding, the Building our Regions Program drives economic development for regional Queensland.

The Department of State Development's (DSD) exclusive focus on economic development is unique in the Queensland government

Our Strategic Plan:

- Vision – Queensland's economic is Australia's strongest and most diverse.
- Purpose – Lead the delivery of economic development for Queensland.

Our organisational structure:

- Coordinator General.
- Economic & Industry Development.
- Major Projects & Prosperity.
- Regional Economic Development.
- Business Solutions & Partnerships.
- Special Projects Unit.

We know that developing the economy is about quality of life for Queenslanders. It is not an end in itself.

- **Economic growth** means an increase in regional income / output (measured by increase in GRP).
- **Economic development** is about an improvement in quality of life and living standards resulting from that growth.

Whether economic growth \equiv economic development is a question of distribution

BoR program

Local projects in non-urban areas

Partnerships are key

Which means

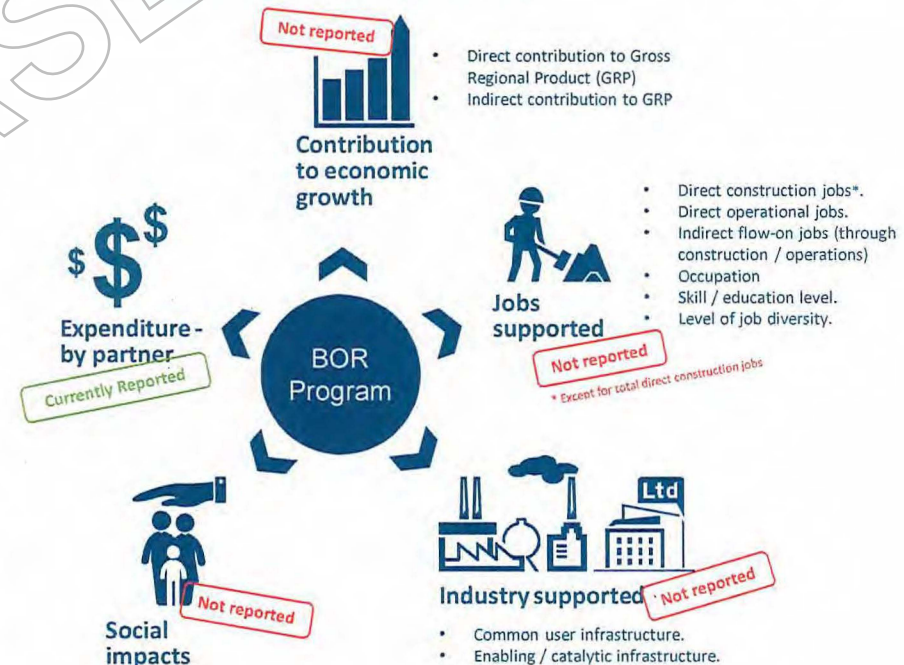
- Quick distribution of economic impact.
- Accessible jobs for local people.
- Support through economic cycles.
- Small injections can have a large impact (compared to urban areas).
- Support for local industry: projects with co-contributions from industry are favoured.
- Economic impacts are leveraged through funding partnerships. BoR funds go further.

The Building our Regions program is designed to address this

The \$375 million BoR program provides funding for critical local infrastructure in regional areas:

- **Regional Capital Fund** – enabling infrastructure for regional areas.
- **Royalties for Resource Producing Communities Fund** – so royalties improve the quality of life for the communities that generated them.
- **Remote & Indigenous Community Fund** – relatively small but numerous funding injections to projects that have a big impact on community wellbeing.

The BoR Program delivers a range of economic and social benefits for local people in regional areas. DSD is investigating better ways of reporting these benefits through our interactive mapping tool.



Building our Regions Program Review – Further Analysis

Department of State Development

Reliance Restricted

22 September 2017 | Version 4.0 (Final)



Building a better
working world



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Reliance Restricted

Jae Lancaster
Executive Director, Regional Economic Development
Department of State Development
Level 36, 1 William Street Brisbane

Review of the Building our Regions Infrastructure Fund

22 September 2017

Dear Jae,

In accordance with our engagement letter dated 25 May 2017, Ernst & Young ("EY", "we" or "us") have prepared this further analysis of the Building our Regions (BoR) program for the Department of State Development ("DSD", "you" or "the Client"). This further analysis (Report) builds on our initial review of the program in relation to the assessment of potential application and evaluation process models and funding mechanisms for the program, dated 20 January 2017.

Purpose of our report and restrictions on its use

This Report was prepared on your instructions solely for the purpose of providing an assessment of the BoR and should not be relied upon for any other purpose. Because others may seek to use it for different purposes, this Report should not be quoted, referred to or shown to any other parties unless so required by court order or a regulatory authority, without our prior consent in writing. In carrying out our work and preparing our Report, we have worked solely on the instructions of you and for your purposes.

Our Report may not have considered issues relevant to any third parties. Any use such third parties may choose to make of our Report is entirely at their own risk, and we shall have no responsibility whatsoever in relation to any such use. This Report should not be provided to any third parties without our prior approval. We disclaim all responsibility to any other party for any loss or liability that the other party may suffer or incur arising from or relating to or in any way connected with the contents of this Report, the provision of this Report to the other party or reliance upon this Report by the other party.

Scope of our work

As set out in our engagement agreement, we have been engaged to explain the benefits of the BoR program and suggest how it could be adjusted to place greater focus on achieving economic development outcomes. An examination of economic development theory and benchmarking exercise of comparable programs has been undertaken to achieve this end.

Limitations

Our work in connection with this assignment is of a different nature to that of an audit. We have not sought to verify the accuracy of the data or the information and explanations provided by management. Our work has been limited in scope and depth, and we stress that a more detailed review may reveal material issues that this review has not. A detailed assessment of the eligibility criteria for the BoR has been excluded from our scope of works.

If you would like to clarify any aspect of the BoR review or discuss other related matters, then please do not hesitate to contact me or

Yours faithfully

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Partner

Executive summary

Key findings and recommendations regarding the Building our Regions (BoR) program

Key findings

The key findings are informed by an analysis of the BoR program, a benchmarking exercise involving a comparison of the key features of the BoR against similar programs and assessment of the BoR program against economic development design principles.

Under the current Building our Regions (BoR) program:

- ▶ Water, sewerage and waste infrastructure makes up the greatest proportion of applications for funding, both by number of applications and value of funding awarded.
- ▶ The *average* project value and FTEs supported per project generated is significantly higher than the *median* project value and FTEs supported.
- ▶ The maximum threshold for an individual grant and total program value is materially higher for the BoR program compared to similar programs in Australia that we benchmarked.
- ▶ Reporting of the program's benefits and outcomes reporting exceeds that of comparable programs in terms of scope and transparency.
- ▶ Some of the most important proposed changes relate to economic development design principles that the program scores well against.

Recommendations

EY recommends a group of targeted incremental refinements be implemented to build on the BoR program's achievements and ensure its continued success. Further targeted incremental refinements may also be investigated in parallel while the remaining changes could be considered in future.

Recommendations for implementation:

- ▶ Redefine the purpose of the BoR program to make economic development the primary purpose.
- ▶ Require proponents to establish the need for the project at the EOI stage.
- ▶ Redefine 'economic development' as a project category.

Recommendations for investigation:

- ▶ Seek opportunities to further implement outcome-based reporting.
- ▶ Seek opportunities to further implement 'real world' reporting measures.
- ▶ Amend appropriate BoR materials to emphasize the importance placed on supporting ongoing or operational jobs.

Detail on these recommendations can be found in chapters 4 and 5.

Assumptions and limitations

The assumptions and limitations of the Report

Assumptions

- ▶ We have assumed that the publically presented material on each of the benchmarked programs is accurate. We have not sought to verify the accuracy of this information.

Limitations

- ▶ The design principles are for the purpose of increasing the economic development focus of the program. Their scope does not extend to 'business as usual' expectations (e.g. 'value for money', 'risk managed', etc.) For the purposes of this paper, these 'business as usual' expectations are taken as given.
- ▶ The design principles are not comprehensive specifications. They are guidance material that seek to highlight impactful elements of design for an economic development focused program.
- ▶ The general commentary accompanying the assessment of 'tier one' Queensland infrastructure and/or economic development policies, whether they be termed as a program or fund, is general in nature and has been based on publicly available information.
- ▶ A detailed set of criteria for each individual design principle has not been developed.
- ▶ No program stakeholder consultation has been undertaken in the development of the benchmarking table or any other part of this Report.
- ▶ The benchmarking table is informed by what is publically available and readily accessible on each of the programs (with the exception of the BoR Program).
- ▶ The analysis of the program, benchmarking and assessment of the program does not constitute an audit of the program's processes or their implementation.
- ▶ Tools for implementation of the proposed changes or recommendations have not been considered as part of this engagement.
- ▶ EY has used the FTE jobs supported formula of $(\text{total estimated project cost} * 3.1 / 1000000)$ for Round 3 projects, as was used by DSD for Round 2 and Round 2S projects.
- ▶ FTE jobs supported for jurisdictions other than Queensland are based on reported numbers - see page 24.

