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**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON INFRASTRUCTURE, TRANSPORT,
REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

(Roundtable)

Reference: New regional development funding program

FRIDAY, 25 JULY 2008

CAIRNS

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON
INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**

Friday, 25 July 2008

Members: Ms King (*Chair*), Mr Neville (*Deputy Chair*), Ms Campbell, Mr Cheeseman, Mr Clare, Mrs Gash, Mrs Mirabella, Mr Raguse, Dr Stone, Mr Sullivan and Mr Windsor

Members in attendance: Mr Cheeseman, Mr Clare, Mr Sullivan

Terms of reference for the inquiry:

To inquire into and report on:

The Australian National Audit Office's Performance Audit of the Regional Partnerships Program and recommendations on ways to invest funding in genuine regional economic development and community infrastructure with the aim of enhancing the sustainability and livability of Australia's regions.

The Committee's report is to:

1. Provide advice on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects;
2. Examine ways to minimize administrative costs and duplication for taxpayers;
3. Examine the former government's practices and grants outlined in the Australian National Audit Office report on Regional Partnerships with the aim of providing advice on future funding of regional programs; and
4. Examine the former government's practices and grants in the Regional Partnerships Program after the audit period of 2003-2006 with the aim of providing advice on future funding of regional programs.

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Committee met at 9.01 am

ADAMS, Mr Chris, Deputy Mayor, Tablelands Regional Council

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WHITE, Mr Kevin John, Former Small Business Field Officer, Far North Queensland Area Consultative Committee**WILTON, Mr Stephen James, Chief Executive Officer, Cook Shire Council**

ACTING CHAIR (Mr Clare)—Good morning, everyone. I declare open this roundtable of the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government for its inquiry into new regional and community infrastructure program. The committee has brought together a range of participants for this roundtable, all of whom have varying experiences in regional development funding processes, and I welcome everyone here today. I am sure our discussions will be very informative. I take this opportunity also to thank Cairns City Council for their hospitality today. We have a lot to get through, and I am sure we will find at the end of the day that we have limited time. We can see from the program that we have in front of us that we want to try to canvass a number of key themes which we have broken into three parts for a roundtable discussion. We will have a break at 10.30 am, and then there will be an opportunity after that break for an open session. I will not try to be strict with getting through themes 1, 2 and 3 before the break, because I suspect that that will encourage a lot of conversation. If we need to continue that or parts of that after the break, we can do so. I would like to introduce the Mayor of Cairns City Council.

Ms Schier—Thank you. I will just take this quick opportunity to welcome everyone here today. We are really pleased, as the biggest town I suppose in the centre of what is the region of tropical north Queensland to welcome you here and to have the opportunity for us to provide our views on what we think ought to be happening. We believe we are the best region in the nation, in this particular tropical area, with the reef and the rainforest on our doorstep, and with enormous economic potential. We know that 1,500 people each week are crossing the border from New South Wales and moving north into Queensland, and many of them are heading in this direction. We know it is estimated that another 100,000 people will be living here by 2025, so it is vitally important for us that the federal government really understands the regional needs of this area. So, we are very pleased to be here, and I hope the day goes really well. Thank you.

ACTING CHAIR—Thank you very much. Can I repeat how grateful I am that you are giving us your important time today. Just a few more formalities before we get started: although the committee does not require you to give evidence under oath, I have to advise that the hearing is a formal proceeding of the parliament and consequently it warrants the same respect as the proceedings of the House. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as contempt of the parliament. I think everyone will have a copy of the issues paper that was circulated. That will assist with structuring the discussions this morning. The issues that are raised in the paper are not exhaustive, but they are pretty good starting points to get discussion going this morning. Given the timeframe around the roundtable which I mentioned before, the committee has prepared a series of discussion points, and I think most people will have a document that sets out the different topics and some questions to help facilitate discussion. If you do not, please let us know and we can organise for that to be brought to you. The issues paper, as I mentioned, and as the agenda sets out, has three chapters, where we will split discussion along. The first theme is a framework for the regional and local community infrastructure program. The second theme is applications and assessments. The third theme is management of funding agreements. The first question that we want to begin discussion with in the first theme, the framework, is: what should be the objectives of a new

program? It is a particularly important question, because this committee wants to make sure that it invests most of its energy and time into putting together a new program that works effectively for the region. Is there someone who would like to start this discussion about what the focus, the direction or the objectives or a new regional development should be? There are some subsidiary questions that sit under that.

