

In the mid 1990s, a whirlwind of distrust and resentment had welled up in rural and regional Australia. Country people were missing out on their share of the nation's growth and development and felt spurned and neglected. For a time we truly were becoming two nations, not one.

This discontent contributed to the rise of One Nation but city critics offered no real solutions to address the genuine feelings of dislocation and loss being felt by many in our regional communities.

The Coalition Government knew that more than a political response was needed. Australia needed policy which produced economic, social and community inclusiveness, allowing all Australians to believe that their grievances were being listened to, heeded and responded to.

The Coalition spent \$30 billion on regional and rural programs between 1996 and 2007. One of many programs that emerged to deal with regional disadvantage and a shortage of infrastructure and jobs was Regional Partnerships. It has been much criticised at times, but it was successful in creating new business and social opportunities in country towns right around Australia. It returned services that had been lost or had never been provided in the first place – in health, communications, sporting facilities, education and tourism.

More than 1,500 projects were approved under Regional Partnerships during its four-year life, at a cost of about \$350 million. Regional Partnerships was very popular in regional communities and delivered hundreds of projects which could never have been possible otherwise.

Some projects did not turn out as hoped and taxpayer's money was lost in a very small number of cases. But those few examples must be weighed against the tremendous amount of good that Regional Partnerships created and is still doing now.

Regional Partnerships was specifically aimed to help the most disadvantaged communities which sometimes had limited project management skills and financial resources. Naturally therefore some projects did not succeed. If a project was financially solid in its own right it did not need government support and should not have been funded.

The ALP, some independent politicians and the Australian National Audit Office only ever examined and criticised a tiny percentage of those 1,500 projects. For example, the ANAO carefully chose just 12 case studies in its report into the program which, for whatever reason, after two years in preparation it decided to release during the heat of last year's election campaign.

One of the main points of Labor's criticism is that funding was unfairly directed towards Coalition seats. The facts are that the approval rate for electorates held by The Nationals was 70 percent, 72 percent for Liberal seats, 69 percent for independent seats and 72 percent for Labor seats. Statistically, there is little or no difference.

It is true that about three-quarters of overall project approvals were in seats held by Coalition MPs - about the same proportion of regional seats that were held by the Coalition government. The program was open to fund projects in any seat in the country, and it did so. But the edict that "you don't get it if you don't ask" also applies. If Labor MPs were too lazy to encourage local community groups to apply for Regional Partnerships funding, then that is certainly not the Coalition's fault.

In only three percent of cases did ministers approve projects against departmental advice.

What would have been the alternative to not trying at all to address regional discontent and the neglect under 13 years of Labor rule? Allowing anger in rural and

regional Australia to continue to fester and treating rural Australians as second class citizens without services, new job opportunities and hope was not an option for the Coalition.

Programs like Regional Partnerships carried a level of risk because they were often in disadvantaged communities. But we needed to act.

Since the election, the Minister for Regional Development, Anthony Albanese, has spent most of his allotted moments in parliamentary Question Time making fun of the little projects that have meant so much to communities around Australia. His display, and that of others on Labor's frontbench, has been heartless, economically and socially illiterate, and wrong.

Six months after the election, Mr Albanese was forced to admit on live television that he hadn't actually examined any of 116 projects the Coalition had committed to fund under Regional Partnerships in the months before the election. Labor dumped all 116 on coming to power, in favour of 105 uncosted and untested Labor election promises.

Mr Albanese finally admitted to David Koch on the Sunrise program that "he didn't realise how many community groups were affected" and he had scrapped "some really good community projects".

A year after the election, we understand that most of those projects will in fact receive funding. But like so much of Labor's approach to regional funding, the exact number of projects and processes are shrouded in mystery.

Labor now has its own Better Regions program, but despite repeated questions in Parliament, through the Senate Estimates process and by the media, the Government has refused to expand on the skimpy amount of information known about Better Regions and its processes.

What we know is this:

- Better Regions has received Budget funding of \$176 million to be spent over the next four years – far less than the \$436 million it

cut from the Regional Partnerships and Growing Regions programs

- Unless you are a Labor minister, MP or candidate, you have not been able to nominate a project for funding and nominations are already closed
- More than \$100 million was committed under Better Regions during the 2007 election campaign, before the program had costings, criteria, guidelines or any form of assessment process
- More than 90 percent of the projects announced so far are in Labor-held seats or ones the Labor Party specifically targeted during the election campaign.
- Projects approved include \$1.5 million for a sports facility in Dysart, Queensland, which had already been rejected by the Department as not meeting the guidelines. The Prime Minister said during the campaign that such projects would not be supported, yet several such projects remain on Labor's funding list
- Another suspect project is \$2.6 million for the Barcaldine Tree of Knowledge project, to build a shrine to this now-dead iconic Labor gumtree. The project is in the seat of Flynn, won by Labor at the last election by just 250 votes.

The Audit Office has indicated it is interested in the rather opaque nature of Better Regions, and so it should be. The ANAO's work program lists Better Regions as a likely target for investigation this financial year.

Local communities are also concerned that Labor plans to prevent the for-profit sector from accessing funding for Better Regions or the Regional and Local Community Infrastructure Program.

The Member for Hinkler, Paul Neville, a man with a very deep understanding of

regional communities and experience in promoting regional development, recently put some strong arguments in support of continuing business involvement. In his dissenting comments to a Labor and independent dominated House of Representatives committee report which looked at Regional Partnerships, Mr Neville said reducing Better Regions and another program, the Regional and Local Community Infrastructure Program to only community and social infrastructure would be nothing more than “papering over the cracks”.

What was needed was a driving force in regional communities to develop new industries and draw industries back. But this force was unlikely to be created if regional development programs were deprived of a commercial and private element.

I strongly agree that community and social infrastructure is important. It was a key component of Regional Partnerships. But in the absence of support for private sector projects, we are certain to see a lot more monuments and parks, and a lot less new industry and job creation. The recommendations for regional development made by Labor and independents in the committee report are also likely to lead to less efficient and ineffective programs that will favour large population centres and do little to stimulate community growth, especially in disadvantaged regions.

The key regional development role of the Area Consultative Committee network is also set to be greatly diminished as the Government moves to make departmental officers responsible for providing

assistance to communities on the development of applications.

An army of Canberra-trained field officers telling people “I’m from the Government and I’m here to help you” would be laughed out of town in Alpha, Ouyen and Tumbarumba. Small organisations would find it very difficult to be successful in a grants program competing against applications drafted by city grant specialists.

Strangely, while Labor says it does not believe that public funding should be provided to the private sector, it was quite happy to announce more than \$6 billion to support the car industry, which included a gift of \$35 million to Toyota to build a “green” car in Australia. This foreign-owned car manufacturer is in hot competition with two others locally and a myriad of importers and, remarkably, Toyota never even asked for the cash. But small emerging industries in battling country towns are not entitled to any help!

In the end, programs to support regional communities will always have critics and champions. But there is no doubt that the communities around Australia which benefited from Regional Partnerships know how they were helped to deal with the economic, social and environmental challenges of the early 21st century.

The need for a positive approach to regional development will not go away. The Coalition will always try to work with rural and regional communities, to help them achieve economic and social stability and deliver their vision for their future.