1

Introduction

1 Introduction

The background and purpose of the Report

Background

This Report has been developed to follow on from earlier work undertaken by EY with regard to the Building our Regions (BoR) program.

- ▶ In December 2016, EY (“us”, or “we”) was engaged by the Department of State Development (“DSD”, or “you”) to perform a review of the BoR program.
- ▶ Subsequently, you have requested us to perform additional works detailed in our variation letter to you of 25 May 2017 and summarised as follows:
 - ▶ A one page summary paper, outlining the key features and benefits of the BoR program, and DSD’s mandate for administering and improving reporting under that program. That summary paper has been issued in May 2017.
 - ▶ A detailed Report providing a more detailed summary of the BoR program, benchmarking against similar government grant programs nationwide, and a series of recommendations for improving BOR alignment to economic development outcomes.

Purpose

The purpose of this Report is to assess if there is potential for the BoR program to have a greater focus on delivering economic development outcomes and suggest methods to build on the program’s achievements and ensure its continued success.

- ▶ This Report compares the BoR program against economic development design principles developed by EY pursuant to a benchmarking process, review of the DSD Strategic Plan, and consideration of economic development related literature and theory. Recommendations pertain to:
 - ▶ What elements of the BoR could be refined or tested.
 - ▶ How project selection could be optimised without compromising existing strengths in the process.
 - ▶ Alterations to enhance the reporting of benefits resulting from the BoR program, having reference to the original EY deliverable produced on 20 January 2017.

1 Introduction

Approach to reviewing the BoR and overview of the DSD's Strategic Plan as it relates to DSD's mandate to drive economic development

Approach

The key findings and recommendations in this Report are informed by desktop research, a benchmarking exercise against similar programs across Australia, and an evaluation against economic development focused design principles.

Desktop research

- ▶ Theory of economic development (literature review).
- ▶ Review of benchmark grant funding programs
 - ▶ federal and State level programs identified
 - ▶ identify eligible proponents, key features, public reporting measures (method, inputs and outcomes).

Benchmarking

- ▶ Apply findings of review of grant funding review to tabulated array of key characteristics.
- ▶ Identify commonalities/desirable characteristics applicable to BoR.

Economic Design Principles

- ▶ Develop economic design principles/criteria based on theory of economic development.
- ▶ Identify gaps in BoR performance against criteria.

Synthesis

- ▶ Identify recommendations to improve the BoR program, across the following conceptual spectrum:
 - ▶ changes to project selection criteria
 - ▶ identify improved reporting measures
 - ▶ communicating rationale for program
 - ▶ identifying components for strengthening, modification and removal.

Spotlight on the DSD Strategic Plan 2017-2021

DSD has a state-wide mandate to drive economic development in Queensland. This mandate is reflected in its Strategic Plan, which is centred on its vision and purpose:

- ▶ **Vision** – A strong, competitive and diverse Queensland economy, driven by adaptive and sustainable regions, industries and projects.
- ▶ **Purpose** – To drive the economic development program for Queensland by creating a diverse and thriving economy, and generating new jobs.

This Vision and Purpose can be realised by pursuing DSD's Strategic Objectives through the continual improvement of the BoR program.



2

The Building our Regions program

2 The Building our Regions program

The scale and structure, eligibility requirements and grant funding process for the BoR program

What is the BoR program?

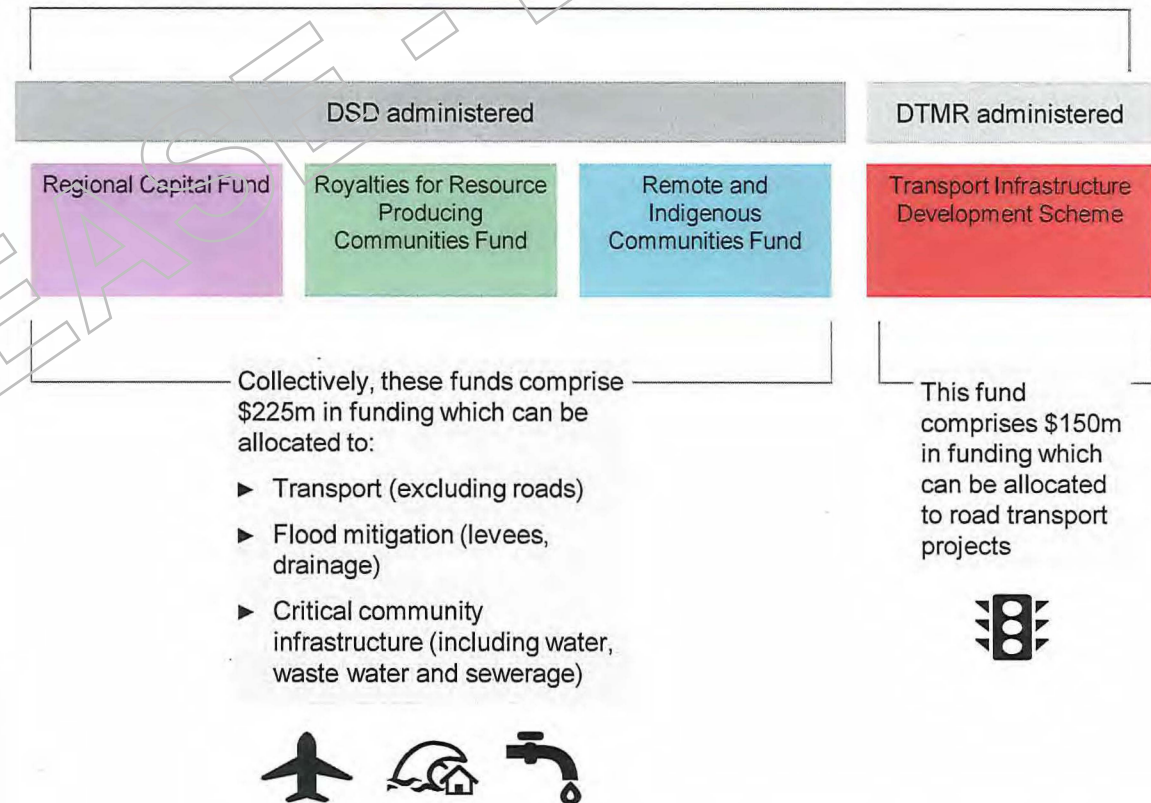
- ▶ Commencing in 2015-16, the \$375m BoR program provides funding for critical infrastructure in regional Queensland. The infrastructure is intended to support job creation, foster economic development and improve liveability in rural and remote Queensland communities.
- ▶ Funding has been granted in three rounds and a supplementary round (2S), in FY.2015/16, 2016/17 and FY 2017/18.

How is the BOR program structured and operated?

- ▶ The BOR program is comprised of four funds, depicted to the right.
- ▶ Three of those funds are administered by DSD while the remaining fund is administered by the Department of Transport and Main Roads.
- ▶ Applications for funding are assessed and awarded from the relevant fund.

Who is eligible for funding, and for how much?

- ▶ Local Governments from regional areas.
- ▶ Local governments may apply for between \$50,000 and \$5m from the DSD administered funds, depending on the fund.
- ▶ Dependent on the fund, a co-contribution of 50% of the project cost is required or preferred in assessment.



2 The Building our Regions program

Key characteristics of the BoR Program are depicted below, including average funding grant size, and a breakdown of categories of infrastructure funding across the three (plus supplementary) rounds of funding issued to date

Average funding allocation per project

\$1.305m

Based on DSD Round 1, Round 2, Round 2 Supplementary and Round 3 funding allocations.

Average total project value

\$3.336m

Based on DSD Round 1, Round 2, Round 2 Supplementary and Round 3 funding allocations.

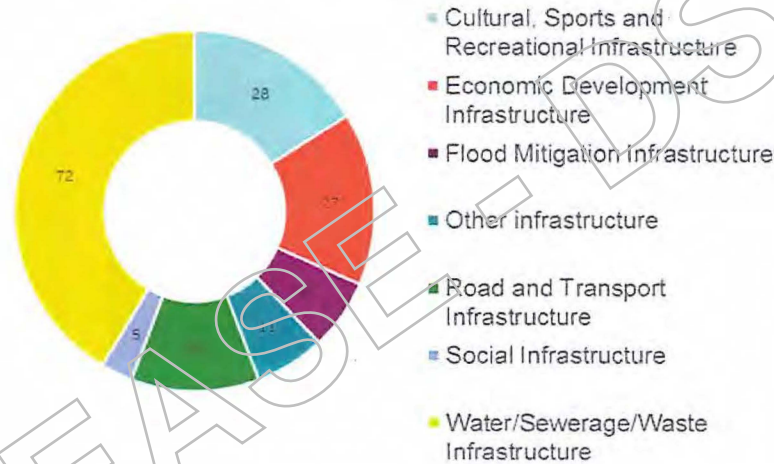
Average number of FTEs supported per project

10.1

Based on DSD Round 1, Round 2, Round 2 Supplementary and Round 3 Projects. Average number of FTE jobs supported by project construction (based on Queensland Treasury's Guidelines for estimating FTE jobs directly supported by the capital works program).

