

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 1

Topic: NBN Rollout

Asked By: Senator NASH

Type of Question: RRA&T 14

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

If you could provide those on notice, that would be really useful. How many of those 238 regional centres are already connected through the NBN?

Mr Atkinson: I would have to get further information on that.

Senator NASH: Take on notice how many are already connected and how many are yet to be connected of the 238.

Answer:

Questions on the detail of the roll-out of the NBN should be referred to the Department of Broadband, Communications and the Digital Economy.

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ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 2

Topic: Definition of regional centre for NBN Rollout

Asked By: Senator NASH

Type of Question: RRA&T 14

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 2

Senator NASH: Outside regional centres there are an awful lot of small towns. What size is the regional centre outside the metropolitan area that you are talking about?

Mr Atkinson: I would have to take that on notice, Senator.

Senator NASH: Are you not the regional development portfolio?

Ms Beauchamp: Senator, we are not responsible—

Senator NASH: Go on.

Ms Beauchamp: Sorry, Senator. Those questions probably would be best directed to either NBN Co. or the department of communications and the like. We actually do provide a coordinating mechanism. We can take that on notice. As Mr Atkinson referred to, those 238 centres are on the website and we can get that information for you on notice.....

Senator NASH: What size is the regional centre outside the metropolitan area. You can take on notice for me. Can you please provide a definition of “regional centres” other than just “outside metro” because that could be, in all of those, inner regional, outer regional, remote and very remote on the ASGC map. That could be a town of 50. I need to know exactly what the definition of regional centres is for the purposes of the statement and the minister’s comments. That includes 238 in the first three-year fibre rollout. What is the total target for regional centres to be rolled out to?

Answer:

All Australian premises, regardless of whether they are located in urban or regional areas, will receive access to the NBN as part of the roll out by 2020. Of these, sites scheduled to receive either fixed wireless or satellite connections will be completed in 2015.

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Questions on the detail of the roll-out of the NBN should be referred to the Department of Broadband, Communications and the Digital Economy.

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Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 3

Topic: Economic Diversification Package for Tasmania

Asked By: Senator BROWN

Type of Question: RRA&T 17

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 2

Senator BOB BROWN: But the agreement was for \$20 million in the first year?

Mr Csar: Correct.

Senator BOB BROWN: So effectively more than \$20 million is being allocated in the first year?

Mr Csar: Again, this is a matter for the industry, innovation, science, research and tertiary education department to answer. I would have to come back to you on the precise dollars committed to the \$8 million that is available over a three-year period because it is one that they are aware of. I would have to find the detail as to whether they have committed \$4 million or in excess of that or less than that, Senator.

Senator BOB BROWN: If you would, please, and to whom and under what conditions.

Mr O'Brien: Are you talking only about the innovation investment fund?

Senator BOB BROWN: No. The whole lot, with particular reference to the apparent allocation beyond \$20 million of an extra \$4 million in the current year.

Answer:

The Intergovernmental Agreement provided for a payment in 2011-12 of \$20 million to fund regional development projects; this is comprised of \$16 million in economic diversification projects and \$4 million of the Tasmanian Innovation and Investment Fund (managed by the Department of Industry, Innovation, Science, Research and Tertiary Education).

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The Minister for Regional Australia, Regional Development and Local Government, the Hon Simon Crean MP, approved and announced the ten economic diversification projects for 2011-12.

In addition, the Minister for Industry and Innovation, the Hon Greg Combet AM MP approved and announced \$8 million in Tasmanian Innovation and Investment Fund projects for funding over 2011-2014 with \$4 million allocated in 2011-12.

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Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 4

Topic: Forestry Tasmania Proposal

Asked By: Senator BROWN

Type of Question: RRA&T 19

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

Senator BOB BROWN: What I am wanting to avoid here is a verbal communication or proposal being put forward which is not on your records. I would like to know if Forestry Tasmania has put forward any proposal and, if so, what the nature of that was and whether it was general or specific, and whether it was verbal or written.

Mr O'Brien: I am happy to take that on notice.

Senator BOB BROWN: When do you think that information can be provided to me?

Mr O'Brien: As soon as we practically can.

Answer:

The Department can confirm it received a written project proposal from Forestry Tasmania.

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Question: 5

Topic: Agritas Project

Asked By: Senator COLBECK

Type of Question: RRA&T 22

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 2

Senator COLBECK: So we do not take too much time from other colleagues, can we accept that there is an actual and prospective as part of this process? Let us quickly go down through the list and talk about actual and prospective. I understand what you are talking about. I am not sure that some of those skills might not be available in other training centres, but that is an argument for another day. Can we quickly run down and talk about the actual employment numbers for each of the projects? In the circumstance where it is prospective, let us put them and accept them. So you are saying that for the Agritas project it is potentially 1,000 plus as prospective with skills growth?

Mr O'Brien: Senator, I am not sure whether we would have that information readily available.

Senator COLBECK: Do you have the actuals?

Mr O'Brien: We are happy to take it on notice.

Answer:

Ten economic diversification projects have been announced for funding in 2011-12 under the Tasmanian Forests Intergovernmental Agreement. These projects are expected to provide both direct and indirect employment opportunities within local communities and are also expected to generate significant economic growth in the medium to longer term in a number of sectors across Tasmania.

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The potential for job creation and sectoral growth opportunities generated from each of the successful 2011-12 economic diversification projects are summarised in the table below.

Economic Diversification projects for 2011-12 - \$16 million

Project	Potential Number of Jobs Created*
Circular Head Agricultural Trade College - Agritas	2027
Electrical power infrastructure along Harcus River Road	Dairy Industry jobs
Freshwater dam and bathing system in the D'Entrecasteaux Channel to facilitate aquaculture development	800
SenseT integrated natural resource sensor network	12
Jetty upgrade on Maria Island and ecotourism feasibility study	10
Wine Research: Identification of sites to expand Tasmanian wine production and provision of development extension services	1000 Wine Industry jobs
Soft fruit chilling and snap freezing facility in the Derwent Valley	170
Business Plan for the Centre for Food Innovation - Feasibility Study for a Food Processing, Research & Testing facility at Scottsdale	—
Scoping study for a collaborative business model for Tasmanian regional sawmills	—
Feasibility study for a walking and ecotourism track: Mt Wellington to Western Tasmania World Heritage Areas	—
TOTAL	4019 jobs

**Note: Jobs calculations have been determined in consultation with the Tasmanian Department of Economic Development, Tourism and the Arts, the University of Tasmania, and industry bodies including DairyTAS and Wine Tasmania.*

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Question: 6

Topic: Community Infrastructure Grants - Time taken for projects

Asked By: Senator JOYCE

Type of Question: RRA&T 23

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

Ms Fleming: Senator, there is a set of program guidelines that we comply with. Under those guidelines, proponents need to provide us with information. Some proponents are not able to provide that information at this stage. This program is a suite of election commitments, and election commitments come in various stages of development. We are working with proponents to garner the information that we need to establish a funding agreement.

Senator JOYCE: How long is it actually taking to turn around these approvals?

Ms Fleming: It depends on when the proponent can provide us the information.

Senator JOYCE: On average?

Ms Fleming: There is no average, Senator. It is a mixed basket of goods from projects that are—

Senator JOYCE: Tell me the shortest one.

Ms Fleming: The shortest one? I would have to take that on notice to give you an accurate answer, Senator

Answer:

The shortest time to approve a project once the proponent had provided all the relevant project information was four weeks for the International Peace Park Facility Upgrade project.