Mr Pollock—The regional funding program would be ideally something that would complement the major work done by Infrastructure Australia. The funding program is the incentive for the regional areas to see that there is some way clear for them and some pathway for them to access this community infrastructure funding.

ACTING CHAIR—There are some subsidiary questions in there that will help tease out this discussion—questions like: should we be focusing on investing in programs that will promote growth in a regional community or ones that will promote the liveability of a local regional community?

Further, questions about the definition of regional, and what I think is quite important is: how do we define what community infrastructure really is under this program? Should it include or exclude for-profit businesses, or should it be focussed on what local government and not-for-profits do? Should it be focused on employment development, economic development, regional development more generally?

What sort of eligibility criteria should apply to this program? In particular, Donald just mentioned Infrastructure Australia. There are a lot of different things that different levels of government do in this space, and where are the gaps, and should this be a program that helps to fill those gaps so that we are not cost shifting or repeating what is already being done or what should be done by different levels of government, and should the Australian government's regional funding program be targeted? What are the benefits and the disadvantages of targeting? There is a whole heap of potential questions there; who would like to jump in and talk about that?

Ms Schier—I think it does need to go beyond economic development and jobs because we can create jobs, and that is really important, and we do need the infrastructure around that, but if people are going to stay and live in regional areas of Australia, then a lot of other things come into consideration, and they include our education services, our health services, and also our cultural and arts services, programs and facilities. Really it is about what makes the regions liveable. It is not just about jobs. That is one of the things that I know the Cairns Regional Council is really focusing on. If there is a way of complementing that, that would be really, really good. We are going beyond the economic into social development and also looking at those other areas of health, arts and sport as well.

Mr Contarino—I have to agree with the mayor in those sentiments. It is about liveability, but liveability obviously encompasses things like economic development and jobs creation and making the services in an area suitable for people to live there. I think often times there is a single hurdle that is stopping a project from going forward; it might be an infrastructure hurdle or whatnot. Often communities can cope with developing a project to a certain stage, but they get to a brick wall where they just do not have the funds or the ability to get past that point. I think this is where this funding could come into play, to take away one of those infrastructure

hurdles that would allow a project to then continue. I think it is very good if there is a partnership approach, and I think part of the old program was very good to show that it was not just the government coming in holus bolus and assisting with the project. But, certainly I think that point that the community, the local authority and other groups can work the projects up to a certain level and then there is a stumbling block, and that is where this program could come in and take away that wall.

Mr SULLIVAN—If I could just follow on from what Ross was saying there, particularly with economic projects—and a number of projects have been funded under the old program that have been very successful in job creation and the like—but I would imagine it would be a bit easier, for example, to find commercial partners in a place like Cairns for a job creation type of project than it might be in Lockhart River. Would somebody like to discuss perhaps the differences between areas—some that might be disadvantaged against others, and whether there should criteria in relation to what we could call job creation programs for the purposes of shorthand that might be vital in a place like Lockhart River but perhaps not so vital in a place like Cairns?

Mr Macalister—We believe that the program should be targeted and it should be based on need. In the international development context, that hierarchy of needs is well established where you have least developed countries, less developed countries and developed countries; here in Australia we have the ABS and the ARIA index of remoteness which puts cities like Townsville and Mt Isa as inner regional or outer regional, and then you have places that are remote or very remote. The Gulf Savannah falls into the very remote classification.

We can demonstrate that the development needs in remote and very remote parts of Australia are much greater than in inner regional and outer regional parts of Australia. I might just give a couple of examples. In housing in the last three years, across three shires we have had five new houses approved, whereas here in the coastal cities, houses are being built; the issue is more about housing affordability. For us it is a much more fundamental question about housing supply. Similarly with education, I think people would agree that there is a fairly good level of education in the inner and outer regional cities; in remote areas it is a major issue. People who are living in those areas often say, ‘As soon as our kids get to a certain age, we’re out of here because of the quality of education.’ Similarly for industry training, here in the major cities you have sustainable industry groups, producer groups, chambers of commerce, who based on membership funds and other funds can deliver their own training to industry members. Out in the gulf, we have no chambers of commerce. We have a handful of progress associations that run on the smell of an oily rag. We cannot get TAFE to deliver training to remote communities because of the business model under which they operate. We have, if you like, a poverty of opportunity in the gulf, and it is on that basis that we believe that our development needs are greater, and a program like this needs to be targeted based on need, and that the greatest need is in remote and very remote parts of Australia.