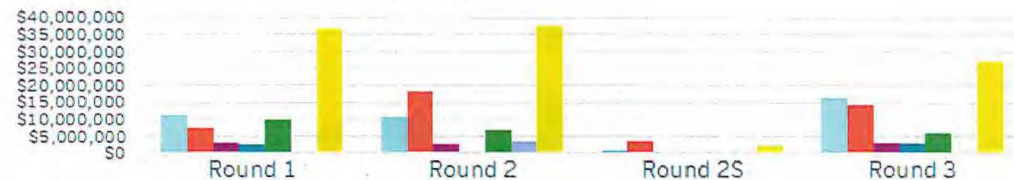
Infrastructure categories

As assigned by LGA applicants



*Note that the category "Economic Development" relates to direct funding of economic infrastructure, for example new industrial precincts or research and development. Other categories support economic development indirectly.

Infrastructure Funding by Category and Round



| Category | Round 1 | Round 2 | Round 2S | Round 3 |
|--|--------------|--------------|-------------|--------------|
| Cultural, Sports and Recreational Infrastructure | \$10,991,511 | \$10,903,145 | \$631,486 | \$16,490,500 |
| Economic Development Infrastructure | \$7,157,193 | \$18,067,217 | \$3,513,226 | \$14,234,036 |
| Flood Mitigation Infrastructure | \$3,090,000 | \$2,446,800 | | \$3,107,729 |
| Other Infrastructure | \$2,549,448 | \$200,600 | \$477,475 | \$3,199,787 |
| Road and Transport Infrastructure | \$9,756,629 | \$6,837,103 | | \$5,905,139 |
| Social Infrastructure | \$544,150 | \$3,447,467 | | \$379,780 |
| Water/Sewerage/Waste Infrastructure | \$36,759,978 | \$37,266,335 | \$2,044,191 | \$27,008,987 |

2 The Building our Regions program

Additional key characteristics of the BoR Program are depicted below, including median funding grants, and the local government areas with the highest concentration of funding awarded

Median funding allocation per project

\$0.5m

Based on DSD Round 1, Round 2, Round 2 Supplementary and Round 3 funding allocations.

Median total project value

\$1.032m

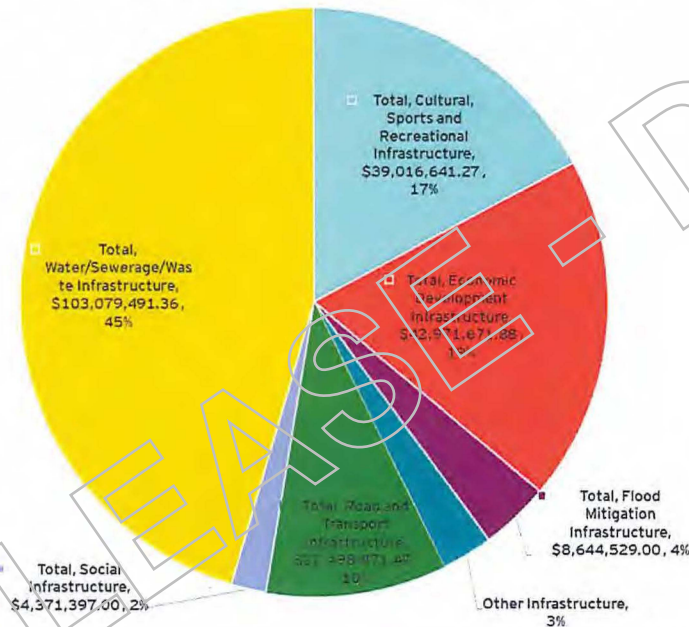
Based on DSD Round 1, Round 2, Round 2 Supplementary and Round 3 funding allocations.

Median number of FTEs supported per project

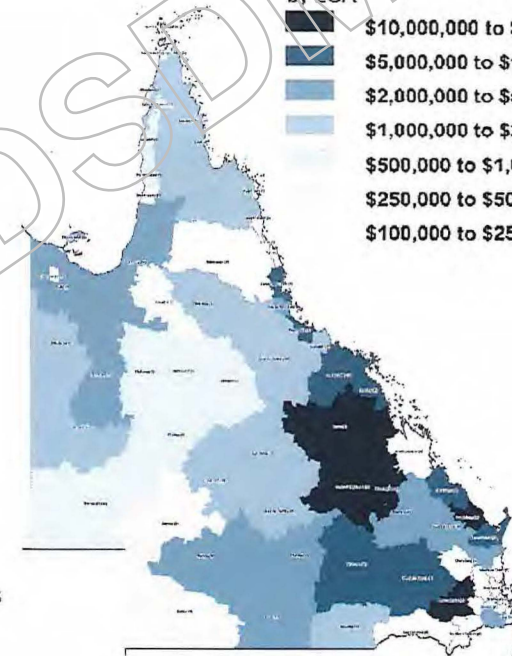
3.2

Based on DSD Round 1, Round 2, Round 2 Supplementary and Round 3 Projects. Average number of FTE jobs supported by project construction (based on Queensland Treasury's Guidelines for estimating FTE jobs directly supported by the capital works program).

Total Funding by Category



Total funding awarded by LGA



Observations

- Water/ sewerage/ waste Infrastructure makes up the greatest proportion of funding by value of funding awarded. On average, BOR funding comprises 39% of total project values.
- Whilst the average value of each project is just over \$3m, the median value of funded projects is closer to \$1m, with a limited number of high value projects skewing the average project value.
- Similarly, while the average project creates just over 10 FTEs during construction, the median FTE generation of each project is just less than a third of that value.
- The highest concentration of funding is centred on the central west to central coast region.

3

Key finding: The BoR program compares well to similar programs



3 Key finding: The BoR program compares well to similar programs

EY's benchmarking of Federal, State and the Northern Territory's economic development programs reveal a broad spectrum of development aims and infrastructure priorities – however, a regional focus and preference for transport and recreational assets are recurring themes

The Australian Government, States and the Northern Territory all administer programs that aim to promote economic development.

EY has identified the key attributes and objectives of the BoR program, and compared them to similar programs in other jurisdictions.

Key attributes and objectives of comparable programs:

- ▶ Job creation
- ▶ Regional economic development
- ▶ Construction of physical infrastructure
- ▶ Selection of projects delivering long-term benefits to local government areas

Our benchmarking establishes the funding obligations, eligible proponents and eligible asset classes for each program, as well as the reporting practices of their administering bodies.

Of the 32 programs we benchmarked, 69% were open exclusively for regional proponents. None of the programs benchmarked have a metro-only focus.

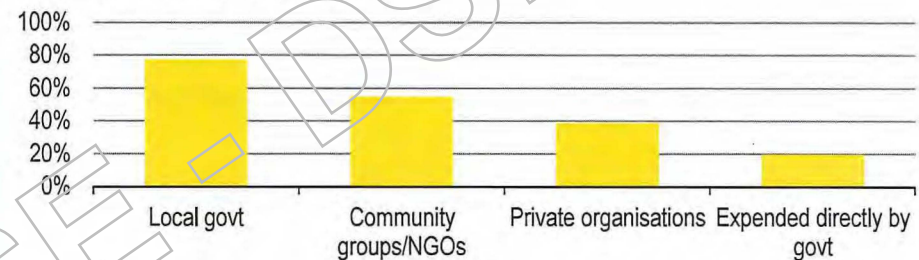
Benchmarked programs by focus



Source: EY analysis

Local governments are the primary target for economic development programs, being eligible for 77% of benchmarked programs. More than half of the programs (52%) were open to both local governments and community groups.

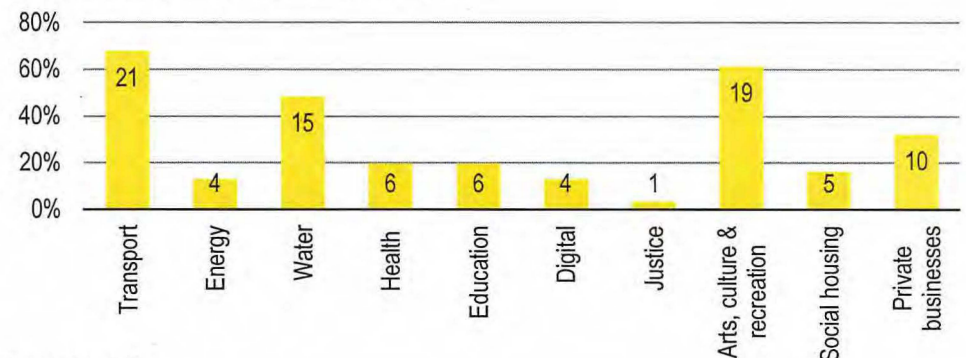
Funding eligibility by proponent



Source: EY analysis

Transport and arts, recreation & culture are the most eligible asset classes, being supported by 68% and 61% of programs respectively. Fifty-five percent of programs fund both economic and social infrastructure.