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Question: 7

Topic: Regional Ministerial Statement

Asked By: Senator JOYCE

Type of Question: RRA&T 31

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

Senator JOYCE: Yes. Across all departments, how much has been allocated to the regional bracket, in the definition as determined by Mr Atkinson, to the non-regional and to the non-Pacific [*should be 'specific'*] for 2012-13?

Mr Atkinson: Obviously it is done by portfolio. I do not have a table available that pulls that all together at this stage. We could provide that, though.

Senator JOYCE: Would you be able to get that?

Mr Atkinson: Yes, Senator.

Answer:

Regional, non-regional and non-specific expenditure totals for the 12 larger portfolios that provided expenditure by program disaggregated between regional Australia, non-regional and non-specific location for the budget year and forward estimates as reported in the 2012-13 Regional Ministerial Statement are provided below. This spatial information was provided to the Department of Regional Australia, Local Government, Arts and Sports by the relevant portfolio agencies.

The non-specific location category has been used by agencies in cases where expenditure cannot be analysed for various reasons including expenditure of a discretionary nature that is subject to future competitive processes or where geographical data is not available for particular expenditure programs.

2012-13 Budget regional and non-regional expenditure totals for all 12 reporting Portfolios that reported in the 2012-13 Regional Ministerial Statement

Category	Budget estimate 2012-13 \$m
Regional	61,325
Non-regional	99,274
Non-specific	24,175
Grand Total - Various Agencies	184,774

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Question: 8

Topic: Regional Australia Institute - Costings for initial payment

Asked By: Senator JOYCE

Type of Question: RRA&T 36

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

Ms Beauchamp: We have put a funding agreement in place to ensure we get the required outcomes that are delivered in terms of the Regional Australia Institute

Senator JOYCE: An amount of \$8 million of taxpayers' funds has gone to an organisation in which the people on the reference group appointed themselves as people on the board and we cannot get a skerrick of information about the details of even the costings on the initial \$500,000. This is just beyond the pale.

Mr Atkinson: Senator, in relation to the funding agreement about the initial payment, there is a range of reporting arrangements under that. On notice, we could give you the details of the expenditure under that.

Answer:

Funding for the establishment of the Regional Australia Institute (the Institute) has been provided under two Funding Agreements.

The initial Funding Agreement, for \$500,000 (excluding GST), required the Institute to report on progress in December 2011, March 2012 and June 2012.

The initial Funding Agreement provided funding for establishment of the Institute including:

- identifying business premises;
- staffing; and
- company registration and set up.

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Department of Regional Australia, Local Government, Arts and Sport

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Question: 9

Topic: Regional Australia Institute - Biannual reporting details

Asked By: Senator JOYCE

Type of Question: RRA&T 38

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

Senator JOYCE: We gave them half a million dollars in November. November to May—where is your biannual report?

Ms Foster: Senator, I was just trying to make clear to you that with the initial around \$500,000—I think it was \$550,000; is that correct?

Ms Pickworth: Including GST.

Ms Foster: Including GST. That initial amount had a funding agreement associated with it because it was for a specific purpose of setting up the board. As Ms Pickworth has said, we have a requirement in that for quarterly reporting on expenditure against that. We have received the first quarterly report. In the funding agreement associated with the \$7.5 million plus GST, we have a requirement for a biannual report. What I need to do is go back and see when that first biannual report is due. But that is associated. We will get back to you.

Answer:

Executed in April 2012, the second and final Funding Agreement (\$7,500,000.00 excluding GST) requires the Institute to provide regular reports. The first bi-annual report is due on 30 September 2012.

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Question: 10

Topic: RDAF Independent Advisory Panel

Asked By: Senator MACDONALD

Type of Question: RRA&T 42

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

Senator IAN MACDONALD: I am asking you to take on notice, if you can, who was submitted. But if you cannot tell me the names, how many were submitted to the minister?

Mr O'Brien: It is departmental advice to the minister.

Senator IAN MACDONALD: Yes, of course.

Mr O'Brien: I will seek guidance about that.

Senator IAN MACDONALD: You cannot tell me what the advice is. I am simply asking how many names went. I could also perhaps ask if the three who were appointed were actually part of your list. Perhaps you can take that on notice.

Answer:

The Department proposed nine names to the Minister for consideration for appointment on the Regional Development Australia Fund Advisory Panel.

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Question: 11

Topic: Torres Strait Region

Asked By: Senator MACDONALD

Type of Question: RRA&T 42-43

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 2

Senator IAN MACDONALD: The comments in the Torres Strait region in the north where I come from were, “The federal government can provide \$250 million for the UN to assist micro-Pacific countries deal with climate change issues, but we are struggling to find \$22 million to help Australian residents in the outer Torres Strait Islands battle annual inundation.” Apart from this through the RDA network, is there any funding stream available in the current budget that would enable authorities in Queensland or the Torres Strait to access the moneys required to repair and rebuild damaged sea walls in the Torres Strait islands?

Ms Fleming: To the best of my knowledge, there is no specific funding for sea walls from the Commonwealth.

Senator IAN MACDONALD: So the only place they could get it from is this Regional Development Australia Fund?

Mr O'Brien: It is certainly beyond our department’s programs. Whether it is suitable for another department’s programs, I would have to take that on notice.....

Senator IAN MACDONALD: I am sure that is right. The local government in the Torres Strait does not have much money. The Queensland government is broke from 10 years of bad management. So if we cannot get it from the Commonwealth. Mind you, the same applies to the \$250 million that goes to the UN for non-Australian islands that desperately need the money. But there are Australian islands that desperately need the money. What I am asking you on notice is to let me know if there are other funds that I can suggest to the local member, Mr Entsch, so he can advise the Torres Strait people that they should apply to this for the funding.

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Answer:

On 4 June 2012, the Hon Simon Crean MP, Minister for Regional Australia, Regional Development and Local Government, and Minister for the Arts; the Hon Jenny Macklin MP, Minister for Minister for Families, Community Services and Indigenous Affairs, Minister for Disability Reform; and Senator the Hon Jan McLucas jointly announced up to \$12 million in Commonwealth funding for the repair and upgrade Torres Strait seawalls and other coastal management measures. This included a \$5 million grant from Round Two of the Regional Development Australia Fund.

The MyRegion website provides details of Commonwealth, state and territory programs that are available at <http://grants.myregion.gov.au/>.

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Question: 12

Topic: North Queensland Irrigated Agriculture Strategy

Asked By: Senator MACDONALD

Type of Question: RRA&T 44

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 2

Senator IAN MACDONALD: Again on notice, can you tell me what money has been spent to date and what the work plan is for the spending of the \$10 million? The \$10 million is not all Commonwealth money, is it?

Ms Fleming: That is correct.

Senator IAN MACDONALD: How much is Commonwealth?

Ms Fleming: The sum of \$6.1 million is this department, \$3.1 million is Queensland Government, \$800,000 is a direct contribution from the CSIRO and there are a couple of other elements. We will put it on notice.

Answer:

The North Queensland Irrigated Agriculture Strategy (NQIAS) is a collaborative initiative between the Australian Government, the Queensland Department of Agriculture, Fisheries and Forestry (formerly the Department of Employment, Economic Development and Innovation) and the Commonwealth Scientific and Industrial Research Organisation.

The Office of Northern Australia in the Department of Regional Australia, Local Government, Arts and Sport is coordinating the NQIAS.