ACTING CHAIR—Just continuing on with that idea, can you give me some examples of the types of things that a program like this can do to help those regional and remote areas?

Mr Macalister—I think one is subsidising training, helping to get training delivered out into remote regions. In towns like Croydon and Georgetown, the last time that TAFE delivered a course there, we would have to go back into the history books.

ACTING CHAIR—Is that something that the state government or the federal government departments for education are nominally responsible for? Or is there a gap that needs to be filled?

Mr Macalister—We have tried to engage them with the issues, but we do not get a lot of response to it.

Mr White—If I can just advise the group at large, I have tried to run training courses up in the Torres Strait and places like that. To bring on someone, for instance, say from the Taxation Office, they need at least 15 bums on seats before they will even consider going there. If you cannot guarantee that sort of number to them, they just do not even entertain the idea. They will say we can do it by virtual, like online, over screen, that type of thing, but these people need to be able to sit down and talk to somebody about whatever the issue might be face to face. Unfortunately, some of these departments and agencies have a criteria, so they will not go there because the cost benefit analysis does not sort of stack up to the numbers they will have in the audience.

Mr Friel—With respect to the question, to break it down to be looking at job creation or liveability, from the point of view of a remote community, they go hand in hand. At the moment, as we all know, in regional communities or Aboriginal communities, the unemployment rate is enormous. We cannot expect to have a more liveable community if people are living pretty much on \$250 a week, which they are, or CDEP payments. With respect to what was said about training, from Lockhart River's point of view, a lot of training takes place there, but they are training people for jobs that do not exist. It is no use sending trainers in and spending lots of money if there is no infrastructure to take on these people after it. I believe it has all been done in the past with the best intentions at heart, but it just does not seem to work.

From my point of view, we receive money from the Regional Partnerships program to set up a motel in Lockhart River. That was launched in March this year, and it has been fantastic. We have employed four people, which does not sound like much, but for an area like Lockhart River, it has been fantastic. These people now have worthwhile employment; they are not being thrown into CDEP where they are mowing lawns and doing trivial things just so they can while away their hours, which seems to happen all the time. I believe that, on these areas, we need to concentrate on providing infrastructure and setting up industries to help employment, and from that the liveability will come along.

Mr CHEESEMAN—I was going to ask all of the participants who would be interested in responding to this question; Cairns is obviously one of those communities that is growing very, very rapidly. I am wondering what pressures that is putting upon the council and other councils in the area, and whether there is an opportunity for our federal government program to assist with keeping on top of the infrastructure so that the community remains liveable and sustainable and all of those sorts of things?

Ms Schier—I am happy to comment on that. It is a huge burden for us to get the infrastructure. We are talking about 70,000 people going into the southern area of Cairns. We need the roads to do that; we need to be looking at public transport. We have the old cane train lines down there; people have been talking about this for years and years as a possibility that we might be able to develop those and to be able to link the communities. But it goes beyond roads

and water supplies, because obviously 70,000 more people will require more water storage. We are working really hard on demand management, but in the end we will need to increase our supplies. But it is also areas like sewage treatment which has just been a massive impost on all of the councils in this area. We have to upgrade the quality of our waste water, particularly in the coastal communities where the water is going onto the Great Barrier Reef. We know that that is the greatest natural asset here and that it is very fragile. I think the Prime Minister is out visiting it this morning and looking at reef rescue packages. It is up to the councils to actually treat the sewage that goes into that area. At the moment, one of our plans is costing \$40 million; \$188 million this year, and this council is a \$250 million per annum business, and we have to find \$188 million this year for four sewage treatment plants, and then we have to look at all of the beach suburbs in the Douglas Shire, which has been amalgamated with us, Bramston Beach. I know that my colleagues down in the Cassowary Coast, Innisfail, Mission Beach and Cardwell area are facing the same costs as are the Tablelands. I think they have a \$30 million cost on upgrading their sewerage. So, we are really struggling to be able to find the money for that, as well as providing all the other services that ratepayers demand that councils provide.

