

Two Views of the Regional Partnership Program

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The Australian Government is committed to engaging effectively with regional Australia through partnerships with regional communities, State and local governments.

The Australian Government is open to creative models for regional development that promote the advancement of regional Australia.

We need to take a broader approach to identifying the needs of regional Australia, and building closer links with local and State government regional development organisations.

During the past 30 years regional development has been a policy matrix in the making – across the whole of the OECD no country can claim to have got it 100 per cent right.

So in Australia too, we have been working on it.

Australian Labor Governments in particular have a strong and credible track record supporting regional Australia and working with local government.

The Whitlam Government was the first to provide untied financial assistance grants to local governments, and to support the establishment of the Regional Organisation of Councils.

The 1994 White Paper on Employment and Growth titled 'Working Nation' led to the establishment of the Area Consultative Committee (ACC) network and the Regional Development Program.

The role of the ACCs was to ensure that Commonwealth employment programs complemented regional development initiatives.

A key element of the Regional Development Program was funding to establish and operate Regional Development Organisations (RDOs) that were broadly representative of all key players in a region including local government, business, unions and community organisations.

The RDOs complemented the work of the ACCs, which at that time, were primarily concerned with labour market programs – employment and training programs relevant to local needs.

The Regional Development Program was wound up by the Howard Government in August 1996, along with the Government Department responsible for Regional Australia.

The Rudd Government believes that all Australians, regardless of where they live, should be able to access good quality infrastructure and services.

We are now in the process of transitioning the Area Consultative Committees into a new network, Regional Development Australia (RDA), which will have a much broader and more strategic role than the previous network.

In 2007 the Australian National Audit Office (ANAO) was highly critical of the administration of the regional partnerships program via ACCs. That is not to say that the projects that were promoted by ACCs were not occasionally worthy of funding, but it was not a sustainable approach.

The ANAO strongly criticised these programs as being overtly political.

A strategy focused on influencing votes does not lend itself to building strong and sustainable regional communities. It is not creative.

By building on and replacing the ACCs, RDA offers a real opportunity to provide a supporting mechanism for communities with a vision and the determination to make that vision a reality.

Minister Anthony Albanese and I have met with the Interim Board of RDA several times and we are continuing consultations in order to ensure the most effective structure possible.

The RDA will consist of regional committees formed by amalgamating current State and Territory Regional Development Organisations with the former ACCs. This will involve joint arrangements and co-location where full amalgamation is not possible.

The RDA committees will provide advice to the Australian Government on regional issues and progress existing State activities.

Considerable progress has been made in developing the role and structure of RDA, through negotiations with the steering committee of RDA and State and Territory governments.

We are looking forward to seeing what the diverse range of Australia's regions has come up with.

This is a unique opportunity to implement a more strategic, responsive and flexible approach to regional development.

The Government is also seeking input into its regional agenda in other ways.

At the inaugural meeting of the Australian Council of Local Government on 18 November 2008, the Prime Minister announced a \$300 million Regional and Local Community Infrastructure Program (RLCIP) to build local community infrastructure in all of Australia's 565 local council areas.

The new program will target projects that can be delivered promptly, providing an immediate boost to local and regional economies around the country. It will also be accountable, transparent and based on community needs.

By providing financial assistance to local economies as quickly as possible, the

RLCIP represents further decisive action from the Rudd Government to stimulate the Australian economy during a severe global financial crisis.

Funding will be delivered during 2008-09, as follows:

\$250 million

- A one-off grant of \$250 million allocated to every council and shire for local community infrastructure;
- Each council will receive a minimum payment of \$100,000;
- Councils would be required to submit proposals that meet the program's guidelines in order to claim their allocation.

\$50 million

- \$50 million strategic projects fund for larger-scale community infrastructure to help deliver an additional injection of investment in communities; and
- This will be competitive, application-based, accountable and open to only those projects seeking a minimum Commonwealth contribution of \$2 million.

The Government has and will continue to work closely with local government in developing this program because we know how critical they are in delivering local infrastructure.

The RLCIP reflects the outcomes of consultations conducted between the Australian Government, local government and the community, which was facilitated by the new RDA network and the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government (the Standing Committee).