The Australian Government is contributing \$6.1 million to fund two projects under the NQIAS:

- \$6 million contribution to the CSIRO-led Flinders and Gilbert Agricultural Resource Assessment to examine the potential for further irrigated agriculture on these two rivers; and

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- \$100,000 contribution to the DAFF-QLD led study into the viability of establishing additional meat processing capacity in north-west Queensland (Cloncurry).

The Queensland Department of Agriculture, Fisheries and Forestry has committed to contribute \$3.1 million in two areas under the NQIAS:

- \$120,000 to the DAFF-QLD led study into the viability of establishing additional meat processing capacity in north-west Queensland; and
- \$3 million in funding to assist producers in the Flinders and Gilbert River catchments establish a sustainable irrigated agriculture industry in the north-west.

The CSIRO has also committed to contribute \$0.8 million to the Flinders and Gilbert Agricultural Resource Assessment to fund geochemical and geophysical survey work across the project areas.

Funding agreements are in place to deliver the strategy and payments totalling \$3.2 million have been made to date in accordance with the agreements.

A detailed work plan is in the final stages of development and will be available on the website by the end of July.

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Question: 13

Topic: AAco

Asked By: Senator MACDONALD

Type of Question: RRA&T 45

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

Mr Dickson: The decision to go ahead is sitting with AAco. I think they have been told as much as the Commonwealth can tell them.

Senator IAN MACDONALD: Again on notice—I am relying on press reports, which are not always accurate—could you tell me whether they did apply for assistance, what they were seeking, what the response has been and where it is at? You have given me some information, which I appreciate. If we had a bit more time we could explore it further, but we have not.

Answer:

The Department has not received an application for assistance from AAco for its proposed Darwin abattoir. Minister Crean has been provided with copies, for information, of correspondence from Northern Australian Beef Limited (AAco) to the Hon Anthony Albanese MP; Minister for Infrastructure and Transport and Senator the Hon Joe Ludwig, Minister for Agriculture Fisheries and Forestry. This correspondence includes a request for funding assistance from the Commonwealth and Northern Territory Governments that covers three areas, health, employment and training and infrastructure.

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Question: 14

Topic: Local Government Feedback to QRA

Asked By: Senator JOYCE

Type of Question: RRA&T 57

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

Ms Beauchamp: The chair of the Queensland Reconstruction Authority board and the CEO regularly go out and visit local governments. Local governments have been providing feedback that they would like as much assistance as possible.

Senator JOYCE: In what form did the feedback that they gave to you come in?

Ms Beauchamp: I mentioned that the chair and the chief executive regularly go out and meet with local councils.

Senator JOYCE: Was it in an oral form or a written form?

Ms Beauchamp: Generally and mostly in oral form.

Senator JOYCE: In anything but an oral form?

Ms Beauchamp: I would have to take that on notice on the Queensland Reconstruction Authority's behalf.

Answer:

The Queensland Reconstruction Authority (QRA) has an extensive program of local engagement, including engaging individually, through oral and written forms, and collectively through a nominated representative of the Local Government Association of Queensland on the QRA Board. The CEO and Chair of the QRA Board visits councils and engages face to face with Mayors, CEOs and council staff. The QRA also engages with Councils in relation to the governance oversight responsibilities associated with the Natural Disaster Relief and Recovery Arrangements (NDRRA). This includes a network of six Regional Liaison Officers who are the primary interface between Councils and QRA for NDRRA matters. The QRA also engages with councils providing specialist advice and support in relation to finance, land use planning and damage assessment and reconstruction monitoring.

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Department of Regional Australia, Local Government, Arts and Sport

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Question: 15

Topic: Regional Development Australia Fund - Benefit to Communities

Asked By: Senator MCKENZIE

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

1. Re: QoN #132 part A); please explain the definition the department uses for 'region' and 'broader region'. Please use particular reference to QoN #132 part B) which explains projects funded 'meet the identified priorities of regional communities'.
2. How do smaller regional communities access these funds?

Answer:

1. With respect to Round Two of the Regional Development Australia Fund (RDAF):
 - applications were accepted from eligible applicants from the 55 areas defined as Regional Development Australia (RDA) committee regions. Information on the geographical areas represented by the 55 RDA committees can be found at www.rda.gov.au.
 - the reference to 'broader region' relates to applications for projects which were located in capital cities. Proponents of projects located in all capital cities had to demonstrate that the proposed project would benefit the broader region or other parts of regional Australia, that is, that the impact of the project extended beyond the boundary of the metropolitan centre.
2. RDA committees played a key role in selecting projects to be supported by Round Two of the RDAF. RDA committees' on-the-ground knowledge of local priorities and communities, reflected in Regional Plans, were used to identify priority projects to proceed to full application. All local governments and not-for-profit organisations with an annual income of more than \$1.5 million could apply for RDAF.

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Question: 16

Topic: Funding Options for Smaller Centres

Asked By: Senator MCKENZIE

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

The Alexandra Reserve Committee in Ararat had applications for RDA funding twice rejected.

The Committee of Management advise that their project was seen as not having a big enough impact across the region.

Similarly, nearby Bungaree have secured \$1.25 million from the Victorian Government's Local Government Infrastructure Fund for the Bungaree Community Facility, but have been unable to secure funding through the RDAF.

- a. What other options are there for smaller centres to seek federal government funding for much regional needed projects?
- b. How does the department ensure that smaller projects in smaller towns, aiming to achieve regional plan objectives, are not swamped by the larger projects in larger towns?

Answer:

- a. The MyRegion website provides details of Commonwealth, state and territory programs that are available at <http://grants.myregion.gov.au/>.
- b. The role of Regional Development Australia (RDA) committees was strengthened in Round Two to ensure that projects proceeding to full application reflected the priorities of local and regional communities. The introduction of an Expression of Interest process ensured that RDA committee's on-the-ground knowledge of local communities and priorities was considered in the selection of priority projects. Examples of projects funded under Round Two in small communities include:
 - \$520,500 towards the upgrade of the Penguin Regional Athletics Centre at Penguin (population about 5000); and
 - \$4.7 million towards the Bombala Timber Precinct Infrastructure Project at Bombala NSW (population about 1500).

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Department of Regional Australia, Local Government, Arts and Sport

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Question: 17

Topic: Regional Victoria RDA Committees

Asked By: Senator MCKENZIE

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 2

1. Re: QoN #132 part B), please provide regional Victorian examples of how RDA committees have created awareness and shared information about the program within their region.
2. How is the effectiveness of these measures assessed?
3. Do RDA committees have KPIs?

Answer:

1. RDAs in Victoria work closely with regional organisations and local governments to identify regional and cross regional priorities and create awareness and share information about the Regional Development Australia Fund (RDAF). RDAs achieve this by providing information to regional stakeholders about the program through the media, information sessions and dissemination of updated Regional Plans. Examples of projects the RDAs have supported that were successful in receiving program funding include:
 - i) Loddon Mallee RDA identified the need to strengthen the region's communities and to improve the liveability of small towns and their ability to manage change. To address these issues, Loddon Mallee RDA supported Loddon Shire Council's successful RDAF application for the Redevelopment of Wedderburn Community Centre Stage 1 project. The project will create a true community hub, improving maternal and child health, allied health, tourism and neighbourhood house facilities. Increased availability of services is likely to attract and retain more businesses and residents to the region, providing further benefit to the regional economy.