Mr CHEESEMAN—Are you indicating that there would be some real advantage in a future design program to recognise growth corridors?

Ms Schier—Absolutely.

Mr Pollock—Not detracting from the enormous task of those provincial and urban areas, we are addressing regional funding issues, in which case we have a regional economy. The economy of the vast region that Cairns and Rob Macalister have referred to before, it is integrated. There are catchments of services that are coming in and out of those larger centres and into those regional areas. Our ACC work is always based on the fact that we are servicing that integration of that economy which is our focus for our endeavours in regional funding. We liken it to that of a catchment, and there are several catchments in all of these areas, depending whether they are government agency services, whether they are other services, or whether they are retail services. But then, of course, on the other hand, you have the various sectors of industry which are actually supporting those provincial centres, those large towns. I think I am stressing the word that it is an integration of the economy that defines what the regional issue is.

ACTING CHAIR—I guess for the purposes of our discussions today, we are looking at what role a future regional development program might have in that, and whether it enters the space of continuing to assist for-profit businesses or whether it plays a role, depending on how we define community infrastructure, to be something that supports not-for-profits or local government per se?

Mr Pollock—One of the points of confusion recently is the intention of the urban program that has been announced by the government. We do not have any clear idea of what it will target in relation to and how it butts up against our proposed regional funding. As I mentioned before, then we have the very big ticket image of what things like Infrastructure Australia will do. If we understood what the urban program might be able to deliver, and possibly how Infrastructure Australia will target things strategically, it will be more logical for the regional funding program to attain an effective level of strategic alignment on these projects.

Ms Parker—One of the issues in terms of thinking about the way the funding program might work is to consider the possibility of looking at those projects that do have significance for the region as a whole and have strong support across a range of the stakeholders at the regional level to perhaps be considered in a different way to some of those more specific programs in more remote locations rather than a sort of an either/or option. Perhaps there is a way of looking at them and considering them as different tranches within the funding program.

Mr SULLIVAN—In terms of helping me reach the conclusions that I need to make so that this committee can write a report and make recommendations to the minister, and I refer to what Robert Macalister said earlier about this program, this is a program to replace a program that was an ‘everything else’ funder—it became almost anything else, if you understand the difference between that. We need to replace that program—I am sorry, Madam Mayor, we are probably not going to build a sewage treatment plant for you out of this program, although I would love to. Robert spoke about the needs based nature, and I think probably this is one of the parts of the country where we will see some areas that are severely disadvantaged in terms of remoteness location. Does everybody here believe that a needs based program is the best way to run?

Mr Church—Just a comment on the needs based program: as long as you recognise that needs that are generated in each area are different, so the needs that are in rural and remote areas are different from those in the coastal and high growth corridors. That must be recognised because the infrastructure requirements are absolutely necessary in terms of dealing with the growth as are the requirements necessary in terms of dealing with the lack of services in the remote locations. Needs differ. I just need to make that point.

Mr Marchant—We were agonising over this question quite a lot because, as an area consultative committee, we agree that we need to target all our needs. We also acknowledge that the needs are quite different from area to area. The feeling is that, until we have a strategic plan that takes in the whole of the region and therefore creates a list of priorities, it will be very difficult to really come up with what is going to be on the funding list and what is not going to be on the funding list.

Mr SULLIVAN—My question to follow that is: there are any number of regions throughout Australia; who is going to do these regional plans? Who is going to be the driving force in creating an integrated planning document, economic liveability, sustainability type document for a particular region?

Mr Marchant—If I might answer that? We saw that as one of the roles of the RDA in collaboration. We have very, very good plans across our region from various localities and organisations. I think it is not the daunting task that it sounds; there are actually a lot of common issues. If I can take up on Rob’s issue about housing, the issue of housing in Cairns is one thing, but the issue of housing in most of our remote areas—and I am sure Don Pollock from North Queensland would have the same issue—the shortage of housing is impeding the economic development of some small regions.

Mr SULLIVAN—Okay. Whilst this inquiry is not about the future of RDAs, we will have some recommendations, I should imagine, as to how RDAs might interact with the new program that the government brings in. If an RDA was to undertake that job that you have just talked

about, and given that there is fairly widespread understanding or belief that the number of existing RDAs will be reduced—maybe not significantly, maybe significantly, I do not know the thinking there—how much additional resourcing would RDAs need to undertake that job, and would that be duplicating resources and capacities that already exist in current organisations, most probably the regional organisations of councils and councils themselves?

