

Hunter ACC
PO Box 94
Broadmeadow NSW 2292



Dear Mr. Sands,

Inquiry into the Regional Partnerships Program and Sustainable Regions Program

Following is the submission from Hunter ACC in reply to your letter dated 13 December 2004 requesting that we provide a response to the Senate's Finance and Public Administration Reference Committee.

As the Hunter ACC is not in an area covered by the Sustainable Regions Program this submission refers only to the Regional Partnerships Program.

The submission will address each of the major issues stated in the above letter from the Reference Committee and as far as possible the sub-points within each major issue.

Issue 1: The administration of the Regional Partnerships program, with particular reference to the process by which projects are proposed, considered and approved for funding.

a) decisions to fund or not to fund particular projects,

There a number of issues in this area for comment.

These include:

(i) there appears to be a variability in decision making of project approvals and non-approvals across ACC boundaries that can present difficulties for ACCs when assisting applicants in developing proposals. The ACCs are asked to ensure that projects are consistent with each ACC's Strategic Regional Plan and with the Regional Partnerships Program guidelines however, this does not always mean that similar projects will be approved in one ACC region as compared to another ACC project.

(ii) the time taken to process applications can lead to difficulties with projects especially in regards to retrospectivity requirements. This can affect the implementation or viability of the project.

(iii) inadequate advice to unsuccessful applicants as to why the application was unsuccessful does present problems in regards to perceptions of the program, how the application can be improved etc.

b) Recommendations of the Area Consultative Committee

This issue links to point (a) above as there appears to be variability across ACC regions. The recommendations of the ACC are not always acted upon and this causes difficulties for the ACC in respect of its profile in the region, its role and the weight that its recommendations carry in influencing the Regional Partnerships Program decision making process.

This also leads to perceptions in the community that the decision to approve or not approve a project may not be fully transparent and has due consideration of the respective ACCs advice and recommendation been taken.

c) the recommendations of departmental officers and recommendations from any other agencies or other levels of government

The details associated with the assessment and decision making process after the project application is forwarded to the Department after the ACC's recommendation has been made is not generally known by the ACC. The ACC advice to project applicants is that the project has been forwarded to the department and that they will assess the application. The applicants are also advised that they may be asked to clarify points within the application by the Department and also so that funding of Regional Partnerships is *discretionary* and that the Minister or Parliamentary Secretary makes the approval. As such we are not able to comment on the results of recommendations from other sources.

d) the nature and extent of the respective roles of the administering department, minister and parliamentary secretary, other ministers and parliamentary secretaries, other senators or members and their advisers and staff in the process of selection of successful applications

The ACC is aware of the role of the administering department, minister and parliamentary secretary in the process and this is referred to in point (c) above.

In regards to the role of the other positions referred to in this point the ACC is unaware of what role they may or may not play and therefore cannot comment.

e) the criteria used to take the decision to fund projects

The administering department provides the ACC with guidelines and keeps us advised of the broad directions or areas that the minister and parliamentary secretary that they wish to address. The key criteria remain that projects need to have strong partnerships, be viable, meet the guidelines and the project applicant has the ability and capacity to undertake the project.

The role of the ACC is therefore to assist the project applicant to best meet the requirement criteria. The decision on whether or not to fund the project is the responsibility of the minister or parliamentary secretary.

f) the transparency and accountability of the process and outcomes

As stated previously the role of the ACC is to assist the project applicant develop an application that is consistent with the guideline and to make a subsequent

recommendation to the department. At this point the ACC advises the applicant of the assessment and approval process and within this framework the role of the ACC in meeting the requirements of explaining this process ends. The issue of accountability and transparency of the process and outcome from this stage is for the department to comment on.

g) the mechanism for authorising the funding of the projects.

It is the opinion of the ACC that the response to this issue can be best answered by the department as it would appear to be related to contract issues and internal departmental funding processes.

h) the constitutionality, legality.....freely communicating with their constituents

The Hunter ACC is unaware of any incidents so described in the above issue that have occurred in the operation of the Hunter ACC.

i) whether the practice of the program.....is subject to independent audit

The Hunter ACC undertakes its role in the operation of the Regional Partnerships program in accordance with the program guidelines, additional information and the ACC handbook. In addition the department keeps us advised of relevant changes. In this respect the ACC assumes that the operation of the program complies with the required standards.

Issue 2: With respect to the future administration.... Independent audits for the funding of projects.

The Hunter ACC considers that there is an existing comprehensive network of guidelines in place. This also includes that each project is subject to an independent audit.

Issue 3: Any related matters

No further comment is made on this issue.