Funding eligibility by asset classes



Source: EY analysis

More than half (52%) of the benchmarked programs do not publicly report on funding grants, while a further 6% only make information available through disaggregated press releases.

3 Key finding: The BoR program compares well to similar programs

As a result of EY's benchmarking process, a number of observations can be drawn about BoR's guidelines and reporting regime relative to other economic development programs

How does BoR compare to similar programs

19%

A relatively limited percentage (19%) of similar programs are open to local Governments only – of which 83% include DSD and DILGP funding programs. Most interstate programs are open to other entities, including private enterprise.

\$5.0m

BoR's maximum available grant of \$5m is the largest available under State-administered programs

55%

More than half of the identified economic development programs' eligibility criteria allow funding for both economic and social infrastructure.

The economic development programs identified through the benchmarking process vary significantly in terms of eligibility criteria in accordance with local requirements. The following observations detail key differences between BoR's guidelines and those of the other identified programs.

Eligible proponents relative to other programs

- ▶ Most other economic development focused programs have a broader range of eligible lead proponents.

Key features of BoR relative to other programs

- ▶ The maximum threshold for an individual grant under the BoR program is substantially higher than comparable programs.
- ▶ The total program value is substantially high than most comparable programs.
- ▶ The program's co-contribution requirements and preference is consistent with similar programs.

Asset classes funded relative to other programs

- ▶ The program has funded a relatively broad range of asset classes relative to other programs.

Reporting standard across other programs

- ▶ The reporting regimes vary significantly among programs. More than half of the identified programs have no formal reporting processes, while the quantity and depth of information reported also differs significantly.

3 Key finding: The BoR program compares well to similar programs

The table below lists the economic development programs considered in the benchmarking process and their areas of focus

Comparable programs from each State, the Northern Territory and the federal government were examined.

Queensland

- ▶ *Jobs and Regional Growth Fund (DSD)* – provides grants to private sector to support job-creating projects in regional areas.
- ▶ *Community Resilience Fund (DILGP)* – provides funding for infrastructure that mitigates the effects of, and improves responses to flooding and bushfires.
- ▶ *Local Government Grants and Subsidies Program (DILGP)* – supports local governments' delivery of key economic and social infrastructure.
- ▶ *Natural Disaster Resilience Program (DILGP)* – a fund jointly administered by the Australian and State Governments to support projects mitigating the impacts of natural disasters.
- ▶ *Maturing the Infrastructure Pipeline Program (DILGP)* – funding to expedite assessment of proposals under the State Infrastructure Fund.
- ▶ *Priority Economic Works and Productivity Program (DILGP)* – funding for transport corridor upgrades that will boost capacity and productivity.
- ▶ *Significant Regional Infrastructure Projects Program (DILGP)* – direct funding of regional economic and social infrastructure projects.

South Australia

- ▶ *Regional Development and Innovation Fund* – funding for all types of organization to support educational and recreational infrastructure as well as equipment upgrades for private businesses.
- ▶ *Planning and Development Fund* – funding for landscaping and streetscaping of public spaces.
- ▶ *Community Infrastructure Program* – funding of social infrastructure projects.
- ▶ *Major Projects Program* – funding for private organizations to undertake expansion works that will support job creation.

Western Australia

- ▶ *Regional Grants Scheme* – application of mining royalties to fund primarily social infrastructure projects.
- ▶ *Community Chest Fund* – funding for small-scale social infrastructure projects, including tourism developments.
- ▶ *Regional Airports Development Scheme* – funding for upgrades of regional airport infrastructure.
- ▶ *Country Local Government Fund* – provides funding to local governments and community groups for economic and social infrastructure.
- ▶ *Creative Regions Programs* – provides small grants to community groups in support of arts programs.

Tasmania

- ▶ *Community Infrastructure Fund* – funds economic and social infrastructure projects that enhance the livability of communities.

3 Key finding: The BoR program compares well to similar programs

The table below lists the economic development programs considered in the benchmarking process and their areas of focus

New South Wales

- ▶ *Resources for Regions* – provides funding for economic and social infrastructure projects, especially transport infrastructure upgrades, in mining communities.
- ▶ *Regional Tourism Infrastructure Fund* – supports development of the tourism industry primarily by upgrading regional airports.
- ▶ *Local Infrastructure Renewal Scheme* – subsidizes interest costs on local government borrowings to support economic and social infrastructure projects.

Victoria

- ▶ *Regional Infrastructure Fund* – funds economic and social infrastructure to develop the tourism industry and improve the livability of regional communities.
- ▶ *Regional Jobs Fund* – provides funding to boost productivity, improve market access develop industrial capabilities in order to support existing and create new jobs in regional areas.
- ▶ *Stronger Regional Communities Fund* – provides funding for initiatives to attract and retain residents in regional communities.

Northern Territory

- ▶ *Regional Economic Infrastructure Fund* – funds infrastructure developments that foster economic development in remote communities, primarily through expansions and upgrades to the road network.
- ▶ *Regional Economic Development Fund* – provides funding to local governments, community groups and private businesses for minor capital works and the development of small business.

Federal Government

- ▶ *Regional Growth Fund* – direct Commonwealth funding of large-scale infrastructure projects.
- ▶ *Northern Australia Infrastructure Facility* – provides concessional loans to States and Territories for transport, water, energy and communications infrastructure.
- ▶ *Remote Airstrip Upgrades Program* – funding for upgrades to airside infrastructure at regional airports.
- ▶ *Building Better Regions Fund* – provides funding for a broad range of economic and social infrastructure projects.
- ▶ *National Stronger Regions Fund* – the precursor to the *Building Better Regions Fund*, the *National Stronger Regions Fund* also provides funding to local governments and community groups to support a broad range economic and social infrastructure projects.

3 Key finding: The BoR program compares well to similar programs

Our benchmarking analysis recorded key features of comparable programs

The below aspects of comparable programs were recorded to benchmark the BoR program. Please see section 7 for the detailed benchmarking outcomes.

Eligible proponents

- ▶ Local government.
- ▶ Community groups – includes non-for-profit and community advocacy groups.
- ▶ Private enterprises – privately-held businesses.

Key features

- ▶ Focus – geography-based eligibility limitations.
- ▶ Total program value – total value of grants available over the life of the program.
- ▶ Funding obligation – eligibility criteria that require funding contributions from proponents, where applicable.
- ▶ Maximum grant – maximum amount available to each proponent, where applicable.

Public reporting method

- ▶ Type – format in which grant information is made available to the public.
- ▶ Transparency – qualitative assessment of the amount and detail of information made available to the public.
- ▶ Mapping – qualitative assessment of the detail of maps made available the public, where applicable.

Public reporting inputs

- ▶ Co-contributors – public reporting of proponent contributions to project funding, where applicable.
- ▶ Reporting of total expenditure – public reporting of total project costs.
- ▶ Timing of funds expended – public reporting of years in which approved projects are funded.
- ▶ Project milestones – public reporting of progress achieved on projects.

Public reporting outcomes

- ▶ Construction jobs supported – public reporting of number of persons employed during project construction.
- ▶ Operational jobs supported – public reporting of number of jobs supported by, or expected to be supported the operational phase of projects, where applicable.
- ▶ Other – public reporting of other employment-related metrics.
- ▶ Gross Regional Product (GRP) – public reporting of project's actual or anticipated contribution to GRP.
- ▶ Economic benefits – public reporting of other metrics measuring economic contribution of projects.
- ▶ NPV – public reporting of projects' net present value.
- ▶ Social impacts – public reporting of projects' impact of the communities they service.
- ▶ Beneficiaries – public identification of projects' actual or anticipated beneficiaries.

