



11 July 2008

Committee Secretary
Standing Committee on Infrastructure, Transport, Regional Development and Local Government
PO Box 6021
House of Representatives
Parliament House
CANBERRA ACT 2600

Submission into the Inquiry into a New Regional Development Funding Program

The Remote Area Planning and Development Board (RAPAD) is a regional development agency and regional organisation of councils owned by and representing the seven local governments of Central Western Qld. Combined, these local governments cover an area nearly one third of Queensland's land mass. The area is classified very remote and is truly '*Outback Queensland*'.

RAPAD has been in existence for seventeen years and is a respected model of community and local government collaboration and cooperation. RAPAD's governance is via a Board of Directors, currently the Mayors of the local government members. Three Mayors have associations with the regions Area Consultative Committee (CQACC), although that is not a formal RAPAD / CQACC relationship.

Summary of Recommendations

1. The Regional Development Australia Funding Programme should be grass roots driven, and performance based.
2. *Self-identified* regional development agencies within *self-identified* regions to become the drivers and program managers of the Regional Development Australia Fund.
3. The onus of performance rests with the regional development agency.
4. Regional development agencies become involved with the Regional Development Australia Fund from being first point of contact to making funding recommendations direct to the minister.
5. The Regional Development Australia recognises, without duplicating, existing local and state government planning processes and seeks to foster collaboration and cooperation across the three tiers of government.



RAPAD

Submission Background

RAPAD notes in the conclusion of the Australian National Audit Office (ANAO) 2008 performance audit report on the Regional Partnerships Programme (RPP), that the RPP:

- administration was not always seen to be transparent, accountable or equitable
- public administration fell short of an acceptable standard
- application assessment and Ministerial approval process creates challenges in ensuring transparent, accountable and cost-effective administration and in demonstrating equitable treatment of applicants
- had fallen short of an acceptable standard of public administration, particularly in the assessment of grant applications and the management of Funding Applications.

Examination of the ANAO's findings reveal two clear issues:

1. A discretionary model that is reliant on layers of process, where funding decisions finally rest with Ministers, can be susceptible to negative perceptions of transparency, accountability, cost-effectiveness and equitability, and
2. This model, especially in the contexts of management and administration as previously conducted by the Department of Transport and Regional Services, requires transformational change to avoid inheriting identified past shortcomings and inefficiencies.

Upon the referral of Minister Albanese, the Standing Committee for Infrastructure Transport Regional Development and Local Government is conducting an enquiry into a new regional development programme. This committee is to report on ANAO's performance audit of the RPP and make recommendations on ways to invest funding in genuine regional economic development and community infrastructure with the aim of enhancing the sustainability and liveability of Australia's regions. The committee has called for comment from this organisation on four terms of reference. They include:-

1. Provision of advice on future funding of regional programmes in order to invest in genuine accountable community infrastructure projects;
2. Examine ways to minimise administrative costs and duplication for taxpayers;
3. Examine the former government's practices and grants outlined in the ANAO report on Regional Partnerships with the aim of providing advice on future funding of regional programmes; and
4. Examine the former government's practices and grants in the RPP after the audit period of 2003-2006 with the aim of providing advice on future funding of regional programmes.

There are three main headings under which this submission will address the terms of reference above. They are:-

1. Although transformational change to the programme is required, the aims and objectives of the Regional Develop Australia Programme should not drift too far from the previous programmes intentions inasmuch that the RPP:

- Encouraged and was often the major funding partner with private, public, and local and state government sources, enabling projects of significant scale and value to be placed in communities that, in no other way, could secure their economic, social and environmental futures,
- Identified its problems and shortcomings as early as 2003¹, and although strategies for improvement were offered, little was changed to address its administration and management inefficiencies. This plan advised the RPP:
 - to create 21st governance structures out of a 20th century system by the formulation of a single regional structure to allow each tier of government and business to work effectively in partnership, and, for this to occur, an independent national advisory group be established.