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- ii) Hume RDA identified the need for community strengthening in Benalla where there are localised pockets of relatively high socio-economic disadvantage. To address this issue, Hume RDA supported Benalla Rural City Council's successful RDAF application for the Sir Edward Weary Dunlop Learning Centre project. The facility will improve community engagement in learning and education and provide co-ordinated delivery of community services.
2. To measure the effectiveness of RDA activities relating to the RDAF program in Victoria, RDA committees provide both a Half Yearly Report and an Annual Report on Outcomes to the Department. The reports describe the committee's progress and achievement in meeting outcomes and KPI targets. The Department reviews the reports and provides feedback to the RDAs.
3. RDA committees in Victoria report against a number of KPIs. Examples of the RDA KPIs that relate to the RDAF program include:
- Program information is provided to RDAF applicants;
 - Regional Plan priorities are taken up as the benchmark for applications; and
 - Applications submitted reflect regional or multi-municipal projects.

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Question: 18

Topic: Victorian RDAF Applications

Asked By: Senator MCKENZIE

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

Only two out of the 27 Victorian RDAF applications to proceed to full application had proponents that were organisations other than local governments. What is the Department's view?

Answer:

Regional Development Australia committees considered all Expressions of Interest from across their regions and selected three projects to proceed to full application. RDA committees took the following into account when selecting projects to proceed to full application:

- priorities in the Regional Plan;
- capacity of the project to address needs in the region, with consideration of the geographical spread of the projects;
- impact of the project on the region and neighbouring regions, with endorsed projects coming from across the region, rather than anyone town, locality or Local Government Area;
- level of community support; and
- readiness to proceed.

RDA committees are required to comply with stringent governance requirements established by the Department, including Conflict of Interest and Probity Protocols. Nine projects in Victoria will be funded under Round Two of RDAF; one not-for-profit organisation is receiving funding and eight local governments are receiving funding.

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Question: 19

Topic: Murray Darling Regional Economic Diversification Project

Asked By: Senator MCKENZIE

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

- a. What role are consultants to the Murray-Darling Regional Economic Diversification Project playing in the RDAF application and decision making process?
- b. Are these consultants working with communities to develop RDAF submissions? Is this part of their mandate?
- c. What is the total value of the RMCG Murray-Darling Regional Economic Diversification Project contract?
- d. How is the Murray-Darling Regional Economic Diversification Project helping communities to identify options to adapt to a future with less water?

Answer:

- a. The consultants are not playing any role in the RDAF assessment and decision making process.
- b. No, development of RDAF submissions is not part of their mandate.
- c. The total value of the RMCG contract is \$299,860.
- d. The Government is working with Basin communities, through the Murray-Darling Basin Regional Economic Diversification Project, to help develop options to support economic development and diversification, strengthen the economic base of communities and assist them to successfully transition to a sustainable water future. Through this Project, regional experts were engaged to work with Regional Development Australia committees and communities, in the areas most likely to be affected by the implementation of the Plan, to identify the comparative advantages of communities, and develop regional development and diversification project proposals, that build on the strengths of communities, to a point where they may be viable for investment.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 20

Topic: Information for the Australian Greens and Independents

Asked By: Senator HEFFERNAN

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 2

Does DRALGAS provide any information and/or undertake any requests for the Australian Greens? If yes, please provide the following information:

- How is such work and/or information requests commissioned?
- What work/information requests have been undertaken? Provide details and a copy of each work produced.
- Has any such work and/or information requests been unable to proceed? If yes, provide details including what the work and/or information requests were and why it could not be undertaken.
- How long is spent undertaking work and/or information requests for the Australian Greens? How many staff are involved and how many hours? Provide a breakdown for each employment classification.

Does DRALGAS provide any information and/or undertake any requests for the Independents? If yes, please provide the following information:

- How is such work and/or information requests commissioned?
- What work/information requests have been undertaken? Provide details, including who the work/information was for and a copy of each work produced.
- Has any such work and/or information requests been unable to proceed? If yes, provide details including what the work and/or information requests were, who they were from, who they were for and why it could not be undertaken.
- How long is spent undertaken work and/or information requests for the Independents? How many staff are involved and how many hours? Provide a breakdown for each employment classification.

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Department of Regional Australia, Local Government, Arts and Sport

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Answer:

The Department of Regional Australia, Local Government, Arts and Sport (the Department) does not receive any direct requests for information and/or undertake any requests from either the Australian Greens or the Independents.

The Minister for Regional Australia, Regional Development and Local Government, and Minister for the Arts, the Hon Simon Crean MP, received general correspondence relating to matters from the Independents, Mr Windsor MP and Mr Oakeshott MP. In these cases, the Department has drafted responses.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 21

Topic: Flinders and Gilbert River

Asked By: Senator MACDONALD

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 3

The 2012-13 Budget paper details a joint Commonwealth and CSIRO commitment totalling \$10m over three years to investigate the feasibility of developing water catchments on the Flinders and Gilbert Rivers (and to investigate the viability of meat processing facilities in north Queensland – see Live Export).

1. How was the funding allocation for these studies determined?
2. What consultation process took place with regional/local stakeholders to determine the terms of reference of the study?
3. What are the terms of reference of the study? What are the guiding principles and parameters of the research to be conducted?
4. What are the outcomes sought from the study and how will these outcomes be measured?
5. What consultation will take place with regional stakeholders in deploying the study over the three year period and analysing the results of the study?
6. What framework has been developed for the inclusion of agricultural stakeholders in the determinative, deployment and interpretive phases of the study?
7. In what way has the department sought engagement with the private sector to assess and determine the merits, objectives, deployment and measurement of the study?
8. What terms of reference were utilised to determine the Government's \$6m investment as adequate to achieve the stated goals of developing agriculture in Northern Australia as part of the Sustainable Futures program? How does this paltry investment comply with the Prime Minister's commitment to developing Australia into the "food Bowl of Asia"

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Answer:

1. The *North Queensland Irrigated Agriculture Strategy* is a \$10 million collaborative initiative of the Australian Government's Office of Northern Australia and the Queensland Government's Department of Agriculture, Fisheries and Forestry. The Australian and Queensland Governments have jointly funded this strategy to build on previous work, address gaps in knowledge and the needs of local producers and to support capacity building for future agricultural development.
2. Consultations were undertaken with regional and local stakeholders prior to the terms of reference for the *Flinders and Gilbert Agricultural Resource Assessment* being finalised, through a series of 1-on-1 meetings. A detailed assessment of the alignment of anticipated outcomes from the initiative with the needs of local producers was also completed and informed these consultations.
3. The \$10 million *North Queensland Irrigated Agriculture Strategy* will build capacity for future commercial agricultural development in the north.

It includes a strong focus on practical on-the-ground research and will draw together world class scientific expertise with local and commercial experience.

The *Flinders and Gilbert Agricultural Resource Assessment* will provide a comprehensive and integrated evaluation of the feasibility, economic viability and sustainability of water resource development in the Flinders and Gilbert catchments in northern Australia. The Assessment seeks to reduce uncertainties around investment in irrigated agriculture in the north by addressing many of the questions that potential investors would have about production systems and methods; yield expectations and benchmarks; and potential profitability and reliability. Broadly, the Assessment aims to answer the following questions:

- What soil and water resources are available for irrigated agriculture?
 - Is irrigated agriculture economically viable?
 - Is irrigated agriculture sustainable?
4. See answer to Question 3.