4

Key finding: While comparing well to other programs generally, the BoR program could be further targeted towards the achievement of economic development outcomes

4 Key finding: While comparing well to other programs generally, the BoR program could be further targeted towards the achievement of economic development outcomes

Outlined below are the fundamental differences between the concepts of economic contribution and economic development

Comparing economic contribution and development³

The concepts of economic contribution and economic development can be contrasted to illustrate what defines economic development. The purpose of displaying this contrast is to support the subsequent development of guiding economic development design principles against which the BoR program can be tested, and refinements considered.

| | Economic contribution | Economic development |
|-----------------------------------|--|--|
| Description | Gross change in economic activity associated with an event, typically increases in expenditure ¹ . Often described as a 'shock' in economic activity. | Economic well being and quality of life that results from the change in economic output; i.e. the economic 'shock' is not an end in itself ² . |
| Distribution | Subordinate Focused on gross change in the economy in absolute total terms, irrespective of distribution. | Priority Concerned with how a change in economic output is distributed to achieve maximum improvement in well being and quality of life. |
| Regional economic baseline | Subordinate Relatively unconcerned where the existing economy in question sits on the 'undeveloped' to 'developed' spectrum. | Priority Looks to build on the economic 'starting point' of the region. For example, an 'undeveloped economy' would require different infrastructure needs to a 'developed economy' (e.g. infrastructure to realise basic sanitation standards). |
| Additionality | Subordinate Concerned with maximising gross change with the existing capabilities, features and characteristics of the economy. | Priority Concerned with adding new capabilities, features or characteristics to the local economy to optimise gross change and maximise the economy's capacity for future growth. |

¹ P Watson et al (2007) Determining Economic Contributions and Impacts: What is the difference and why do we care? The Journal of Regional Analysis and Policy [alignment in principle]

² OECD (2009) Governing Regional Development Policy – The Use of Performance Indicators [alignment in principle]

³ Table is subjective and a generalisation based on best-practice development policy and research

4 Key finding: While comparing well to other programs generally, the BoR program could be further targeted towards the achievement of economic development outcomes

Scope, process, proponents and reporting represent key components of a program - within these components, design principles for an economic development focused have been established

Set out below are key economic development principles (developed with regard to the definition of economic development as presented on the previous slide), categorised under each of the fundamental components of a funding program.

Scope

Mandated: Owned by an agency primarily focused on economic development.

Ongoing jobs: Primarily focused on enabling operational jobs rather than construction jobs.

Productivity-enabling: Focused on improving the efficiency of economic factors of production (land, labour, capital) rather than just economic output from expenditure.

Tailored: Enhances the economic strengths, facilitates the realisation of economic opportunities and meets the economic needs of individual regions.

Beneficiaries: Designed with the quantity and type of beneficiaries in mind. For instance, expenditure that has benefits that accrues to a single business may not achieve the economic development outcome of an improvement in the region's prosperity.

Process

Front-loaded: Front-end strategic assessment that focus the program towards achieving economic development outcomes.

Transparent: Legibility barriers to entry must be minimised to enable ease of participation (i.e. to achieve the 'Inclusive' design principle) rather than complex or inconsistent messaging.

Output-specified: Describes what outcomes are sought to enable proponents to develop solutions rather than providing an indication of possible methods to achieve outcomes. This recognises that economic development is complex, and that government does not have all the answers.

Proponents

Inclusive: Allows organisations other than local governments to lead proposals in recognition that many and varied actors have a role in regional economic development.

Leveraged: Favours proponents that can contribute financially so that state funding is leveraged. Also recognises that those with 'skin in the game' are more likely to think long term development rather than short term impact.

Reporting

Outcome-based: Rather than input or activity based. For example, reporting on growth in economic output rather than simply the expenditure that generated that growth.

Real world: Reports on metrics that mean something to people, and that go to the meaning of economic development; .e.g. rather than simply total job numbers, potentially reporting on the type of jobs and skill levels required.




4 Key finding: While comparing well to other programs generally, the BoR program could be further targeted towards the achievement of economic development outcomes

Set out below is a comparison of the current BoR Program against the economic development principles

The BoR rating column in the table below represents the extent to which the BoR program meets the corresponding economic development design principle.

1. Scope

An assessment of economic development design principles related to the scope of either the entire program or individual projects within the program.



| Economic design principle | BoR rating | Reasoning |
|------------------------------|---|---|
| Mandated |  | <ul style="list-style-type: none"> ▶ The purpose of DSD is to lead the delivery of economic development outcomes. ▶ Primary purpose of BoR program is to foster economic development, among other objectives. ▶ The priority of 'fostering economic development' relative to other part of the primary purpose statement including 'providing critical infrastructure in regional areas', 'generating jobs' and 'improving the livability of regional communities' is not clear. |
| Ongoing jobs |  | <ul style="list-style-type: none"> ▶ Less than 20% of funded projects are classified¹ as 'economic development' infrastructure. ▶ If the 'flood mitigation', 'road and transport', and 'water, sewerage and waste' project types are assumed to lack a significant contribution to ongoing or operational jobs, over 50% of funded projects do not materially contribute to the generation of ongoing or operational jobs. ▶ No distinction between construction jobs and operational or ongoing jobs is made in any BoR materials, including the Round 3 program guidelines. |
| Productivity-enabling |  | <ul style="list-style-type: none"> ▶ The 'Other Infrastructure' category that contains productivity enabling projects such as fibre optic network improvements comprises less than 5% of total funded projects. ▶ If only projects classified as water, sewerage and waste infrastructure are regarded as related to increasing the efficiency of land, over 40% of projects relate to increasing this sole factor of production. ▶ No eligibility requirements or assessment criteria in the round 3 program guidelines relate to increasing the productivity of land, labour, capital or enterprise. |

¹ Project 'types/categories/definitions' as stated by DSD have not been defined.

4 Key finding: While comparing well to other programs generally, the BoR program could be further targeted towards the achievement of economic development outcomes




Set out below is a comparison of the current BoR Program against the economic development principles

1. Scope (continued)

| Economic design principle | BoR rating | Reasoning |
|---------------------------|---|--|
| Tailored |  | <ul style="list-style-type: none"> ▶ The separate Remote and Indigenous Communities Fund with varying eligibility requirements to other the funds within the BoR program somewhat accounts for regional typology and represents tailoring. ▶ It appears no 'baseline' economic data for separate regions is presented to potential proponents. |
| Beneficiaries |  | <ul style="list-style-type: none"> ▶ No explicit eligibility requirements or assessment criteria that relate to quantity and type of beneficiaries in the Round 3 program guidelines. |

2. Process

An assessment of economic development design principles that relate to the processes of the program that evaluate and select projects

| | | |
|-------------------------|---|---|
| Front loaded |  | <ul style="list-style-type: none"> ▶ Expression of Interest stage does not appear to require the need for the project to be established based on the Round 3 program guidelines. ▶ A strategic assessment or preliminary evaluation as discussed in EY's initial review of the program does not appear to be undertaken. ▶ It is noted the project need, including the impact of a 'do nothing' option is assessed as part of criterion 1 once application is submitted. |
| Transparent |  | <ul style="list-style-type: none"> ▶ Messaging in program materials is generally clear and consistent but may not be easy to understand from a non-government organisation point of view. ▶ Project categorization could be improved i.e. the existing category of economic development creates unnecessary duplication and complexity. |
| Output specified |  | <ul style="list-style-type: none"> ▶ No explicit guidance on what economic development outcomes are sought is provided in the Round 3 program guidelines. ▶ No explicit guidance on what economic development outcomes are in varying regional contexts appears to be provided. ▶ The current specifications are outputs rather than inputs focused. However the output specifications could be more closely aligned to economic development outcomes. |



4 Key finding: While comparing well to other programs generally, the BoR program could be further targeted towards the achievement of economic development outcomes

Set out below is a comparison of the current BoR Program against the economic development principles

3. Proponents

An assessment of economic development design principles that relate to the eligibility of proponents.

| Economic design principle | BoR rating | Reasoning |
|---------------------------|------------|--|
| Inclusive | | <ul style="list-style-type: none"> ▶ Only local governments can lead consortiums submitting project proposals. Not-for-profits and private businesses could be permitted to lead proposal consortiums. |
| Leveraged | | <ul style="list-style-type: none"> ▶ Projects put forward under the Regional Capital Fund and Royalties for the Resource Producing Communities Fund are required to have a co-contribution while proposals with a co-contribution are preferenced for the Remote and Indigenous Communities Fund. Loosening these requirements in appropriate circumstances could increase the inclusiveness of the program. |
| Outcome-based | | <ul style="list-style-type: none"> ▶ Economic development outcomes that each project will contribute to are often not communicated in project summaries. |
| Real world | | <ul style="list-style-type: none"> ▶ Benefits of each project are specific to locations' beneficiaries, made easier through presentation by an online map tool. ▶ Links between the benefits of projects and real world outcomes could be communicated better, for instance breakdown of jobs by skill level and occupation. ▶ Social impacts, industries supported and contribution (split by direct and indirect) to GRP could also be reported. ▶ Reporting on the committed grant funding allocation from each round against the expenditure of the total committed funding over the forward estimates could also be reported. |

4. Reporting

An assessment of economic development design principles that relate to how the outcomes and benefits of the program are reported.

4 Key finding: While comparing well to other programs generally, the BoR program could be further targeted towards the achievement of economic development outcomes

Set out below are two case studies for projects which were funded for the purposes of driving economic development in their local region

Bowmans Intermodal capacity expansion (SA)

- ▶ Funded by Major Projects Program (2014-15 round)
- ▶ Received \$840,000 grant (total project value of \$4.0 million)
- ▶ Project supports 15 FTE jobs*
- ▶ Project increased regional output by \$18 million in 2015-16

Bowmans Intermodal received a \$840,000 grant from the Regional Development Fund to duplicate the rail access corridor to their intermodal freight facility, thereby doubling capacity.