To give due credit, this government has already formed an advisory transitional committee. However, as the mood for Regional Development Australia and its funding to be grass roots driven continues to strengthen, the regionalisation debate continues to intensify and has moved on from 2003 when it was reported in the document - *Regional Business: A Plan for Action*² :

A single regional structure for regional planning

It is not practical to change the current system of government so it important that we introduce regional structures that better deal with the deficiencies of the system. Long-term regional economic planning and development should occur in a coordinated fashion across the layers of government. It is vital that each region has a system in place to achieve long-term planning based on a shared vision and to deliver government services that provide a solid foundation for business development and growth. Ideally this should be through a single structure in each region that has delegated authority to achieve long-term planning outcomes.

This is not about creating a fourth level of government – it is creating a structure based on *self-identified* regions where the three levels of government can work effectively in partnership. The regions must be large enough to for sensible and long-term economic social and environmental planning based on an appropriate regional footprint. To achieve this, each level of government will have to give up something, however, we believe the result will be greater than the sum of the parts.

Equally important, planning must be driven by business rather than by different levels of government and must be pursued consistently over a long enough period to be fully effective.

For a long time we have listened to federal and state governments espouse the virtues of (local government and communities) working regionally, however when these processes are put in place voluntarily at the regional level, anecdotally it appears that there are vast differences in how federal and state government agencies adopt policy and frameworks to collaborate with, and empower them.

The quoted statement above flags the future role of regionalisation and sets the context within which regional development should be placed. An opportunity exists now to align local, state and federal planning and regional development across self identified regional zones. RAPAD

¹ see Keniry, Blums, Notter, Radford and Thomson, (2003), *Regional Business: A Plan for Action* esp. pp 31-2

² Op Cit

argues that the new Regional Development Australia Fund could be established within the same context and uses its own situation and circumstances under the next 2 points to cogently exemplify such a position. As a regional development agency, RAPAD represents the seven shires within the ABS statistical division of Central Western Queensland which covers one-third of that state. Its 7 member board comprises the democratically elected mayors from each shire.

2. The most local level of government must have a role in advising on and adapting national policies³. The Regional Development Australia Funding Programme should be grass roots driven and performance based. Editors such as Brown and Bellamy⁴, and Eversole and Martin⁵, among many, have accessed a plethora of scholars who have written extensively about the effectiveness of this dynamic. Beer and Maude⁶ identify that regional development agencies have emerged as important institutions of governance, especially in non-metropolitan Australia.

- RAPAD posits that it would be best if self-identified regional development agencies within self-identified regions become the drivers of the Regional Development Australia fund. They would link with, and work across, the three levels of government and network amongst their businesses and community groups to develop partnership funding to secure each region's triple bottom line.

- The effectiveness of self-identified regional development agencies would depend on their effectiveness, accountability, rigour, robustness, validity and transparency. RAPAD is convinced that any regional development agency that demonstrates the above capacities, in the context of being grass roots driven and performance-based, should be given the opportunity to perform to its maximum capacity. For example, even to the extent of program management and making funding recommendations direct to the minister. RAPAD is aware of good quality RPP applications that, by the time they had been through the gamut of re-assessment and due diligence, rigour, validity and transparency had been diminished before the application came before the ministerial panel for final decision. And this seriously reflected on the government of the day. No doubt, underperforming agencies that lost the right to forward applications directly to the minister would provide real incentive for the others to retain the opportunity. Finally, RAPAD suggests that,

- Regional development agencies should be individually invited by the minister to be a medium through which RDA funding applications can be forwarded. These agencies should not be specifically restricted to, for example, ACCs or Regional Development Boards, or size, population or geographic location. For example, RAPAD's robustness stems from its board comprising the seven mayors of the region who are also business- orientated. RAPAD's administrative area is the statistical region of Central Western Queensland, of north-south geographic orientation within the "very remote" category of the ABS⁷. Furthermore, geographic orientation correlates powerfully with population and commonalities of interest in Central

³ 2020 Summit Final Report, Pg 342

⁴ A.J. Brown & Jennifer Bellamy, (2006) *Federalism and Regionalism in Australia: New Approaches, New Institutions?* ANU Press, Canberra, Australia.

⁵ Robyn Eversole & John Martin, (2005) *Participation and Governance in Regional Development: Global Trends in an Australian Context*, Ashgate Publishing, Hampshire, England

⁶ Beer, A. & A. Maude (1997) *Effectiveness of State Frameworks for Local Economic Development in Australia* Local Government Association of South Australia, Adelaide.