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5. As part of a broader stakeholder engagement and communication strategy, major regional and local stakeholders, including agricultural producers, are being invited to join a Major Stakeholder Group to ensure all stakeholders are well informed of progress with, and results from the project. Members of the group will be provided with timely updates on the status of the Strategy and advised of major forums and workshops that will be conducted in the north Queensland region over the next 18 months.
6. See answer to Question 5

CSIRO and DAFF-Q officers are already working closely with local producers, to develop enterprise practices and systems that build capacity and management practices to maximise long-term viability and sustainable benefits; and to establish commercial benchmarks and best practice farming systems suited to the soils, climate and geology of northern Queensland.
7. Two committees have been established to address this issue. A Program Governance Committee provides high level governance advice and leadership to the project, and in particular advises on regional and community issues, industry priorities and program risks. This committee includes three independent members with private sector expertise in local government and planning, agriculture and water resource development. A Program Steering Committee facilitates effective management and delivery of the collaborative initiative. This committee includes representatives from each of the Flinders, McKinlay and Etheridge shire councils as well as the MITEZ and GSD regional development groups.
8. See answer to Question 1.

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ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

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Question: 22

Topic: Cove Enterprise Hub

Asked By: Senator EDWARDS

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

The Cove Enterprise Hub will be provided \$3.4 million in 2011-12 as a contribution to the overall project. Provide the following:

1. The other financial contributors to the project and how much they are providing
2. An overview of the Hub and the services it will provide
3. The reasons why this project was selected
4. If it met all the criteria of a particular funding program, provide the selection criteria
5. When will the project commence and finish

Answer:

1. The City of Marion is contributing \$10 million to the project.
2. The Cove Enterprise Hub project will provide a multi-purpose, flexible use resource facility which will include a state of the art library; community and business meeting spaces and hall space.
3. The Government, in the 2012-13 Budget provided funding as this is an important regional development initiative that will benefit the local community and local economy.
4. The project was not funded under an existing program.
5. The project commenced in June 2012 and will finish in July 2014.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 23

Topic: RDA Funding - South Australia

Asked By: Senator EDWARDS

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

1. Has the Department spoken with the South Australian Government with regard to its removal of core funding for South Australian RDAs from 20 June 2013?
2. If so, what has been discussed?
3. What provision has the Department made if some of the South Australian RDAs collapse due to inadequate operational funding?

Answer:

1. Yes, the Department has spoken with South Australian Government officials on many occasions about State Government funding for Regional Development Australia after June 2013.
2. Discussions have occurred on load sharing arrangements regarding core, infrastructure and discretionary funding arrangements and the use of our respective funds to ensure effective operational, project and delivery activities.
3. Although overall RDA funding will be reduced, the Department does not consider this to be a serious threat to the ongoing viability of the South Australian RDAs in respect to key outputs for the Commonwealth. It is our understanding that the reduced State Government funding relates to RDA activities in support of State Government activities and a new approach to funding those activities. The Department will continue to work closely with the three levels of government about tri-partite funding beyond 2013.

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ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 24

Topic: Formal Agreement between the Commonwealth and Victorian Governments in relation to Latrobe Valley

Asked By: Senator MADIGAN

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 3

As I understand, the Latrobe Valley Transition Committee was created as part of a formal agreement between the Commonwealth and the Victorian State government. The formal agreement says that the role of the Committee is, and I quote: 'to identify impacts and the needs of the Latrobe Valley with the introduction of the Commonwealth Government's Clean Energy Future Plan'.

In part 2 of the formal agreement between the Commonwealth and the Victorian government there is a list of definitions; these are on page 3 of the agreement.

The LVTC recently put out a Discussion Paper for public comment that uses a definition which aggregates three municipalities. The aggregated municipalities being Baw Baw Shire, Latrobe City and Wellington Shire.

The result of this 'redefining' of the Latrobe Valley has had the happy result of doubling the population size while halving the unemployment rate. It has also resulted in reducing the number of residents living on a disability pension by 20 per cent and any problems arising from power station closure are going to be fixed by PR, marketing and a technology that doesn't exist, i.e. carbon capture and storage.

1. Would you agree that the Latrobe Valley contains the highest concentration of brown coal fired power stations in Australia, supplying some 85 percent of Victoria's electricity?
2. Would you agree that the carbon tax and contract for closure arrangements in particular, are expected to have a concentrated impact in the Latrobe Valley and that the Latrobe Valley will be one of the most impacted regions in Australia, perhaps the most impacted region in Australia from the carbon tax?
3. Do you support using a definition of the Latrobe Valley that aggregates these three independent local council areas?
4. Did you and your Department advise the Minister to support this aggregated definition?

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ANSWERS TO QUESTIONS ON NOTICE

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5. Was the decision to include this definition in the formal agreement an initiative of the Commonwealth, the Victorian government or by agreement of the Commonwealth and Victorian governments?
6. Did the Commonwealth question this definition along the lines that it may be incorrect, or that its use may distort the economic information used to describe the Latrobe Valley in transition planning?
7. To be clear, when I talk about the Latrobe Valley I'm not referring to an aggregation of three local council areas. I'm not using an aggregated definition. I'm talking about the Latrobe Valley proper, defined as the statistical division of Latrobe including Latrobe City, and the postcodes of Moe, Morwell, Traralgon and Churchill. That's the Latrobe Valley I'm referring to. That's quite different from the definition used by the Latrobe Valley Transition Committee, isn't it?
8. The definition used by the Latrobe Valley Transition Committee, an aggregation of Baw Baw and Wellington Shires and Latrobe City Council includes quite vast geographic areas that are clearly not in the Latrobe Valley. For example, the plains of Wellington Shire run all the way to the coast, and are clearly not in any valley, never mind the Latrobe Valley. To the west, people living in Walhalla, Erica, Rawson, Noojee, Tanjil Bren to the north, and the Mount Worth area to the south live in the mountains, not in a valley. Would you agree that aggregating these 3 local government areas and calling them the Latrobe Valley is contentious?
9. I suggest that it's not just contentious around matters of geography. It's contentious regarding economic definitions including unemployment rates, industry profiles, and identifying which communities and areas power station closure is going to have the most impact, isn't it?

Answer:

1. Yes

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2. The Department will monitor the potential impacts of the carbon price on regions where impacts are acute and structural adjustment assistance may be required. If structural adjustment assistance is required for the Latrobe Valley, the Government will work in close consultation with the Latrobe Valley Transition Committee to gain a sound understand of the impacts on, and needs of, the region.
3. For the purposes of working with the regional community on the transition of the region to a low carbon economy it is important to take a broader perspective. This definition does not require that data on the three local governments be aggregated.
4. A broader view of the region was recommended by community leaders and regional stakeholders.
5. As above.
6. Taking a broader perspective allows for identification of the potential impacts, needs and opportunities across the broader economic catchment. Information is available at a range of scales, and need not be aggregated.
7. Yes. The Latrobe Valley Transition Committee has defined the Latrobe Valley as the three Local Government Areas of Baw Baw Shire, Latrobe City and Wellington Shire for the purposes of supporting the transition of the Latrobe Valley economy. The Committee is co-chaired by the State and Commonwealth Governments and includes representatives from Regional Development Australia Gippsland, Monash University, Gippsland Trades and Labour Council, Victorian Employers' Chamber of Commerce and Industry, Skills Victoria, Construction, Forestry, Mining and Energy Union, Latrobe Community Health Services, and the Chief Executive Officers of the Latrobe Valley Councils. The diversity of the Committee's membership recognises that governments, the community and industry need to be flexible and take a broader view when considering opportunities to grow and diversify the region's economy.
8. No.
9. See above.

