

28<sup>TH</sup> April 1999

Committee Secretary  
Standing Committee on Primary Industries  
and Regional Services  
House of Representatives  
Parliament House  
CANBERRA, ACT, 2600

Dear Sir/Madam,

### **REVIEW OF REGIONAL DEVELOPMENT POLICIES**

Thank you for the opportunity to provide input into the review you are conducting. First of all, I have been involved in community programs on a voluntary basis for since 1980; Economic Development Officer in the township of Peterborough for over 2 years; Regional Manager of a State Regional Development Board in South Australia for almost 2 years and Executive Director of the RDO for the past 3 years. As such I believe I have the overall exposure to successes and failures in regional development - probably more than most.

Brian Howe got it right!

The need for large regional development organisational structures, owned by the community, is the primary success formula for regional development. It provides the "critical mass" necessary to be acceptable to private sector and government alike. It is also the right "critical mass" to look at the big picture.

The community needs the "tools" (infrastructure) to be self-empowered. It needs the "tools" to be able to manage change. This can only be provided by the RDO type structure - which has a successful history of working with the private sector and the community.

To highlight the reasons for this deduction:-

In 1995, whilst Regional Manager for the Northern Regional Development Board in South Australia, I was one of the main organisers for the "Developing Regional Australia - Beyond 2000" Conference. All the major political parties - Federal and State - were involved to discuss and come up with recommendations in areas of water resource management; private capital injection into regional Australia; upgrading communication links between communities and Government.

The resolutions included:-

- To conduct a comprehensive audit of water resources in South Australia as a means of determining what resources were available. It was designed to serve as a barometer for effective sustainable water usage.
- To establish a company structure which would serve as a conduit between private capital markets and regional projects. Government involvement was crucial
- Establish regional newspapers to provide information and receive feedback from communities.
- Promote online technology (particularly infrastructure) into regional Australia.

There was no way that a State regional development structure could carry out these recommendations and therefore the resolutions went to the Spencer Regions Development Association Inc.

As a consequence of this:-

- A comprehensive water resource audit has been carried out. The audit is with the S.A. Dept. of Environment, Heritage and Aboriginal Affairs.
- 9 Regional Development Organisations from W.A., S.A., Vic, and us formed "Southern Regional Development Limited" with links to LendLease and other private capital markets. There is a need to review the company to incorporate Government so that infrastructure projects can be delivered using primarily private sector funds with Government grants as possible "gap" between investment needed and investment sourced. THIS IS OF A CRITICAL IMPORTANCE AND DISCUSSIONS BETWEEN YOU AND SRDL IS URGED.
- Most regional development organisations have an effective grass root relationship with communities - including printing of regional newspapers.
- The "Footprint" project was initiated, which has expanded to be part of the "Networking the Nation" program. Through necessity to provide regional Australia with social justice and economic opportunities, many regions are upgrading telecommunications technology and training to effectively using that technology through the "Networking the Nation."

Communities having their own "Economic Development Officer" have also been very successful. They are in constant contact with the local community and provide a very necessary focal point in rejuvenating local towns and communities. If directly connected to RDO type structures, the combination of the two "layers" would be a significant boost to regional development opportunities.

State Regional Development Boards have had a chequered history. In States such as Western Australia, Victoria and New South Wales where the Boards have served autonomously delivering State programs, the Boards have been crucial to developing regional strategies. South Australia, where since 1993 State Government has compromised the autonomy of their State Boards, the

Task Force Review currently with the State Government shows a very poor total result.

There have been undue expectations for State Boards to achieve more than they are structured to do. With the high expectations, local interest groups usually exert much pressure on State Boards to deliver in "their neck of the woods" without understanding the "total picture". At the same time the "total picture" is not accessible because of the small area they individually cover.

State Boards cannot muster the "critical mass" to address the overall regional issues. They are, however, very effective in delivering State policy and programs to the regional communities.

There are exceptions to the rule and some State Boards have been very successful, particularly where they have built onto existing principal industries already present in the region i.e. wine industry, tourism etc.

I do have recommendations of what needs to be done in regional Australia:-

- There should be an "infrastructure" fund as per the previous Regional Development Program, but linked with "Southern Regional Development Limited", the risks can be shared by all parties rather than government alone. The present IIIS project is not succeeding. The initial cost is too high and there is a lack of integrated effort from the ground floor, through Government and the private capital markets. Since the "Southern Regional Development Limited" model was the one devised by the political reps, the private capital markets and regional development bodies, it is logical that this model should be taken to the level it was originally designed to do.
- A water audit should be conducted in all States to determine what the state of this vital natural resource is.
- A unified development process should be initiated in land surrounding major waterways ( ie. Murray-Darling) irrespective of State boundaries so that development programs relative to sustainability of the land and water becomes the issue - not State policy. At the moment, development is stifled in New South Wales due to Western Lands Leases and Native Title while Victoria is free of those encumbrances. There is a dramatic increase in land use in Victoria (and the transfer of water rights from N.S.W. to Victoria). In the long term, over development on one side of the river and under development on the other may pose a major environmental problem. Land and water utilisation issues should be a national issue - not a State issue.
- Access to online technology at an affordable rate for all Australians are a must. Australia's very economic base may shift if the technology is not available at an affordable level.
- A region-by-region "model" needs to be made in the area of transportation. The model should include current transport using road, rail

etc. and a "what-if" scenario. This "what-if" scenario should include, for example, what if larger bulk carriers are employed; what shift in harbour access will result; what impact will this have on the way goods are transported. Such modelling will allow for planning processes to be put into place when industry bases in regions change; transport technology changes; freight cost structures in transport change.

- Regional Development Organisations should not be a "short term" funded program. Regardless of the wish to have these structures become self-sustaining, in many respects this is impossible. To forge partnerships with particular companies or products on a fee for service basis, as has been encouraged, the RDO no longer serves as an independent facilitator. Therefore, it is recommended that the RDO structures be funded long-term.
- There is no duplication of function between State Boards, ACCs, RDOs etc. and there has to be a merger of all regional development bodies in regions so that a "one stop shop" is created. The only duplication that would be avoided under this scenario would be the duplication of office staff and equipment.
- It is crucial that all political parties support specific projects of national importance. These areas include:-
  - Providing data capability to all Australians at a reasonable cost. The economic and social progress is dependent on Australians being able to access information and compete equitably on the global market. The promise to provide such capability to 96% of Australians sounds good but isn't considering that that population mass covers only 7% of Australia. Our population amounts to .02% of the total population, covers almost 20% of the land mass yet contributes significantly to the national wealth. Senator Allston's recent statement that the Government's objective is to have all Australians with access to data capability at a reasonable cost needs to be applauded.
  - Water resource management and land management.
  - Transport model
  - Private investment into regional Australia.

I have attached a copy of our Strategic Plan. ALL the programs are being carried out - some in the early stages of finalisations.

As a final comment, in 1996 we had Mr. Simon Crean, then Opposition Spokesperson for Regional Development, as our guest. He listened intently at the regional issues. His approach was very much appreciated by the regional representatives. Likewise, this month we had the honour of a visit from Mr. John Anderson, Minister for Transport and Regional Services. It was heartening to see that he, too, was interested in hearing about regional issues and how they affected the communities.

It is a major step forward that all political parties are adopting a keen interest in learning about regional issues and it makes people like myself more confident that regional Australia will re-emerge with vitality in economic initiatives and social justice initiatives in the future.

Yours faithfully,

Michael Verwey  
Executive Director.

**c.c. Mr. Tony Lawler, Member for Parkes**