⁷ As per the ABS *Australian Standard Geographical Classification: Remoteness Structure*, 2006

Western Queensland⁸, adding weight to argument that credible self-identified regional agencies are excellent mediums through which funding applications can be developed, assessed, processed and managed.

If:

- grass roots locally driven,
- established, performance based and transparent,
- networked regional organisations,
- voluntarily operating in self identified regions have formal roles in Regional Development Australia, then this will in turn facilitate the:

- provision of advice on future funding of regional programmes in order to invest in genuine accountable community infrastructure projects; and minimise administrative costs and duplication for taxpayers;

3. It is well known that the criticisms directed at the previous RPP emanated from dysfunctional process which generated the problems identified above by ANAO. Strong regional development agencies can address many of the problems that were intrinsic to the previous RPP. The make-up, administration and management of RAPAD can be used as an example of how a regional development board can contribute to the function of the Regional Development Australia Funding Programme.

- The RAPAD Board comprises the seven mayors from the region's shires. This gives comprehensive and even representation of the region by members who are capable, experienced in business and government, have a deep interest in their "patch" and are the best people to ascertain and understand what is going on within their local environment. Moreover, each would act as a check and balance against the other which would immediately remove the "wish list" mindset.

- Such a board is representative of the growing importance of local government in Queensland with shire amalgamations creating 'supershires'. It is also:

- reflective of the Queensland State Governments draft statutory planning processes (see appendix) as RAPAD members play key roles through the Regional Planning Advisory Committees (RPAC) appointed by the Minister for Infrastructure and Planning. RAPAD members are also the members of the regions, Regional Roads Alliance; established in partnership with the Department of Main Roads. A recent letter to RAPAD from the Qld Department of Local Government refers to the governments "*collaborative regionalism*" strategies and its consequent recognition of RAPAD as a key organisation with which this department would be working more closely in the future. It is RAPAD's intention to further collaborative regionalism by continuing to develop authentic partnerships in the private as well as the public sector. The issue of coordinated regional planning and working together is well documented and most recently it was articulated in various ways at the recent 2020 summit.

⁸ The Diamantina Shire exemplifies the commonalities of community interests that are specific to very remote regions. The Diamantina Shire is approximately 95,000 sq kms in area, has a population slightly in excess of 300 and produces \$70,000,000 worth of beef and supports a tourism industry that yields in excess of \$4,000,000 (Mayor Robbie Dare, pers. comment, 2008). Not only are the production dollars per head of population very high, 'residual' income among the surrounding shires caused from tourism attractions throughout Diamantina Shire is also high. Yet funding programmes such as the RDA are crucial to the small community settlements. Alone, they cannot generate significant dollars to address their needs.

Planning framework: from the perspective of local governments, state and Commonwealth governments both try to work in regions. This can become difficult. Need for a framework to agree what is in the national interest. The main issue is working together.⁹

By 2020, design and implement a cooperative national/inter-governmental planning framework to: reconcile conflicting state priorities in the national interest and align state, regional and local planning activities¹⁰

reconcile conflicting state priorities in the national interest and align state, regional and local planning activities¹¹

- Apart from its governance and collaborative role, RAPAD is also responsible to two audit masters – ASIC, and the Queensland Audit Office as a result of its ownership by local government. Therefore, apart from having a representative, robust board, transparency is also demonstrated through audit. Few other bodies could offer similar transparency and robustness.

In conclusion, this submission recommends:

1. The Regional Development Australia Funding Programme should be grass roots driven, and performance based.
2. *Self-identified* regional development agencies within *self-identified* regions to become the drivers and program managers of the Regional Development Australia Fund.
3. The onus of performance rests with the regional development agency.
4. Regional development agencies become involved with the Regional Development Australia Fund from being first point of contact to making funding recommendations direct to the minister.
5. The Regional Development Australia recognises, without duplicating, existing local and state government planning processes and seeks to foster collaboration and cooperation across the three tiers of government.

If you have any further enquiries regarding this submission please contact the undersigned on (7) 46583301 or gm@rapad.com.au or post on PO Box 592, Longreach, Qld, 4730.

Yours Sincerely



David Arnold
General Manager
Att – Appendix – planning areas

⁹ 2020 Summit, 2008, Pg 330

¹⁰ 2020 Summit 2008, Pg 345

¹¹ 2020 Summit 2008 Pg 316