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Submission to inquiry into award of funding under Regional Jobs and Investment Packages (RJIP)

I write on behalf of Regional Development Australia Wide Bay Burnett (RDA WBB) to The Joint Committee of Public Accounts and Audit (JCPAA) inquiry into **Administration of Government Grants:** Auditor-General's Reports 5 and 12 (2019-20).

RDA WBB was one of 10 RDA's assisting the development of applications, providing economic and demographic data and regional intelligence for the pilot \$200m *Regional Jobs and Investment Package*.

As long-serving RDA WBB chair, I was also chair of the *RJIP Wide Bay Burnett committee* which consisted of local leaders representing a diverse range of industries, skills and expertise. These representatives also represented the geographical regions encompassing the three federal electorates included in the RJIP: those being Flynn, Hinkler and Wide Bay.

In my letter of expression of thanks to volunteer committee members, I summarised my views of the RJIP program, as:

The Wide Bay Burnett region had 13 job-creating projects (64 eligible applications) that shared in \$19.7m in commonwealth funding. These projects will create upwards of 700 jobs for our region.

- The intended outcome of RJIP was to diversify the regional economy, stimulate economic growth and deliver sustainable employment and I am confident the successful projects will deliver those outcomes.
- The great appeal of this pilot grant program across 10 regions of Australia was it was
 available to private enterprise which are the true jobs generators of regional Australia.
 More than 90 per cent of funding from this program was allocated to private enterprise and
 will continue to deliver economic benefits long after the period of infrastructure
 construction.
- The program specifically targeted competitive and regional strengths through the formulation of the RJIP local investment plan which was formulated by the committee. This set the direction to shape applications.
- The RJIP Wide Bay Burnett investment plan considered 23 existing regional economic studies
 or publications as well as the latest industry data to help identify regional strengths and
 advantages. It also took into considerations competitive advantages, emerging
 opportunities, future growth predictions and expected changes to workforce and economy
 to identify strategic priorities.





Economic indicators of historic high unemployment, low workforce participation, a transitioning global economy, an ageing population and threat from natural disasters such as fire, flood and drought are ongoing challenges for the Wide Bay Burnett region.

We have the lowest average wages in regional Queensland and remain one of the most disadvantaged regions in the country. We are not a resource-rich region and our traditional agricultural economy was heavily reliant on sugar cane production which is a crop not enjoying global price growth gains.

Our transition into higher value crops such as macadamia nuts and avocados must be matched by investment in value-adding infrastructure to ensure the riches our crops produce is further enjoyed through the manufacturing and value-add process.

The successful projects funded through RJIP reflected this desired transformation which will better position the region for a more prosperous future.

The identified Strategic priorities of the RJIP Wide Bay Burnett plan included

- Expansion of existing agricultural and agribusiness enterprises.
- Value-add processing and expansion/growth of associated ag businesses.
- Expansion of freight and logistics/packaging and processing.
- Introduction and implementation of new technology/innovation to enhance productivity, variety and competitiveness.
- Increase domestic and international market expansion/exports.

It is agreed the majority of successful projects funded under RJIP meet those identified strategic priorities and are meeting their pre-agreed employment and economic deliverables. Many of the successful applicants were existing industry leaders with a reputation for innovation, existing export success, including Macadamia's Australia, AusChilli, Dale & Meyers, Teys and Nolan Meats.

As referenced in the Auditor-General Report No 12 2019--20 Performance Audit is was revealed the Wide Bay Burnett had the highest number of recommended projects overturned by the ministerial panel, however RDA WBB notes the economic stimulus, innovation and job-creating impact of the funded projects to the region.

In respect to the judging of merit criteria, scoring and recommendations to the ministerial panel prior to announcement of successful RJIP projects, RDA WBB took no part in this process and therefore cannot make comment upon the Auditor-General findings and recommendations.

It would be beneficial for RDA committees to be involved in grant assistance programs and be made aware of the final recommendations and scoring hierarchy and be given the authority to rank the projects themselves for consideration of a ministerial panel. RDA's have strong local knowledge and market intelligence that is underutilised by government.





In conclusion, RDA WBB has supported and subsequently advocated for another round of the Regional Jobs and Investment Package due to its successful outcomes across the region.

The ethos of a place-based approach to assisting the competitive grant-funding process was welcomed, as was the ability for private enterprise and for-profit businesses and organisations to apply.

RDA WBB further advocates for greater involvement in Commonwealth grant funding programs with the ability to rank applications prior to them being forwarded for review, eligibility and assessment.

In May 2001, then Prime Minister John Howard announced a \$1.6 million grant to Nolan Meats under the Dairy Regional Assistance Programme to assist in a \$20 million five-year expansion programme for its abattoir. The expansion of the plant expanded their export potential and provided greater training opportunities for workers seeking to acquire skills and experience.

As a result, 150 permanent and 30 contract jobs were created as a result of the expansion.

Today, the business is vertically integrated throughout the beef chain from breeding to feed lotting, processing, distribution and wholesaling. The processing plant is export accredited and has the capabilities to process over 2,500 cattle per week. Beef products from the abattoir are distributed around Australia and exports overseas to Brunei, Indonesia, Japan, Korea, Malaysia, Middle East, Africa, Taiwan, USA and other markets. The feedlot operation (includes a company owned feedlot and three custom feeding sites) turnoff over 100,000 head per annum and supplies over 80% of cattle processed through the abattoir, the remaining cattle being purchased over the hooks or service processed.

In 2012 Nolan Meats won the DAFF Biosecurity Award and the NAB Agri Business Exporter of the Year

These examples prove how targeted funding programs from the Commonwealth can have long-lasting positive economic and social impacts not only upon the communities in which they operate, but through job creation in supportive industries. Nolan Meats is now one of the largest employers and contributors to the Gympie region economy employing more than 700 locals and a similar number in associated support industries across the region and beyond.

This is just one example of government funding success.

I thank you for acceptance of this submission and please do not hesitate to contact me if you wish to discuss the contents in further detail.

Regards,

William Trevor (OAM)
Chair
RDA Wide Bay Burnett



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