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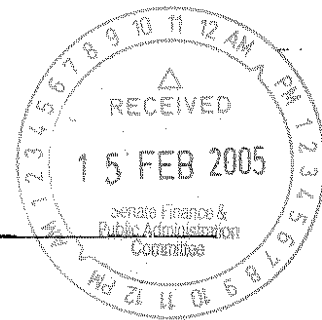


# Jon Stanhope MLA

CHIEF MINISTER

ATTORNEY GENERAL MINISTER FOR THE ENVIRONMENT  
MINISTER FOR ARTS, HERITAGE & INDIGENOUS AFFAIRS

MEMBER FOR GINNINDERRA



Senator Michael Forshaw  
Chair  
Senate Finance and Public Administration Committee  
Parliament House  
CANBERRA ACT 2600

## **Inquiry into the Regional Partnerships program and Sustainable Regions program.**

Dear Senator Forshaw

Thank you for your letter of 14 December 2004 inviting a submission to the above Inquiry.

While the ACT is a small jurisdiction with direct responsibility for relatively few people living outside the urban area of Canberra, we play an important role as a regional centre for south east NSW. The Australian Capital Region, which includes 14 local government areas and the ACT, has over 500,000 residents. Its population extends across a large area, from isolated rural properties and small villages to small towns such as Gunning, Harden and Narooma and larger rural centres such as Cooma, Bega, Goulburn and Queanbeyan.

In keeping with its regional role the ACT Government works closely with the Australian, NSW and local governments in the region to improve business and community outcomes across the whole region. The ACT is therefore vitally interested in regional development matters and welcomes the opportunity to respond to the Inquiry. I note that the Sustainable Regions program only applies to a limited number of specific regions in Australia, and so my comments relate to the Regional Partnerships (RP) program.

### *Administration of the RP program*

The guidelines for the RP program state that Australian and State Government departments are ineligible for funding under the program. I am advised that this is interpreted to mean that ACT government departments are ineligible. I am also advised that local governments are eligible for funding under the program.

This approach unfairly disadvantages the ACT. The ACT government is unique in Australia in that it delivers both State/Territory and local government functions. While other local governments in Australia can apply for RP program funds, the ACT cannot. In the past, the ACT Government has sponsored projects with beneficial outcomes in the Australian Capital Region and which have attracted considerable local government and community support. Such projects have included the Regional State of the Environment Report and a regional Internet

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gateway site for the region, ACROnline. The latter project was proposed by the ACT, and funded by the Australian, ACT, NSW and local governments – an excellent example of mutually beneficial outcomes from a cooperative approach.

At present, the RP guidelines would not allow such a project, regardless of the level of benefit to regional communities. In general, the ACT Government believes that its inland location and its important role as a regional centre should mean that Canberra and the ACT Government are eligible for applying for regional programs where other similar regional centres such as Townsville, Newcastle or Albury are.

Specifically, we would like to see the Australian Government recognise the Canberra's regional role and the ACT's role as a local government by changing the eligibility criteria for the RP program to allow the ACT Government to be a proponent. We would also like to see the Australian Government adopt this approach for future regional programs.

#### *Project approval*

The administration of government grant programs needs to be transparent, fair and equitable if people are to have confidence in the program achieving its desired aims. The Government and Minister providing the funds also need to be accountable for the decisions to fund projects and for the way that funds are spent under the program.

Regional Partnerships program appears to have selection and decision processes similar to other programs, in that applications are prepared with support from a government funded body (Area Consultative Committees in this case), assessed by departmental officials, and forwarded to the relevant Minister for the final decision.

Given the accountability of Ministers, it is not unreasonable for Ministers to make the final decisions on funding projects. However, the Regional Partnerships program's broad guidelines allows it the flexibility to support a wide range of projects under its banner. In this case, the rationale for approving particular projects in particular locations may not be as clear as in programs with more tightly defined objectives and guidelines.

To overcome any perception of bias in supporting projects, the Australian Government could consider moving the responsibility for approving or rejecting projects to a government appointed board with members who had relevant qualifications. The former Networking the Nation program used this approach to great effect in providing telecommunications skills, services and infrastructure in regional Australia, and should be considered as a model for the RP program.

Thank you for the opportunity to make a submission to this Inquiry.

Yours sincerely



Jon Stanhope MLA  
Chief Minister