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ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 25

Topic: Industry Profiles of Baw Baw, Latrobe City and Wellington

Asked By: Senator MADIGAN

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

The work of the Latrobe Valley Transition Committee is being underpinned by research. Two particular pieces of research have been commissioned by the Victorian government: one called '*The Regional Effects of Pricing Carbon Emission: An adjustment strategy for the Latrobe Valley*' by the Centre for Strategic Economic Studies at Victoria University. The second is called '*Latrobe Valley Industry Growth projections*' by KPMG.

Do you agree that in terms of industry profiles, each of the three local government areas, Baw Baw Shire, Latrobe City, and Wellington have significantly different industry profiles?

Answer:

Refer to question 24. It is important that all tiers of government, industry and community take a broader regional approach to economic development and diversification to build on the region's strengths and comparative advantages.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 26

Topic: Latrobe Industry Profiles - KPMG Report

Asked By: Senator MADIGAN

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 2

According to the KPMG report, Table 1 on Pages 3 and 4, Baw Baw shire is dominated by agriculture 16 per cent; electricity and gas make up 1 per cent of the industry profile; and mining is 1 per cent of the profile. The 20 year forecast is these levels to remain virtually unchanged.

The industry profile of Latrobe City is different with electricity and gas making up 15 per cent of the industry profile, and mining 14 per cent. Both of these are projected to decline by almost half in the next twenty years. Agriculture is stable at 3 per cent of the industry profile and not projected to change. Is that a correct reading of the table?

If you look at the industry profile of Wellington, that's different again with 14 per cent of the industry profile in agriculture which is projected to grow by 4 per cent over the next twenty years. Mining which mainly refers to offshore oil and gas activity, is sitting at 22 per cent of Wellington's industry profile and expected to grow to 31 per cent in the next twenty years. Electricity and gas are at 1 per cent currently and expected to decline to 0 per cent in the next twenty years.

1. Do you agree that the above mentioned figures are a correct reading of the table?
2. Would you agree that, when talking about the negative impacts of closing brown coal fired power stations, from looking at Table 1 of the KPMG report and the industry profiles of the larger region it is Latrobe City, not the Shires of Baw Baw or Wellington, that is going to carry the burden of that impact?

Answer:

1. Yes.

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2. The Latrobe Valley Transition Committee has recognised that the impacts of the transition to a low carbon economy will largely fall within Latrobe City; however the solutions to economic development and diversification require all tiers of government, industry and the community to take a broader approach to build on the opportunities and strengths of the region.

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ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

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Question: 27

Topic: Victoria University Report - Latrobe Valley

Asked By: Senator MADIGAN

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

Turning to the Victoria University report, the impact on the Latrobe Valley is tested and verified in a number of ways in that report. However, the Victoria University report does not use an aggregated definition of the Latrobe Valley.

The Victoria University report clearly defines the Latrobe Valley and I quote as the '*Statistical Division of Latrobe, which includes the city of Latrobe and the postcodes of Traralgon, Moe, Morwell and Churchill.*'

It goes on to say (quote):

'This is the appropriate scale for an initial analysis of the likely impacts of a carbon price because the Valley's industrial economy and its engineering and mining specialised labour force differ from the predominately agricultural orientation of the remainder of Gippsland.' (p19)

1. Do you agree with that definition, and its logic, that the Latrobe Valley as defined by Victoria University has an industrial economy that is different and distinct from the remainder of Gippsland?

Answer:

1. The Victorian University Report looks at the Latrobe Valley as the Statistical Division of Latrobe as the "appropriate scale for an initial analysis of the likely impacts of a carbon price". The Victorian University Report also "views the Latrobe Valley economy as part of a more diversified economy, reflecting efforts in the region to consolidate a Gippsland-wide vision, identity and model of governance". The report supports the approach being taken by the Latrobe Valley Transition Committee in looking at opportunities more broadly than the Latrobe City local government area.

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ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 28

Topic: Victoria University Report - Aggregated Definition

Asked By: Senator MADIGAN

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

The Victoria University report notes that: (quote)

'The Victorian state government is increasingly attracted to viewing the Latrobe Valley as a part of the larger and more diversified Gippsland economy. This strategy has merit. However, the larger scale also tends to divert attention from the unique problems to the Valley townships, and restricts discussion about the way that the Latrobe Valley is articulated with Gippsland and Victoria'. (p 31) (end quote).

1. Do you think using an aggregated definition that rolls three local government areas into one, diverts attention away from the unique character and problems of the Latrobe Valley?

Answer:

A broader approach, which considers the region's competitive advantages, gives a greater perspective when considering opportunities for economic development and diversification. This approach does not require that data on the three local governments be aggregated, or that the unique character of each local government is not taken into consideration.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 29

Topic: Latrobe Valley Discussion Paper

Asked By: Senator MADIGAN

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

When I look through the Victoria University report, I see that 95 percent of people working in energy and related sectors live in the Latrobe Valley (p 19). Moe-Newborough and Morwell are still suffering significantly higher unemployment rates than the rest of Gippsland, Melbourne or Victoria (p 42). This unemployment was created by privatisation of the SEC in the 1990s and nothing has been done to reduce that unemployment. Now, the same area is facing more job loss from power station closure.

About six weeks ago, the Latrobe Valley Transition Committee circulated a Discussion Paper and invited public submissions. The Discussion Paper uses the same aggregated definition of the Latrobe Valley as the formal agreement between the Commonwealth and Victorian governments: i.e. that the Latrobe Valley comprises Baw Baw and Wellington Shires and Latrobe City.

In so doing, the Discussion Paper (p 8) says that the aggregated Latrobe Valley has a total population of 162,675 rather than a population of 75,000 as defined in the Victoria University report.

1. Do you agree that the Discussion Paper projects population growth for this newly aggregated Latrobe Valley region?

Answer:

Yes. The three Latrobe Valley Councils have been working together for some time to transition the region's economy, including through the State Government initiative, the Latrobe Valley Industry and Employment Roadmap.

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ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

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Question: 30

Topic: Victoria University Report - Population Growth

Asked By: Senator MADIGAN

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

The Victoria University report has a different view on population growth. It is more cautious and concludes that (quote)

'if the carbon price and other sustainability initiatives alter the structure of economic activity and employment in Gippsland, they will also alter the region's population trajectory' (p 39).

1. I'm not an economist or a demographer but wouldn't you agree that sounds like a more sensible appraisal than a blunt prediction of population growth when there are so many unknowns facing this region?

Answer:

The Latrobe Valley Transition Committee has considered a number of reports including those of the Victoria University. Estimates of population change are available in those reports and are also publically available at a number of scales including at a local government area scale and at an aggregated scale for the Latrobe Valley as defined by the three local government areas. It is important to note that population projections are not predictions of the future nor are they targets. The projections analyse changing economic and social structures and other drivers of demographic trends to indicate possible future populations if the present identified demographic and social trends continue.

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ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 31

Topic: Unemployment in the Latrobe Valley

Asked By: Senator MADIGAN

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

About unemployment, the Discussion Paper says on page 8 and I quote:

'The Latrobe Valley has seen marked improvement since the late 1980s when it underwent major changes associated with the privatisation of the State Electricity commission of Victoria (SECV). This is reflected through unemployment declining from 12.8 percent in 1996...' to five percent which appears in a table on page 8 of the Discussion Paper.

However, in contrast the Victoria University report shows unemployment for Morwell in 2011 at about 11 percent, Moe at about 8 percent, and the balance of the Latrobe Valley at about 7 percent (Figure 4.9 – page 42).