Economic development elements:

- ▶ Productivity enabling – improved volume and efficiency of freight movements, increasing capacity for regional exports.
- ▶ Tailored – enhanced freight throughput capacity to support key regional strengths of agricultural and mining exports.
- ▶ Inclusive – private sector organisations are eligible to apply for funding.
- ▶ Output-specified – program guidelines specify assessment criteria focused on viable and sustainable community infrastructure projects.
- ▶ Leveraged – the inclusion of a minimum contribution ratio ensures greater development outcomes for the budgeted funds.
- ▶ Real world reporting metrics – fund reports on job creation at the project level, as well as identifying the productive capacity added by the project.

Economic development outcomes:

- ▶ Improved market access and export capacity for regional producers.
- ▶ Reduced heavy vehicle traffic on public roads.

* See Assumptions and limitations on page 4

Tambo Sawmill Infrastructure Upgrade (QLD)

- ▶ Funded by Building our Regions (Round 1)
- ▶ Received \$262,000 (total project value of \$487,000)
- ▶ Re-opened mill will support 13 FTE jobs

The Blackall-Tambo Regional Council received a \$262,000 grant from the Building Our Regions Program to upgrade the mill's plant and equipment and improve its safety infrastructure. The re-commissioning of the mill aims to sustain jobs in a town that has been severely impacted by the mining downturn, whilst potentially attracting new residents to combat the region's declining population.

Economic development elements:

- ▶ Ongoing jobs – primarily focused on enabling operational jobs rather than construction jobs.
- ▶ Productivity enabling – improved efficiency and safety of mill operations, increasing capacity for regional exports.
- ▶ Beneficiaries – designed with the intention of indirectly benefitting a range of community groups and strengthening social infrastructure.
- ▶ Output-specified – program guidelines specify assessment criteria focused on viable and sustainable community infrastructure projects.
- ▶ Outcomes focused – project reporting includes economic, social and environmental outcomes and the benefits they provide to the community.

Economic development outcomes:

- ▶ Increased population resulting in stronger community participation.
- ▶ Expansion of the community's knowledge and skills base.

5

Key finding: Targeted refinement of the BoR program could optimise its focus on economic development outcomes

5 Key finding: Targeted refinement of the BoR program could optimise its focus on economic development outcomes

Proposed refinements to the program to more closely align with the economic development design principles

Targeted redesign of the scope, process, proponents and reporting components of the BoR program to better align with the economic development design principles could enable the program to optimise its focus on economic development outcomes.

1. Scope

Proposed changes to the scope of either the entire program or individual projects within the program.

| Design principle | Refinement | Relative importance | Relative difficulty | Some potential risks |
|------------------------------|--|---------------------|---------------------|--|
| Mandated | 1A Redefine the purpose of the BOR program to make economic development the primary purpose, as opposed to a contributing element as it is presently described. | H | L | <ul style="list-style-type: none"> Local government stakeholders may not support the prioritisation of economic development over the provision of critical infrastructure. |
| Ongoing jobs | 1B Amend appropriate BoR materials including the program guidelines to emphasize the importance placed on supporting ongoing or operational jobs. | M | L | <ul style="list-style-type: none"> Ongoing or operational jobs may be challenging to evaluate consistently in proposed projects. Additional administration may be required to estimate and/or monitor ongoing job support. |
| Productivity-enabling | 1C Future funding could be distributed more evenly through the implementation of minimum targets for types of projects aimed at increasing the productivity of land, labour, capital and enterprise. | M | H | <ul style="list-style-type: none"> Measuring the impact on productivity may be challenging to evaluate consistently. Additional administration may be required to estimate and/or monitor progress against minimum productivity targets. |



5 Key finding: Targeted refinement of the BoR program could optimise its focus on economic development outcomes

Proposed refinements to the program to more closely align with the economic development design principles

1. Scope (continued)

| Design principle | Refinement | Relative importance | Relative difficulty | Some potential risks |
|----------------------|---|---------------------|---------------------|---|
| Tailored | 1D Establish an economic baseline for regions that would include measurements such as level of basic infrastructure, key industries and skills of the population to encourage tailoring of proposed projects to the region's economic baseline. | H | H | <ul style="list-style-type: none"> ▶ Additional administration may be required to estimate economic baselines for each region. ▶ Risk that significant differences in economic baselines between regions may lead to negative sentiment from stakeholders regarding funding distribution by region. |
| Beneficiaries | 1E Assessment of funding should move away from targeting the 'greatest economic impact' to targeting benefits for the greatest number of recipients. | M | H | <ul style="list-style-type: none"> ▶ Consistently evaluating the number of beneficiaries and determining thresholds for material benefit may be challenging. |
| Front-loaded | 2A Require proponents to establish the need for the project at the EOI stage in addition to the identified demand to allow for more efficient assessment. | H | L | <ul style="list-style-type: none"> ▶ Administration activities may be partially reallocated to the front-end needs based evaluation. |

2. Process

Proposed changes to the processes of the program that evaluate and select projects.

5 Key finding: Targeted refinement of the BoR program could optimise its focus on economic development outcomes

Proposed refinements to the program to more closely align with the economic development design principles

2. Process (continued)

| Design principle | Refinement | Relative importance | Relative difficulty | Some potential risks |
|-------------------------|---|---------------------|---------------------|---|
| Transparent | 2B The program will benefit from redefining 'economic development' as a project category (to avoid confusion with the purpose of other categories) and defining each project category to allow ease of allocation and better analytics. | H | L | <ul style="list-style-type: none"> Defined project categories may conflict with other agencies' definition of economic development project categories. |
| Output-specified | 2C The BoR program's guidance material could provide further detail on what economic development outcomes for regions are, while still not prescribing a method to achieve them. | M | H | <ul style="list-style-type: none"> Detailed understanding of the economic baseline, aspirations of the community and future opportunities of the region's economy would be required to provide robust economic development outcomes for each region. |
| Inclusive | 3A Presently, the BOR Program limits applications to Local Government sponsored projects. Projects proposed from non-government organisations may also make a contribution to economic development, and allowing other organisations to apply for funding may increase the competitiveness of bids for the BOR funding. Similar program's eligibility requirements such as DILGP's Local Government Grants and Subsidies Program could be considered in the first instance. | H | H | <ul style="list-style-type: none"> Determination of what types of proponents could be made eligible to submit proposals will require consideration. Interaction with similar programs such as DSD's Jobs and Regional Growth Fund will need internal DSD consideration to ensure there is as little duplication of functions as possible. |

3. Proponents

Proposed changes to the eligibility of proponents.



5 Key finding: Targeted refinement of the BoR program could optimise its focus on economic development outcomes

Proposed refinements to the program to more closely align with the economic development design principles

Proponents (continued)

| Design principle | Refinement | Relative importance | Relative difficulty | Some potential risks |
|----------------------|---|---------------------|---------------------|--|
| Leveraged | <p>3B The BOR Program relies on project sponsors making a co-funding payment for the project in question – that is, the BOR funding is leveraged by other funds. Availability of capital may be limited in certain communities that are eligible for the Regional Capital Fund and Royalties for Resource Producing Communities Fund. Assistance could be provided to these communities to help these communities identify alternative sources of funds and common exemptions could be developed.</p> | L | M | <ul style="list-style-type: none"> ▶ Allowing for grant funding without a commensurate co-payment may limit the risk transfer to the recipient to deliver the project. ▶ If existing caps on grant funding are retained, this may lessen the scale of projects funded by the program where a co-funding payment is not made. ▶ Exceptional dispensation from the co-funding requirements may be considered in some cases. |
| Outcome-based | <p>4A While the reporting of the BoR program already describes economic development outcomes, better articulating and adding a regional context to projects' effect on economic development outcomes could improve the reporting's effectiveness. This could be achieved by reporting on social impacts, industries supported and contribution (split by direct and indirect) to GRP as well committed and total funding by round.</p> | H | M | <ul style="list-style-type: none"> ▶ Additional administration support may be required to provide more detailed reporting of project outcomes. |
| Real world | <p>4B While the reporting measures of the BoR program already articulate locationally specific benefits, their 'real world' applicability could be improved by demonstrating how they effect of the economic baseline of the region.</p> | H | M | <ul style="list-style-type: none"> ▶ Additional administration support may be required to provide more detailed reporting of project outcomes. |

4. Reporting

Proposed changes to how the outcomes and benefits of the program are reported.