The Standing Committee released on 5 November 2008 an interim report on the *Funding Regional and Local Community Infrastructure*.

The interim report reflects the Australian National Audit Office report into the previous government's *Regional Partnership Programme* and recommends to government a new framework for regional infrastructure funding, which has fed into the development of the new program.

Australia's regional communities deserve a transparent approach to securing infrastructure funding.

During the election, the Rudd Labor Government also committed to provide direct investment into much needed community facilities and services in regional Australia.

We engaged with local communities and local government, creating the Better Regions projects, which then Shadow Minister Simon Crean built through genuine consultation with local communities and stakeholder groups.

The Better Regions projects go to the heart of community development needs, namely the revitalisation of main streets; multi-purpose community and resource centres; sport and recreational venues; and transport infrastructure.

We are committed to implementing these projects with the highest standards of public administration.

In line with the Government's approach to the Better Regions program and all of our infrastructure investments, the RLCIP will be accountable, transparent and based on a careful assessment of community needs.

The Regional Partnerships and the Sustainable Regions programs have served their purpose and are now closed and we are moving on to a better system and a better process.

A key feature of that process will be greater transparency and accountability.

The Government closed the Regional Partnerships program after the ANAO's damning 1200 page report into its administration.

But it was clear that many groups had already started work based on false

promises by the previous government that funding agreements had been finalised.

That is why in late May the Government gave local councils and community groups the opportunity to finalise 86 contracts if they could meet strict requirements and timetables.

In order to start negotiations, these groups had to demonstrate they were able to meet the following conditions:

- The project still meets the Regional Partnerships program criteria;
- Money has already been spent or commitments entered into in good faith based on the advice from the previous government;
- They are able to meet the conditions of the original funding offer; and
- Contract negotiations could be finalised by 31 July 2008.

There were 86 not-for-profit and local government organisations that were offered the opportunity to finalise contract negotiations and receive funding. Of these, 56 projects valued at \$21.3million had contracts signed.

Three groups did not take up the Government's offer because they had either decided not to proceed with their project or had found other funding. The remaining 27 projects did not meet the conditions of offer and were not able to proceed to the next stage of contracting.

Details of the 56 successful projects can be found on the department's website.

The Rudd Government is implementing a nation-building infrastructure agenda, linked to an agenda for sustainable regional development.

The Government is also committed to building the evidence base for regional development through activities across a number of agencies. The Bureau of Infrastructure, Transport and Regional Economics (BITRE) is currently undertaking research into the cost of remoteness which analyses regional

differences in the cost of living by surveying prices at more than 130 locations across the country, from the capital cities to the most remote settlements.

BITRE is also undertaking research for the Regional Development Report: Household Economic Wellbeing, a themed publication that examines regional development issues through integration of a range of data sources. The first issue will be focused on spatial differences in household economic wellbeing; bringing together information on income, wealth, economic security, welfare reliance, inequality and the cost of living.

The Sustainable Communities Initiative (SCI), hosted and managed by CSIRO, is a program that brings together organisations to work in partnership with communities to address local sustainability challenges and opportunities. To date, 16 organisations from across the public, private and community sectors are represented on the SCI Advisory Committee.

An initiative the Department of Innovation, Industry, Science and Research is implementing that targets regional development issues is Enterprise Connect (\$251m over four years) which has been established to help Australian small and medium enterprises to increase their competitiveness.

The initiative provides an integrated national business advisory network so that firms, regardless of where they are in Australia, can have access to the best advice, the best infrastructure and the best knowledge available. Two of the innovation centres in the initiatives - the Innovative Regions Centre and the Remote Enterprise Centre - have a particular focus on regional development.

I know that so often regional interests and regional development are driven by self reliance – a spirit of get up and go – and by engagement.

The Government is committed to engaging with you because we know empowered rural and regional communities make the greatest contribution to the wellbeing of their residents and to the national interest.

Important infrastructure does many things for a regional community, but in particular it supports local industries, generates jobs and economic activity, and stimulates community engagement and development.

These are the things good local infrastructure does. They are the things good strong local advocates do. It is how we build good, strong, resilient sustainable communities.