Mr Pollock—If I might answer partly and add to Fred’s comments, the structure that is there with the community leadership volunteering to work with the ACC network gives a very high level of coverage to the regions’ needs, especially in our rural and regional areas. I do not see that there would be risk of duplication where that ability and that grassroots feel for the region is duplicated in any other body. It does not exist anywhere else in as collective a view as it could do through the ACC, the RDA network. The people who belong to those regional bodies give freely of their time, and in each of our cases, we have about 60 people who are working on that issue by belonging to various subcommittees of those ACCs, you will not get any better coverage of those regional issues and needs, bearing in mind that those committees are working in a fairly effective relationship with the various state agencies and other regional development organisations. We believe that the coverage is there to a fairly good level.

Mr SULLIVAN—As I say, we are not about to be making recommendations to the minister about how the ACCs might be structured, but I am pleased to have heard you talk about that. I think every four years in the case of local councils we put our trust in a group of people who have a bureaucracy fairly well skilled in doing these things. I am not sure that, were we to be making recommendations, I would want to make recommendations that the ACCs take over roles historically and currently undertaken by councils.

Ms Schier—I would like to make a comment about that, because it is really challenging for us, and I know I have had conversations with the ACCs about how we would go about having a regional approach. If we are determining need, Rob and the others have really described just how different the various are in this particular region. We have to get beyond the squeaky wheel approach where those players who have louder voices get their programs up. We really need to be looking, as I said, at that broader strategic planning where all of the key stakeholders in the region can be brought together, and I am talking about the three levels of government, the economic development organisations, the chambers of commerce—all of the players who really want to have an input into where a particular region goes. I know at this stage that RDA has not determined exactly where the region would be, but I know that Advance Cairns has changed its name to Advance Tropical North Queensland to try to encompass the regions, and it is looking at how it will work with Townsville enterprises. We are trying to get some sort of structure there where all of the players would be able to be involved in some sort of strategic planning. We have been talking about a sustainability framework as well, because given the broader drivers that we have, knowing about peak oil and climate change and all of those really, really bigger picture things that are going to have an impact on us, how do we ensure that we develop in these broader regions without damaging the resources that we need for that sustainability?

ACTING CHAIR—Can you remind me who were involved in that strategic planning besides the council?

Ms Schier—There is a whole range of people. In Cairns, the chamber of commerce, the ACC, the Advance Tropical North Queensland, local councils—this is sort of early days for us trying to

come together and to look at that collaborative leadership. We have actually been talking about a new era of collaboration. There have been quite a lot of changes up here. There is a whole lot of new mayors in the region who want to work together. Obviously we have the changes with the ACC, and we have had the changes in the federal government, so it seems like it is a prime opportunity for us to look at working in a different way.

ACTING CHAIR—I want to canvass in a bit more detail that idea of the strategic planning between bodies, and whose responsibility or role it is in assessing and assisting the development of these applications. Before we get to that, can we just dedicate a couple of minutes here to looking at eligibility criteria before we leave this space of what community infrastructure should be and what the eligibility should be for application, and what are the key gaps? I think we would just like to canvass that in a little bit more detail. Would anyone like to make a point on that?

Mr White—A situation not only of just needs but often what other positive outcomes could come from, say, someone coming through with an entrepreneurial sort of idea in a rural outpost or remote region, so if we just limit it to needs only, would that sort of thing perhaps not get up, whereas it could bring more benefit than just addressing the actual need itself.

ACTING CHAIR—Other thoughts?

Mr Friel—I agree with what Kevin said. I believe there needs to be some sort of division between a regional thing. Coming from regional, the cape communities would be classed in with Cairns and that, and with respect to a regional target, what we do up on the cape has very little to do with what happens in Cairns. I believe there needs to be a real division, and maybe this comes down to funding: a remote funding sort of program and a regional funding program. Regional funding for me is something that affects the whole region; upgrading the Cairns Port Authority or the airport and that would have benefits for the whole region. Whereas, if you throw places like Lockhart or Doomadgee or these small communities in it, what they do there does not really have that much to do with the overall economic benefits to the region, besides some places like Weipa with their mining communities and things like that. I would like to put forward that there is some sort of division, and that budgeting and funding is given to remote communities or remote areas, and then there is much larger funding for regional infrastructure projects and things like that.