1. Would you agree that current unemployment rates of eleven percent in Morwell and eight percent in Moe-Newborough are significantly higher than the five percent cited by the Discussion Paper?
2. Would you agree that the Discussion Paper does not agree with the facts set out on page 42 of the Victoria University report that between 15 per cent and 20 per cent of the adult population in most of the central Gippsland region holds a Health care card?

Answer:

1. No.
2. The Discussion Paper does not reference the number of Health Care Card holders in the Latrobe Valley, or the broader Gippsland region.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 32

Topic: Labour under-utilisation and low wages - Latrobe Valley

Asked By: Senator MADIGAN

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 2

The Victoria University Report, page 85, states (quote)

“Persistent labour under-utilisation and low wages in the Latrobe Valley suggest that its local labour markets have very little capacity to absorb displaced labour through shifts in real wages. There is also a risk that a decline in the energy sector might further depress local housing markets with the effect of trapping an already disadvantaged workforce in a place with few jobs. (end of quote)

1. Do you agree with that quote?
2. Do you agree that the Transition Committee Discussion Paper deliberately distorts the reality of the Latrobe Valley?
3. Do you agree that the use of a newly created definition of what the area, communities and economy of the Latrobe Valley are; and by combining the population, unemployment rates and projected growth of three independent local regions, the outcomes will be different, even distorted from those expected by using the accepted definition of the Latrobe Valley boundaries?
4. Do you accept that by combining unemployment rates from areas outside the normally accepted boundaries of the Latrobe Valley with those of areas such as Moe-Newborough and Morwell, two of the three largest population centres in the Valley, will significantly distort the final outcomes when calculating the unemployment rate of the Latrobe valley?
5. Would you agree that the Discussion Paper distorts its outcomes by underplaying the fragility of the Latrobe Valley’s economy and by overplaying the ability of the region to cope with significant job loss arising from power station closure?

Answer:

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1. We noted all comments provided in the Victorian University Report and see the report as a useful contribution to the Latrobe Valley Transition Committee's process.
2. The Latrobe Valley Transition Committee has looked at the broader region as it provides a good basis for taking advantage of economic opportunities to assist the region to transition to a low carbon future and is supported by local and State Governments.
3. There is no 'newly created' definition of the Latrobe Valley.
4. It is important that all tiers of government, industry and the community look at longer term possibilities and opportunities for the broader region. More can be achieved by working across established divisions, local government boundaries and other such boundaries to capitalise on opportunities for the region.
5. As above.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 33

Topic: Role of the Latrobe Valley Transition Committee

Asked By: Senator MADIGAN

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 2

If the role of the Latrobe Valley Transition Committee is (quote)

‘to identify impacts and the needs of the Latrobe Valley with the introduction of the Commonwealth government’s Clean Energy Future Plan’ (end of quote)

given all those distortions, the inevitable confusions that arise with differing definitions, and different sets of data doing the rounds – then I’d suggest the Transition Committee and its Discussion Paper have already failed to fulfil their central role.

1. Would you agree with that?
2. Would you agree that the Discussion Paper has not identified the *‘impacts’* clearly and unequivocally, nor has it identified the *‘needs’* clearly and unequivocally?
3. Would you agree that the Discussion Paper has confused the facts, in that, if you are only relying on the Discussion Paper, and don’t read the other research papers, the casual reader would be unable to determine what the facts actually are?
4. What view does the Commonwealth have about the portrait of the Latrobe Valley being put forward by the Latrobe Valley Transition Committee via the Discussion Paper?
5. Was your Department happy to have the Discussion Paper circulated in its current form containing these distortions?
6. Did the Department caution the Committee that it should not release the Discussion Paper for public comment until those problems had been removed?
7. Did the Department approve its public release and circulation?

Answer:

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

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1. The Department does not agree that there are distortions or confusions arising from the definition recommended by regional stakeholders to governments, nor does it agree with the suggestion that the Latrobe Valley Transition Committee and its Discussion Paper have failed to fulfil their central role.
2. The Cooperative Agreement which established Latrobe Valley Transition Committee states that the role of the Committee is ‘to *guide work* on identifying impacts and the needs of the Latrobe Valley with the introduction of the Commonwealth Government’s Clean Energy Future Plan’. The Discussion Paper was intended to promote engagement and discussion with the regional community and industries to assist the Committee in its role and look at the broader opportunities for regional development.
3. No.
4. The Government supports the work of the Latrobe Valley Transition Committee.
5. The Government considers that the Discussion Paper has provided information to promote discussion with the industry and community of the region on positive steps to transition the regional economy.
6. As above.
7. The Discussion Paper was released for public consultation following endorsement by the Latrobe Valley Transition Committee.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 34

Topic: Latrobe Valley Discussion Paper - Public Circulation

Asked By: Senator MADIGAN

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 3

The second thing that really concerns me about the Discussion Paper is its public circulation. It has been put out for public submission to the good people of the Latrobe Valley and wider afield, and they have been asked to respond via submissions.

The Discussion Paper asks submitters to comment on some specific matters.

However it doesn't ask for comment about the key definition (what is the Latrobe Valley), and the various distorting and confusing data arising from the aggregated definition.

1. Would you agree that the definition and the data that are provided in the Discussion Paper are expected to be accepted on face value?
2. Is it fair to assume that if submitters don't challenge the definition, don't challenge the data in the Discussion Paper that the Transition Committee will take that to mean those submitters have accepted its assumptions about definitional and related matters?
3. Does the Department accept this as ethical behaviour?
4. Does the Department accept that this could be seen by the residents of the Latrobe Valley as a bit of a confidence trick; being played on the very people whose livelihoods, wellbeing and economic survival are being decided by this process?
5. My understanding is that the submissions received to the Discussion Paper are going to be rolled into one central piece of advice to be given to the Commonwealth and Victorian governments. Is that correct?
6. What level of government will be receiving the advice?
7. Will the LVTC be directing their attention to the contentious and confusing definition and data used in the Discussion Paper?

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8. Will the LVTC be providing advice at Ministerial level that it has failed to identify the impacts and needs of people in the Latrobe Valley region clearly and unequivocally and therefore failed to deliver on its charter?
9. How many submissions has the Committee received in response to the Discussion Paper?
10. What's your general understanding about their content?

Answer

1. The definition and data provided in the Discussion Paper provides information to promote discussion with the industry and community of the region on positive steps to transition the regional economy. It was underpinned by a 14 month program of research and evidence base sharing.
2. The Latrobe Valley Transition Committee welcomed comments and feedback on all aspects of the Discussion Paper.
3. The Department of Regional Australia, Local Government, Arts and Sport supports the work and activities of the Latrobe Valley Transition Committee and considers their work to be ethical.
4. No.
5. The research reviewed to date, and the feedback received from industry and community during the consultation period on the Discussion Paper, including written submissions and comments provided during industry consultations and community forums, all informed the Latrobe Valley Transition Committee's advice to governments, which is available at:
www.rdv.vic.gov.au/business-and-industry-programs/latrobe-valley-transition-committee
6. The Latrobe Valley Transition Committee's advice has been provided to the Latrobe Valley Joint Ministerial Forum, co-chaired by the Commonwealth Minister for Regional Australia, Regional Development and Local Government, the Hon Simon Crean MP and the Victorian Deputy Premier and Minister for Regional and Rural Development, the Hon Peter Ryan MP.
7. The Department does not agree that the definition and data used in the Discussion Paper are contentious and confusing. The Latrobe Valley Transition Committee and all levels of government are seeking input and ideas to grow the regional economy.
8. No, as this would not be factually correct.

