

5.2 Suburban Jobs Program Funding Application

File Ref: 6712 – 11/144305
Responsible Officer: Director, Planning and Sustainability
Disclosure of Interest: Nil
Attachments: Nil

Issue

To consider an application to the Australian Government Department of Sustainability, Environment, Water, Population and Communities (DSEWPC) – Suburban Jobs Program (SJP) funding to construct a business incubator in collaboration with Landcorp at Neerabup Industrial Estate.

Background

On 7 December 2011 the Australian Government announced that it was making available between \$10 - \$25 million per project, for a small number of large, substantially integrated projects that will benefit major capital city locations subject to pressures as a result of rapid growth.

The SJP focuses on those communities in major capital cities outside of CBD's that are subject to pressures as a result of current or recent rapid growth, and support changes that attract and retain jobs closer to where people live. Applications are required to be submitted by 17 February 2012.

Detail

The objective of the SJP is to support state and local governments to plan and provide for increased local employment opportunities on major capital cities outside of central business districts. The Program seeks to achieve this by:

- Improving conditions for the creation of jobs in locations that are subject to pressures as a result of current, or recent rapid growth;
- Creating enduring benefits for the distribution and diversity of employment in these areas; and
- Demonstrating innovative ways in which the Digital Economy can be used, in order to reduce travel times between work and services.

As the SJP seeks to support large integrated projects, applicants that collaborate with appropriate partners including state and local governments and other stakeholders will be highly regarded.

Funding Availability

The final level of Australian Government funding awarded to each successful project will be determined on a case-by-case basis, up to the limit of the total available SJP Funding (\$25 million), and will depend on the number, scale and quality of funding applications received.

Eligibility and Selection criteria

To be eligible for funding under the SJP, all of the following eligibility criteria must be met:

1. The applicant must be a local government established under state legislation.

2. The applicant must demonstrate to the DSEWPC's satisfaction actual or in-principle commitment by the applicant or where relevant, third parties, of cash or in-kind resources to the project and/or broader program of works.
3. The project must not already have any resources provided, or allocated, prior to commencing preparation of an application for funding under the SJP. However, projects included in a strategic plan for which resourcing is yet to be allocated are acceptable.
4. The project must be an integrated project, that is they must deliver Capital Works and one or more value adding activities which are designed to address the objective of the SJP.
5. The project must have an anticipated completion date of on or before 30 June 2015. The project may be part of a broader program of works which may extend beyond this date.
6. The funding application must include one or more letters that evidence to the satisfaction of the Department the support of both relevant state and local governments for the project.

More than one application may be submitted per local government/ agency and will be assessed on the following criteria:

1. Growth and local employment need (35%)
2. Benefits to the project catchment (30%)
3. Enduring Benefits (20%)
4. Good Urban design and sustainability (15%)
5. Consistency with government strategic plans and policies (unweighted)
6. Capacity and compliance (unweighted)
7. Achieving value with public money (unweighted)

Consultation

Administration wrote to the major developers in the northern coastal growth corridor asking for any projects they would like to partner with the City. Two suggestions were received, however, it was considered that these did not fully meet all of the SJP application criteria. Administration also met with Landcorp to discuss the details of the SJF application to build a business incubator at the Neerabup Industrial Estate. No further community consultation has taken place.

Comment

The City is proposing to submit a SJP funding application, in collaboration with Landcorp, to build a business incubator at the Neerabup Industrial Estate.

The City of Wanneroo is the largest growing local government area in Western Australia in absolute population terms and has been, and continues to be, highly focussed on population growth and its consequences. The City's population is projected to increase from 156,000 at present to over 305,000 by 2031 (i.d. forecasts). However, growth of the City's suburbs has not been matched by a commensurate growth in local employment. The north-west sub region, comprising of the City of Wanneroo and City of Joondalup has the lowest level of employment self sufficiency (ESS) in the Perth and Peel region at only 41% (WAPC 2010). Directions 2031 and Beyond identifies a requirement for approximately 69,000 new jobs to be created in the north west sub-region to achieve the ESS target of 60%. This is a significant increase when compared to the current number of jobs in the City of Wanneroo of approximately 35,000.

The low level of ESS results in long commute times to and from work for many residents. Traffic congestion and long travel distances for workers further exacerbate the strain of commuting, not only in terms of time but also on the financial and other costs of travel to personal health, family relationships and workplace productivity.

The SJP is a Federal Government initiative that targets creating suburban jobs close to residential populations to ameliorate the above issues. Administration has assessed the SJP application criteria and concluded that the City is the type of location the Federal Government is targeting, with strong and continued population growth, low level of ESS and meets the selection criteria.

A business incubator at Neerabup Industrial Estate would provide low cost industrial floorspace for fledgling businesses with business and training support. The incubator would assist in creating local employment opportunities for small businesses that could grow and develop over time with the aim of graduating to larger employment sites in the City. The incubator would also help kickstart the development of the Neerabup Industrial Estate.

In a preliminary meeting between Administration and Landcorp staff, the following general principles and scope were discussed in respect of the proposed grant application:-

- The City would make an application, with Landcorp's support, for the business incubator;
- A serviced site would be selected for the business incubator within Landcorp's Neerabup subdivision that is capable of accommodating between 40 and 80 businesses of various sizes. The location, size and scale of building and cost is still to be determined;
- The incubator should provide shared use facilities including administrative support, meeting rooms and shared office equipment; and
- The application would be for between \$10m and \$25m.

Whilst the above principles and scope will form part of the application, the specifics of how the business incubator would be constructed and operated are yet to be fully discussed and agreed with Landcorp and these matters would need to be subject to a separate report to Council for endorsement. In this regard it should be noted that:

- Whilst the application criteria seeks funding bids between \$10m and \$25m the actual amount awarded will be determined by the Federal Government and this will impact on the final Project; and
- Council would need to agree if it wishes to make a contribution towards the provision of the business incubator and if so, the type and amount of the contribution.

The SJP application provides an opportunity for the City to work with Landcorp to provide local infrastructure that would support much needed job creation in the City and, more broadly the north west sub-region.

Statutory Compliance

The City will be required to adhere to a funding agreement with the Federal Government prior to any payment of funds being made for the successful applicant's project. Applicants will have eight weeks after the successful applicants and associated projects are announced to enter a funding agreement with the Federal Government.

Strategic Implications

The proposal accords with the following Outcome Objective of the City's Strategic Plan 2006 – 2021:

“3 *Economic*

3.3 *Provision of timely and coordinated regional infrastructure”*

Policy Implications

Nil

Financial Implications

A successful application will greatly enhance the City's capacity to create and complete works that may otherwise be limited due to budgetary and resourcing constraints.

The SJP Guidelines make it clear that in order to achieve the best value with public money, applicants must demonstrate cash or in kind contributions be committed to the Project from sources other than the Australian Government. Resources committed by applicants will be highly regarded. The City will need to work in collaboration with Landcorp to determine the nature and extent of any cash or in kind contribution to the project.

Voting Requirements

Simple Majority

Recommendation

That Council:-

- 1. AUTHORISES the Chief Executive Officer to submit an application to the Suburban Jobs Program Fund, in collaboration with Landcorp, to build a business incubator at Neerabup Industrial Estate; and**
- 2. NOTES that if the City's application is successful, a further report will be presented to Council to determine the precise nature and extent of the construction and operation of the business incubator, the terms of any ongoing relationship with Landcorp in respect of the same, and the City's contribution towards this project.**

Attachments: Nil