Mr SULLIVAN—Could I just jump in there? That is one of the things that we actually have to struggle with: a definition of what is regional. None of us believes that the Bondi Surf Life Saving Club is in regional Australia, but it got funding under the former program. Is there any view in this area, for example, that in terms of this program, which is really made up of small infrastructure or community development programs, that Cairns is regional, or is there some view that Cairns is actually urban and sitting under a different heading?

Mr Friel—I believe that Cairns is classed as urban. It is a large city, and it is only expanding. I would not class it as regional.

Mr Pollock—Our point before was that the large centre is part of the region. It is the central part of service provision for that region. The economy is an integrated one—

ACTING CHAIR—It is the heart from which the region beats, I guess?

Mr Pollock—The rural, the remote and the urban.

Mr Cleland—Trying to delineate what is regional versus remote probably will not achieve anything at the end of the day. When you look at the regional approach here, I think we all recognise—particularly as Peter has mentioned—the difference between a remote area and a regional area. In Cairns, you have a hierarchy, as Don has pointed out, where Cairns is the centre; then you have the Tablelands, Cassowary Coast Regional Council areas that I see as the rural, and then you move into the gulf and the cape where we are talking remote. Getting back to your original question of should we be focused on broader community infrastructure and the like, and issues around liveability, I think that is how you can delineate that, based on where you are. If you are remote, you might have access to fund a greater range of infrastructure or services, particularly getting back towards community infrastructure and infrastructure that makes a community like Croydon or Lockhart River, for that matter, more liveable, to maybe create the opportunity for enterprise and development. In those communities, we are sort of focusing on enterprise development, and we have had some success, but until we have the community infrastructure around those communities, we will never get the human capital in there to really develop those rural and remote communities, and particularly the remote ones that we desperately need to—particularly in our part of the world where we have such a large and disparate Indigenous population.

Mr Church—I would just like to say that I am struggling a bit with this. I seem to be operating in a bit of a vacuum because when I look at the questions that you have raised, they actually cast such a wide net that some of the things would be mutually exclusive. If you want to go into economic development and job creation and pick winners in terms of private enterprise, fine, that is the way you want to go. But, if you want to enhance the liveability of an area and you want to concentrate on community infrastructure, then you should really be looking at a dialogue with local government and enhancing and providing funding perhaps to local government to enhance that community infrastructure. There is an opportunity for a direct partnership in that area. I just feel that there needs to be some sort of definition and classification here so that we know where we are going, and perhaps we need to understand your philosophy.

ACTING CHAIR—Sure. I think the way this committee is heading, and the way the government is heading, is that it is interested in this program being a resource for local communities, not for for-profit businesses. Parliamentary Secretary Gary Gray made that point when he wrote to RDAs saying that he does not see a role for this scheme in picking winners. More particularly he sees it as an opportunity to work with local communities, funding community infrastructure. The purpose of this engagement and this discussion is to set some definitions and objectives around that, and to get your feedback on what the scope of a project like that should be within those parameters.

Mr Church—Okay. That is good to understand, because I think we should spend some time talking about how you would partner with local government, whether it is directly providing funding or whether it is working out a way of working through local government's networks with community groups and others in being able to provide funding for much needed what we might call community infrastructure that enhances liveability that in its own right will facilitate economic development as well.

ACTING CHAIR—Agreed, and let us make sure that we have sufficient time to canvass that in a bit more detail. Can I just welcome Mr Bob Katter, member of the House of Representatives, who has just arrived. John, did you have a point?

Mr Japp—With 300 on CDEP, we need to get our people involved in enterprises that are developing within the Tableland region and within Cairns. We have been trying to do this for a number of years, but we do not get anywhere. We need support from the federal and local governments to work with these remote communities to establish activities. We have a number of major problems in Kowanyama. With respect to the service station, for example, which we all take for granted, we have been lobbying for three years, as Darren knows, to get funding where the old DATSIT retail stores and the Queensland government want to get rid of their service station. It is not even built on reserve land; land tenure comes into it from Indigenous communities. It is actually built on council land, or the community's land. They want to upgrade it. There is a threat from BP to take the fuel away from a remote community of 1,200 people.