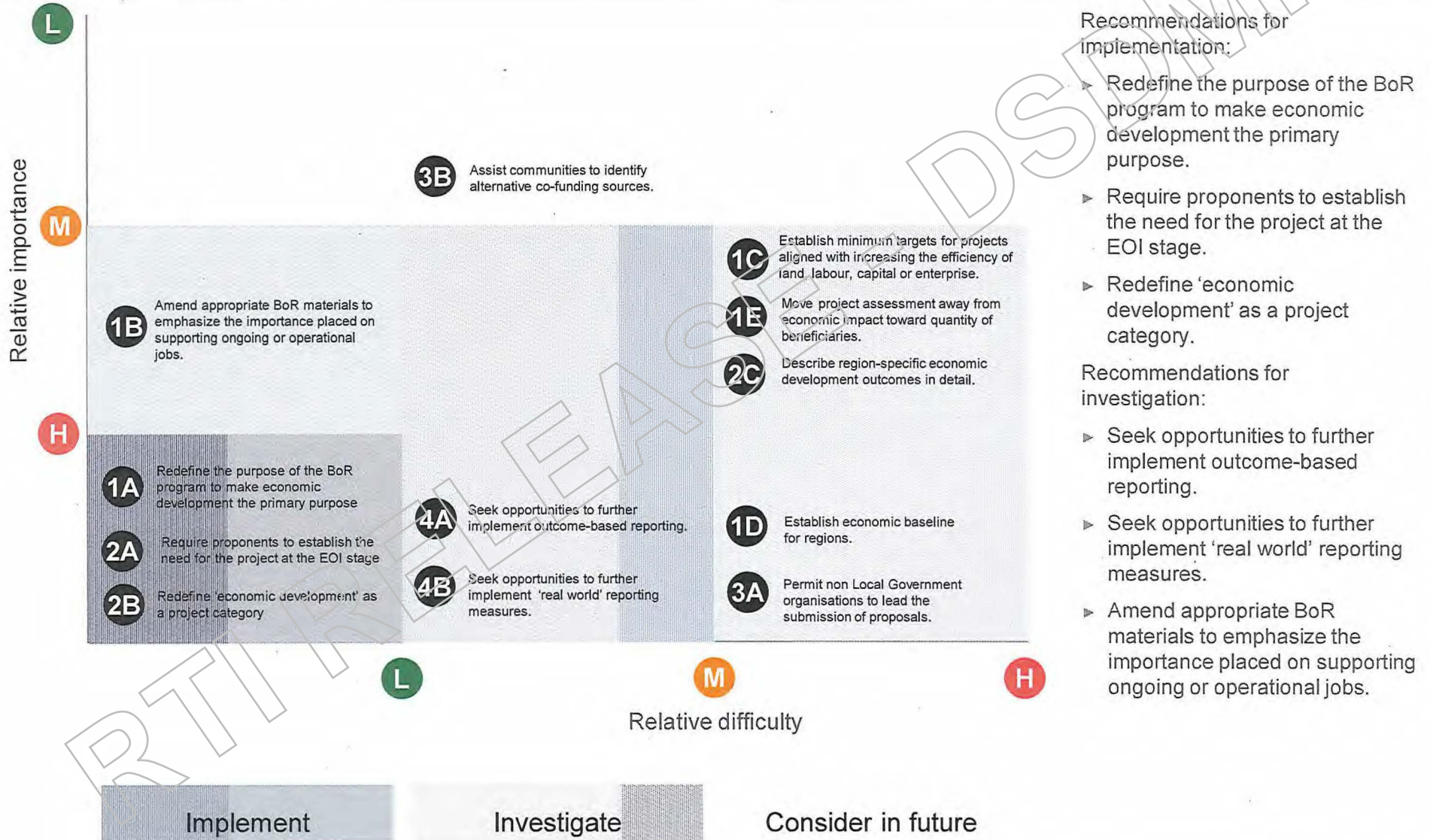
4

Recommendations

RTI REQUEST

6 Recommendation

EY recommends a group of targeted incremental refinements be implemented to build on the BoR program's achievements and ensure its continued success. Further targeted incremental refinements may also be investigated in parallel while the remaining changes could be considered in future.



5

Appendix



5 Appendix

Legend for benchmarking table

The legend below displays a number of acronyms and symbols used to categorise and contrast differing elements of infrastructure funding programs. The benchmarking tables are located overleaf.

| Legend | | |
|------------------|-----|----------------------|
| Reporting | ■ | Reported |
| | □ | Not reported |
| | YTS | Program yet to start |
| | ⌘ | Other (see notes) |
| Asset type | ■ | Funded |
| | □ | Not funded |
| Rating | H | High |
| | M | Medium |
| | L | Low |
| Reporting method | AR | Annual report |
| | PR | Project report |
| | PS | Press statement |
| | FS | Fund/tranche report |
| | NR | No reporting |

5 Appendix

Benchmarking table

| Jurisdiction | Program | Fund | Authority | Eligible proponents | | | | Key features | | | | Asset classes funded | | | | | | | | | |
|---------------------------|--|--|-------------------------------|---------------------|-----------------------|-----------------------|---------------------------|--------------|---------------------|--------------------|---------------|----------------------|--------|-------|--------|-----------|---------|---------|----------------------------|----------------|--------------------|
| | | | | Local govt | Community groups/NGOs | Private organisations | Expended directly by govt | Focus | Total program value | Funding obligation | Maximum grant | Transport | Energy | Water | Health | Education | Digital | Justice | Arts, culture & recreation | Social housing | Private businesses |
| Queensland | Building our Regions | | DSD | ✓ | | | | Regional | \$375m | 50-50 mat | \$5m | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | |
| | Jobs and Regional Growth Fund | | DSD | | | ✓ | | Regional | \$130m | n/a | n/a | □ | □ | □ | □ | □ | □ | □ | □ | ■ | |
| | Grants and subsidies program | Community Resilience Fund | DILGP | | ✓ | | | | All areas | Ongoing | 40-60 split | n/a | ■ | □ | ■ | □ | □ | □ | ■ | □ | □ |
| | | Local Government Grants and Subsidies Program | DILGP | | ✓ | | | | All areas | Ongoing | 40-60 split | n/a | ■ | □ | ■ | □ | □ | ■ | □ | □ | □ |
| | | Natural Disaster Resilience Program | DILGP | | ✓ | ✓ | ✓ | | All areas | Ongoing | 33-67 | n/a | ■ | □ | ■ | □ | □ | □ | ■ | □ | □ |
| | State Infrastructure Fund | Maturing the Infrastructure Pipeline Program | DILGP | | ✓ | | | | All areas | \$20m | n/a | n/a | □ | □ | □ | □ | □ | □ | □ | □ | □ |
| | | Priority Economic Works and Productivity Program | DILGP | | | | ✓ | | All areas | \$300m | n/a | n/a | ■ | □ | □ | □ | □ | □ | □ | □ | □ |
| | | Significant Regional Infrastructure Projects Program | DILGP | | | | ✓ | | All areas | \$180m | n/a | n/a | ■ | □ | ■ | ■ | ■ | □ | ■ | ■ | □ |
| Works for Queensland Fund | | DILGP | | ✓ | | | | Regional | \$200m | n/a | n/a | ■ | □ | ■ | □ | □ | ■ | ■ | □ | □ | |
| SA | South Australian River Murray Sustainability Program | Regional development and innovation fund | Dept. PI & Regions | ✓ | ✓ | ✓ | | Regional | \$12.5m | n/a | n/a | □ | □ | □ | □ | ■ | □ | ■ | □ | ■ | |
| | Planning and Development Fund | | DPTI | ✓ | | | | All areas | n/a | Preferenc | n/a | □ | □ | □ | □ | □ | □ | ■ | □ | □ | |
| | Regional Development Fund | Community Infrastructure Program | Dept. PI & Regions | ✓ | ✓ | ✓ | | Regional | Ongoing | 50-50 | \$1m | □ | □ | ■ | □ | □ | □ | ■ | ■ | ■ | |
| | | Major Projects Program | | Dept. PI & Regions | | | ✓ | | Regional | Ongoing | 33-67 | \$2m | □ | □ | □ | □ | □ | □ | □ | □ | ■ |
| WA | Royalties for Regions | Regional Grants Scheme | Dept. of Regional Development | ✓ | ✓ | | | Regional | Ongoing | n/a | \$300k | □ | □ | ■ | ■ | ■ | □ | □ | ■ | ■ | □ |
| | | Community Chest Fund | Dept. of Regional Development | ✓ | ✓ | ✓ | | Regional | Ongoing | n/a | \$50k | □ | □ | □ | □ | □ | □ | □ | ■ | □ | ■ |
| | | Regional Airports Development Scheme | Department of Transport | ✓ | | ✓ | | Regional | Ongoing | 50-50 mat | \$500k | ■ | □ | □ | □ | □ | □ | □ | □ | □ | ■ |
| | | Country Local Government Fund | Dept. of Regional Development | ✓ | ✓ | | | Regional | \$360m | n/a | n/a | ■ | □ | □ | ■ | □ | □ | □ | ■ | ■ | □ |
| | | Creative Regions Program | Dept. of Culture & the Arts | | ✓ | | | Regional | \$24m | n/a | n/a | □ | □ | □ | □ | □ | □ | □ | ■ | □ | □ |