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9. The Committee received 27 written submissions and held three community forums, three industry consultations and a Joint Ministerial Industry Roundtable with industry leaders.
10. Written submissions, which have been approved for publication by their authors, are available online at: www.rdv.vic.gov.au/business-and-industry-programs/latrobe-valley-discussion-paper/submissions

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Question: 35

Topic: New Jobs and Industry Development in the Latrobe Valley

Asked By: Senator MADIGAN

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 3

Last year, the Prime Minister visited the Latrobe Valley, where she met with workers in the power industry and told them and their families and I quote:

'the government would stand alongside affected communities...

"It's not my intention to leave this community, or indeed any other community in the country, in the lurch the way we saw them left in the lurch in the era of privatisation under the Victorian Liberal government," she said in Morwell.

Ms Gillard said she understood the anxiety of residents and today's trip to the Latrobe Valley, 150 kilometres east of Melbourne, was a show of good faith.

"I remember what happened to this community in the 1990s when (then Victorian premier) Jeff Kennett and (treasurer) Alan Stockdale had privatisation come and hit this community like a sledgehammer, with little support for adjustment in this community," she said.

Ms Gillard said she wanted to meet with the people who were likely to be most anxious about the carbon tax package "so that I could look into their eyes as they looked into mine and we could have a conversation". End of quote

(<http://www.climatespectator.com.au/news/gillard-assures-victorias-la-trobe-valley-over-carbon-tax> 17th July, 2011 AAP)

The Discussion Paper doesn't refer to public investment in new jobs and industry development in the Latrobe Valley to replace those lost by power station closure.

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1. What does it rely on to replace those job losses?
2. Given that power station closure will occur as a direct result of Commonwealth government policy on the back of past Victorian government policies that created ongoing high levels of unemployment in the Latrobe Valley, what funding commitment is the Commonwealth making for the specific purpose of creating new jobs and new industries based on available technology, in the Latrobe Valley?
3. Apart from carbon capture and storage, which does not exist and is not likely to exist for twenty years, if at all, what level of investment is the Commonwealth willing to make creating new industries and new jobs in the Latrobe Valley?
4. Is the Commonwealth prepared to guarantee that there will be no nett job loss in the Latrobe Valley and that it will create like-for-like jobs, replacing high pay jobs with high pay jobs in the region?

Answer:

1. The Government has established the Latrobe Valley Transition Committee which will provide advice to governments on:
 - a. the challenges and opportunities facing the region's economy;
 - b. the long term direction for industry development and employment growth and;
 - c. processes to support coordinated planning and investment between levels of government and regional institutions and business.

This will help to inform the Commonwealth's actions in the region.
2. The Government has announced a number of projects to support the economic development of the region and increase job opportunities, including \$3 million under the Regional Development Australia Fund Round Two for the Latrobe Regional Airport.

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Other recent Commonwealth investments in the Latrobe Valley include:

Program	Project	Funding amounts
Nation Building Program	Princes Hwy Upgrade	\$140 million
Health and Hospitals Fund	Expansion of Gippsland Cancer Centre	\$22 million
Health and Hospitals Fund	Stage 2 Accommodation for Gippsland Cancer Care Centre	\$1.5 million
Health and Hospitals Fund	Moe Interprofessional Community Health Centre Redevelopment	\$6 million
Primary Care Infrastructure Grants	Johnson St Clinic, Maffra	\$150,000
Primary Care Infrastructure Grants	Latrobe Community Health Service	\$149,400
Carbon Capture and Storage Flagship	CarbonNet	\$70 million
Better Regions	Various projects	\$2.6 million
Financial Assistance Grants 2011-12	Various	\$22.9 million
National Bike Path Projects	Various	\$140,000
RLCIP Round 1	Various	\$3.9 million
RLCIP Round 2	Various	\$1.6 million
RLCIP Round 3	Various	\$1.7 million
RLCIP-SP	Various	\$6.4 million
CEF Energy Security Fund	Various electricity generators	over \$896 million
CEF Community Energy Efficiency	Baw Baw Shire	\$489,500

3. Refer to Answer 2

4. Refer to Answer 1

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Question: 36

Topic: Membership of the Latrobe Valley Transition Committee

Asked By: Senator MADIGAN

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 2

1. Have you seen the submission of the CFMEU to the LVTC dated 8th May 2012?
2. Was the appointment of the CFMEU to the committee done as a result of their submission?
3. If yes, why?
4. If not, what prompted the committee to add the CFMEU to its membership?
5. How do you reconcile the fact that the CFMEU, a new member of the LVTC states that the 'redefining' of the Latrobe Valley to include the shires of Baw Baw and Wellington will distort any statistics relating to unemployment and social disadvantage suffered in the "Traditional" Latrobe Valley towns of Moe, Morwell and Traralgon?
6. In light of the fact that the CFMEU, a newly appointed committee member, disagrees with a basic premise on which the LVTC's Discussion Paper is based, will the LVTC be withdrawing this paper until the definition of the Latrobe Valley has been corrected and the statistics used to identify "impacts and the needs of the Latrobe Valley" are no longer distorted?

Answer:

1. Yes.
2. No.
3. Not applicable.
4. The inclusion of the Construction, Forestry, Mining and Energy Union on the Latrobe Valley Transition Committee was in recognition that the Committee would benefit from the expert knowledge of the Union, in particular from the

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Mining and Energy Division. It should be noted that union representation already existed on the Committee prior to the inclusion of the CFMEU, through the Gippsland Trades and Labour Council

5. The views of an individual member organisation are welcomed on the Latrobe Valley Transition Committee.
6. The Discussion Paper was a key input into the Latrobe Valley Transition Committee's advice and will not be withdrawn.

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Question: 37

Topic: Impacts of FIFO / DIDO

Asked By: Senator WATERS

Type of Question: Written

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 2

1. What is the impact in both economic and social terms of the use of 'fly in fly out' workforces?
2. How does it affect families and communities in areas where the miners' families live and where they work?

Answer:

On 23 August 2011, the Minister for Regional Australia, Regional Development and Local Government, the Hon Simon Crean MP, asked the House of Representatives Standing Committee on Regional Australia (the Standing Committee) to inquire into and report on the use of 'fly-in, fly-out' (FIFO) and 'drive-in, drive-out' (DIDO) workforce practices in Regional Australia.

The questions raised by Senator Waters will be a focus of the inquiry as outlined by its terms of reference, which are:

- the extent and projected growth in FIFO/DIDO work practices, including in which regions and key industries this practice is utilised;
- costs and benefits for companies, and individuals, choosing a FIFO/DIDO workforce as an alternative to a resident workforce;
- the effect of a non-resident FIFO/DIDO workforce on established communities, including community wellbeing, services and infrastructure;
- the impact on communities sending large numbers of FIFO/DIDO workers to mine sites;

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- long term strategies for economic diversification in towns with large FIFO/DIDO workforces;
- key skill sets targeted for mobile workforce employment, and opportunities for ongoing training and development;
- provision of services, infrastructure and housing availability for FIFO/DIDO workforce employees;
- strategies to optimise FIFO/DIDO experience for employees and their families, communities and industry;
- potential opportunities for non-mining communities with narrow economic bases to diversify their economic base by providing a FIFO/DIDO workforce;
- current initiatives and responses of the Commonwealth, State and Territory Governments; and
- any other related matter.

The Standing Committee has received over 200 submissions and completed 22 public hearings across all states and territories, excluding Tasmania and the Northern Territory which will inform the Standing Committee's recommendations in formulating its report. The report is anticipated to be released in late 2012.