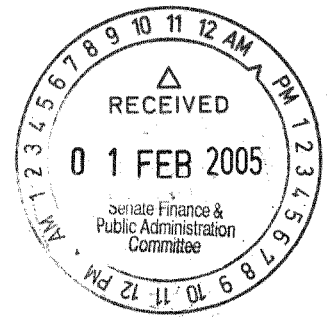


MACKAY REGION ACC

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27th January 2005

Mr Alistair Sands
Secretary
Finance and Public Administration
Reference Committee
Australian Senate
Parliament House
CANBERRA. ACT. 2600.

Dear Sir

**Submission to Inquiry into the Regional Partnerships Program
and Sustainable Regions Program**

Thank you for your correspondence of 13 December calling for submissions to the above mentioned Inquiry.

The Management Committee of the Mackay Region Area Consultative Committee has authorized me to make the following submission to the Inquiry. I am also directed to advise you that our ACC does not have a Sustainable Regions Program within our boundary and have therefore offered no comment in that regard.

Members of the Mackay Region ACC have viewed the Terms of Reference and noted the issues relating to parliamentary privilege.

I have forwarded an electronic version and a hard copy along with the necessary disc has been posted to your office.

I trust you will find our comments to your terms of reference to be informative and concise.

Yours truly,

Colin Meng
Chair
Mackay Region ACC

1. *The administration of the Regional Partnerships program and the Sustainable Regions 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:*

Projects assessed by the Mackay Region ACC must be consistent with the Strategic Regional Plan of the organisation and also align with the acknowledged regional priorities.

(b) *The recommendations of Area Consultative Committees:*

The Mackay Region ACC maintains Minutes of all Management Committee meetings and deliberations on projects submitted under the Regional Partnerships Program. Proponents talk to the staff of the Mackay Region ACC in regard to projects initially. An Expression of Interest form is then submitted from any proponents detailing the projects, costs, outcomes and contributions and advise as to any support. If the project is not suitable or does not meet the guidelines of RPP, staff of the Mackay Region ACC actively work to find suitable funding from other sources and this includes Australian Govt. depts and agencies, state govt or local govt and on occasion we have investigated funding from philanthropic bodies.

(c) *The recommendations of Departmental officers and recommendations from any other sources including from other agencies or other levels of government:*

The decisions/recommendations of the DoTARS officers delegated for assessment of projects is not formally conveyed to the Mackay Region ACC. We are advised if the project has been successful or not by written correspondence. Often the proponent may know before us. As the boundary of the Mackay Region ACC covers two federal electorates, we have a duty Senator to announce in Capricornia and in Dawson the Federal member.

The Mackay Region ACC was advised by the Department that none of the applications for the electorate of Dawson would be approved by Minister Kelly in her term as Parl. Secretary and that our applications would be "signed off" by Minister Anderson as the senior minister.

The Mackay Region ACC always checks the levels of support provided in-kind, cash, letters, partnerships etc from all levels of government. We have developed a close working relationship with both the Dept. of State Development and Innovation and the state funded Mackay Whitsunday Regional Economic Development Corporation (MWREDC) as well as with the eight local govt. authorities, various industries and small business as well as not-for-profit organisations.

(d) *The nature and extent of the respective roles of the administering department, ministers parliamentary secretary, other ministers and parliamentary secretaries, other senators or members and their advisors and staff in the process of selection of successful applications:*

In recent years the Mackay Region ACC has served under Ministers Abbott, Tuckey and Kelly. Ministers Abbott and Tuckey "signed off" on approvals or declined and during the term of Minister Kelly correspondence was received from Minister Anderson as senior

minister. Minister Kelly did not advise on projects in the Dawson electorate but did accept invitations to the launch of projects in the Capricornia area of the Mackay Region ACC boundary. Member for Capricornia Ms Livermore also participated in the major announcements/launches and on occasion the duty Senator has made the announcements from Rockhampton.

DoTARS as the responsible department receive the applications once the Mackay Region ACC have endorsed the project and worked with proponents on their respective submissions. No input is sought from politicians, ministers or parliamentary secretaries, senators or advisors.

Comments are provided by the Mackay Region ACC and submitted by the Executive Officer via the TRAX system within the required timeframe provided by DoTARS. DoTARS do all assessments and recommendations and do not advise the ACC of these in any formal manner.