5 Appendix

Benchmarking table

| Jurisdiction | Program | Fund | Authority | Public reporting | | | | | | | | | | | | | | | |
|--|--|--|-------------------------------|------------------|--------------|---------|---------------------------------|--------------------------------|--------------------------------|--------------------|---------------------------|----------------|--------------------------|---------------------------|------------------------------|-----------------------------------|----------------|----------------|--|
| | | | | Method | | | Inputs | | | | | Outcomes | | | | | | | |
| | | | | Type | Transparency | Mapping | Funding | | Timing | | | Jobs supported | | | Economics | | | Social impacts | |
| | | | | | | | Co-contributors (if applicable) | Reporting of total expenditure | Timing of funds being expended | Project milestones | Construction ² | Operational | Other (e.g. skill level) | CRP ¹ (direct) | ISRP ¹ (indirect) | Economic benefits (e.g. BCR, NPV) | Social impacts | Beneficiaries | |
| Queensland | Building our Regions | | DSD | AR, PR | M | H | ■ | ■ | □ | □ | ■ | □ | □ | □ | □ | □ | ■ | □ | |
| | Jobs and Regional Growth Fund | | DSD | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | |
| | Grants and subsidies program | Community Resilience Fund | DILGP | FS | L | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | ■ | ■ | |
| | | Local Government Grants and Subsidies Program | DILGP | NR | L | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | |
| | | Natural Disaster Resilience Program | DILGP | NR | L | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | |
| | State Infrastructure Fund | Maturing the Infrastructure Pipeline Program | DILGP | NR | L | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | |
| | | Priority Economic Works and Productivity Program | DILGP | NR | M | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | |
| Significant Regional Infrastructure Projects Program | | DILGP | NR | M | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | | |
| Works for Queensland Fund | | DILGP | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | | |
| SA | South Australian River Murray Sustainability Program | Regional development and innovation fund | Dept. PI & Regions | FS | M | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | | |
| | Planning and Development Fund | | DPTI | NR | N | □ | ■ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | | |
| | Regional Development Fund | Community Infrastructure Program | Dept. PI & Regions | FS | H | M | □ | ■ | □ | □ | ■ | ■ | □ | ■ | □ | ■ | ■ | | |
| | | Major Projects Program | Dept. PI & Regions | FS | H | M | □ | ■ | □ | □ | ■ | ■ | □ | ■ | □ | ■ | ■ | | |
| WA | Royalties for Regions | Regional Grants Scheme | Dept. of Regional Development | AR | M | □ | □ | □ | ■ | □ | □ | □ | □ | □ | □ | □ | □ | | |
| | | Community Chest Fund | Dept. of Regional Development | AR | M | □ | □ | □ | ■ | □ | □ | □ | □ | □ | □ | □ | □ | | |
| | | Regional Airports Development Scheme | Department of Transport | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | | |
| | | Country Local Government Fund | Dept. of Regional Development | AR | M | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | | |
| | | Creative Regions Program | Dept. of Culture & the Arts | NR | L | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | | |

5 Appendix

Benchmarking table

| Jurisdiction | Program | Fund | Authority | Eligible proponents | | | | Key features | | | | Asset classes funded | | | | | | | | |
|--------------|--|------------------------------------|-------------------------------|---------------------|-----------------------|-----------------------|---------------------------|--------------|---------------------|-------------------------------|---------------|----------------------|--------|-------|--------|-----------|---------|---------|----------------------------|----------------|
| | | | | Local govt | Community groups/NGOs | Private organisations | Expended directly by govt | Focus | Total program value | Funding obligation | Maximum grant | Transport | Energy | Water | Health | Education | Digital | Justice | Arts, culture & recreation | Social housing |
| Australia | Regional Growth Fund | | DIRD | | | | ✓ | Regional | \$472m | n/a | n/a | ■ | □ | □ | □ | ■ | □ | □ | □ | □ |
| | Northern Australia Infrastructure Facility | | Dept. of Industry | | | | ✓ | Northern A | \$5 billion | >=50% | n/a | ■ | ■ | ■ | □ | □ | ■ | □ | □ | □ |
| | Remote Airstrip Upgrade Program | | DIRD | ✓ | ✓ | ✓ | | Regional | \$34m | 50-50 match | n/a | ■ | □ | □ | □ | □ | □ | □ | □ | □ |
| | Building Better Regions Fund | | Dept. of Industry | ✓ | ✓ | ✓ | | Regional | \$298m | 25%-50% | \$10m | ■ | ■ | ■ | □ | ■ | □ | □ | ■ | □ |
| | National Stronger Regions Fund | | DIRD | ✓ | ✓ | | | Regional | \$1 billion | n/a | \$10m | ■ | ■ | ■ | ■ | □ | □ | □ | ■ | □ |
| NSW | Resources for Regions | | Dept of Industry | ✓ | ✓ | | | Regional | \$208m | n/a | n/a | ■ | □ | ■ | ■ | ■ | □ | □ | ■ | □ |
| | Regional Tourism Infrastructure Fund | | Dept of Industry | | | | ✓ | Regional | \$110m | n/a | n/a | ■ | □ | □ | □ | □ | □ | □ | □ | □ |
| | Local Infrastructure Renewal Scheme | | Office of Local Govt | ✓ | | | | All areas | \$120m | n/a | n/a | ■ | □ | ■ | □ | □ | □ | ■ | □ | |
| Victoria | Regional Jobs & Infrastructure Fund | Regional Infrastructure Fund | Regional Development Victoria | ✓ | ✓ | ✓ | | Regional | \$250m | n/a | n/a | ■ | □ | □ | □ | □ | □ | ■ | □ | ■ |
| | | Regional Jobs Fund | Regional Development Victoria | ✓ | ✓ | ✓ | | Regional | \$200m | n/a | n/a | □ | □ | □ | □ | □ | □ | □ | □ | ■ |
| | | Stronger Regional Communities Fund | Regional Development Victoria | ✓ | ✓ | ✓ | | Regional | \$50m | n/a | n/a | □ | □ | □ | □ | □ | □ | □ | □ | □ |
| Tasmania | Community Infrastructure Fund | | Dept. State Growth | ✓ | ✓ | ✓ | | All areas | \$14m | 50-50 match above \$50k grant | n/a | ■ | □ | ■ | □ | □ | □ | □ | ■ | □ |
| NT | Regional Economic Infrastructure Fund | | Dept. of Transport | ✓ | ✓ | | | Regional | 10m (FY17) | n/a | n/a | ■ | □ | □ | □ | □ | □ | □ | □ | □ |
| | Regional Economic Development Fund | | Dept. Business & Industry | ✓ | ✓ | ✓ | | Regional | Ongoing | 50-50 match | \$25k | ■ | □ | ■ | □ | □ | □ | □ | □ | ■ |

5 Appendix

Benchmarking table

| Jurisdiction | Program | Fund | Authority | Public reporting | | | | | | | | | | | | | | | | |
|--------------|--|------------------------------------|-------------------------------|------------------|--------------|---------|---------------------------------|--------------------------------|--------------------------------|--------------------|---------------|-------------|--------------------------|--------------|----------------|------------------------------|-----|----------------|----------------|--|
| | | | | Method | | | Inputs | | | | | | Outcomes | | | | | | | |
| | | | | Type | Transparency | Mapping | Funding | | | Timing | | | Jobs supported | | | Economics | | | Social impacts | |
| | | | | | | | Co-contributors (if applicable) | Reporting of total expenditure | Timing of funds being expended | Project milestones | Construction? | Operational | Other (e.g. skill revet) | GRP (direct) | GRP (indirect) | Economic benefits (e.g. BCR) | NPV | Social impacts | Beneficiaries | |
| Australia | Regional Growth Fund | | DIRD | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | |
| | Northern Australia Infrastructure Facility | | Dept. of Industry | NR | L | L | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | |
| | Remote Airstrip Upgrade Program | | DIRD | NR | M | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | |
| | Building Better Regions Fund | | Dept. of Industry | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | YTS | |
| | National Stronger Regions Fund | | DIRD | FS | H | □ | □ | ■ | □ | □ | ■ | ■ | □ | □ | □ | □ | □ | ■ | ■ | |
| NSW | Resources for Regions | | Dept of Industry | FS | H | □ | □ | ■ | □ | □ | □ | □ | □ | □ | □ | □ | □ | ■ | ■ | |
| | Regional Tourism Infrastructure Fund | | Dept of Industry | NR | M | M | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | |
| | Local Infrastructure Renewal Scheme | | Office of Local Govt | FS | H | H | □ | ■ | □ | □ | □ | □ | □ | □ | □ | □ | □ | ■ | ■ | |
| Victoria | Regional Jobs & Infrastructure Fund | Regional Infrastructure Fund | Regional Development Victoria | NR | L | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | |
| | | Regional Jobs Fund | Regional Development Victoria | NR | L | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | |
| | | Stronger Regional Communities Fund | Regional Development Victoria | NR | L | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | |
| Tasmania | Community Infrastructure Fund | | Dept. State Growth | NR | L | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | | |
| NT | Regional Economic Infrastructure Fund | | Dept. of Transport | NR | L | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | | |
| | Regional Economic Development Fund | | Dept. Business & Industry | NR | L | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | □ | | |

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