(e) *The criteria used to take the decision to fund projects:*

The Mackay Region ACC have the Expression of Interest process first, then a decision is made by the committee to support or not support a project. Proponents can still lodge an application direct to DoTARS if the ACC does not support it. If supported the project application is completed and the ACC views that. If supported it is logged onto the TRAX system and hard copies are forwarded to DoTARS with the necessary documentation, including letters of support, plans etc that cannot be entered into the computer system.

Projects must meet the guidelines of the RPP before they proceed. Assistance is offered to all proponents in regards to the guidelines and preparing a submission. No input is sought by the Mackay Region ACC of any member of Parliament in preparing a submission.

(f) *The transparency and accountability of the process and outcomes:*

The Mackay Region ACC believes that our process is transparent and accountable in regards to the process and the outcomes achieved. We fulfill the requirements of our role in assisting proponents and assessing projects before forwarding to DoTARS. As a committee we receive information on the progress of projects once approved. If a project is not approved but supported by the Mackay Region ACC, all efforts are made to seek alternate avenues of funding.

Outcomes are primarily monitored by DoTARS, but the Mackay Region ACC maintains contact with and support successful proponents.

(g) *The mechanism for authorizing the funding of projects:*

Funding of projects is arranged by DoTARS in conjunction with the proponents. The Mackay Region ACC does not have a role in the mechanism for authorising the funding distribution. The role of the ACC is to provide feedback on the applications and rank them according to their priority.

- (h) *The constitutionality, legality and propriety of any practices whereby any members of either House of Parliament are excluded from committees, boards or other bodies involved in the consideration of proposed projects, or coerced or threatened in an effort to prevent them from freely communicating with their constituents:*

The Mackay Region ACC does not have any members of either House involved in the consideration of projects, nor do we object to comments from members. Our boundary has two Federal electorates (one ALF and one NAT) and 8 local govt. authorities as well as the state electorates of Mackay (ALP), Whitsunday (ALP), Mirani (NAT), Charters Towers (NAT), Peak Downs (ALP), Keppell (ALP) and Fitzroy (ALP). Letters of Support are often included from members of both the State and Federal Houses as well as from the local councils of Bowen, Whitsunday, Mackay, Sarina, Broadsound, Belyando, Nebo and Mirani.

- (i) Financial administration of projects is administered by DoTARS. The Mackay Region ACC had sought independent assessment of projects by qualified persons not from the same geographical locality. eg a project in the Sarina Shire may be assessed by someone from the Nebo Shire.

2. *With respect to the future administration of similar programs, any safeguards or guidelines which might be put in place to ensure proper accountability for the expenditure of public money, particularly the appropriate arrangements for independent audit of the funding of projects.*

It is our submission that proponents must provide copies of balance sheets for projects and like the ACCs be required to have separate accounts for each project. ACCs are required to do this, and it would mean a clear trail for each project would exist. Some community groups, councils and large organisations that are funded have complex financial processes, having one account per project would allow for accountability of public funds. It would also allow for more concise auditing of project funds.

3. *Any related matter.*

It is our respectful submission that very clear guidelines need to be set in regards to the contributions from proponents. We make reference to the 50-50 basis used to private enterprise and the notional figures of 70-30 for not-for-profit organisations. This needs to be stipulated in the guidelines. We also note that the interpretations of in-kind and cash contributions needs to be more clearly defined.

The Mackay Region ACC submits that any decision by DoTARS for a funding requirement from proponents be indicated in the guidelines of the program.

The Mackay Region ACC would submit that advice from DoTARS should be forthcoming at the first assessment stage as to whether or not a project is supported so that proponents can be advised. This would assist with issues of funding be it for bank loans, partnerships and other contributions both cash and in-kind.

Further we would submit that Regional Offices be provided with a notional allocation whereby projects under \$20 000 could be determined by that office. This would allow a quicker response time and more grassroots projects in regional communities.

The program is for Regional Partnership and initiatives in regional Australia. The Mackay Region ACC would respectfully submit that funding for metropolitan areas should be from a separate program and RPP be allocated to regional areas only. Perhaps Metro Partnerships would have a different focus as the need for infrastructure and development in regional Australia is a real issue.

We would also submit that in areas where there are high contributions to the economy and less infrastructure (mining centres) that special consideration be given.