Where does the money need to go? It needs to go to these communities for exactly what you were saying. Deal with the local government, deal with the structures within the community itself, and aim for jobs. We have mines being built around us in Kowanyama. Can we get people involved in those activities? No. There is a lot of talk; there is a lot of job opportunities, but we cannot get the employers to look at the Indigenous people in Kowanyama. Apart from possibly ecotourism, there are no business opportunities within Kowanyama. BP will not invest in a service station because we do not sell \$2 million worth of fuel in a community of 1,200 people. Our mayor is not here today, but the community is looking for assistance from the federal government with this type of program that will not only benefit business but also will benefit the people within the community, the liveability as you say. We are facing major problems with the old program, and we are having major difficulty. I have another meeting today. I would like to meet with Michael Kitchener if it is possible, if he is here—I do not know the gentleman. We have a community that has no rate base. We raise about \$8,000 a year in rates, yet we have 182 houses. The state government will not pay rates. It is very, very difficult; we rely on grant funding.

ACTING CHAIR—Bob Katter, member of parliament, is here. Bob, we have a chair at the roundtable if you would like to get involved in this discussion?

Mr Katter—I have some paperwork to go through, and then I will take up your kind offer.

ACTING CHAIR—No problem; but feel very welcome. Before we move on to the next part, Glen had a point.

Mr Graham—I just wanted to concur with what has been said. I think for the federal government's position to get some sort of assurance about the projects that are submitted, they are indeed genuine and have a needs basis. I think the Commonwealth government probably should take on board that local government obviously will vet projects that would be recommended to the government, but in addition, the regional economic development groups have their own project identification that is strategically important to the regions. Similarly the Queensland state government has its priority infrastructure plans. If a lot of these projects have been ticked off and assessed in all of those processes, it should be comforting for the federal government to know that they have gone through the degree of assessment to get to that point.

Generally, if these projects provide benefits to the community at large, that is probably the greatest criteria. If they help to fill the gaps and the infrastructure and services in the regions, then they have met that criteria through those other three steps I have just explained.

Ms Parker—I agree strongly with that comment. I think there is a lot of work that the regional stakeholders have already done in identifying priorities, and are on the record saying that these are particular priorities for their region. I think it makes a lot of sense for those projects to be given perhaps some kind of priority in terms of this program because of the work that has already been done. I think the ACCs or the new RDAs will be able to provide perhaps a facilitation role to make sure that that work has been done and that there is some agreement, and that they can give some assurances about that level of support for those projects.

Mr Wilton—Just a comment in relation to needs and regional significance, I do not think we need to lose sight of the fact that, as Mr Sullivan said, this program is replacing a program that was the one to cover all of those that were not covered. A little sports oval or multipurpose thing that was funded for \$9,000 in Laura is just as important to that community in Laura as a regional gallery somewhere. A regional gallery is regionally significant; the sports thing in Laura is not regionally significant, but it is very significant for that community. I think needs is the big thing. It should be the needs of the community where the thing is being put, not necessarily whether it is significant to the whole of the region.

ACTING CHAIR—I think it was John or Glen who talked about the benefits to the community at large, and it is how you define that community.

Mr CHEESEMAN—I am very keen to hear today what people think of how we might go about identifying where projects ought to go. We have had some evidence from the mayor that growth corridors ought to be considered as a part of the criteria. What about other indicators such as areas that might be in socio or economic decline? Ought they not be also some of the criteria that we might use, whether it be in an area like Cairns or in remote areas? If those sorts of challenges exist, might some criteria around that be useful for accessing the new federal program, whatever that might be, to bring some benefit to those communities, perhaps to try to arrest some of those sorts of challenges?

ACTING CHAIR—I guess that goes to the issue of liveability and need as well. Would anyone like to make a contribution there? Kate?

Ms Sutcliffe—One of the things that we have been aiming for for quite some time is to encourage migration to the more remote areas to take the pressure off the key hubs like Cairns and Townsville. I think it really should be a criterion to encourage increased population in the small towns.

Mr SULLIVAN—How has the ACC up here been trying to promote that migration? Have there been any specific projects, or is it just simply aspirational?

Ms Sutcliffe—I am probably talking more for the regional development organisations who really have been pushing for that. Perhaps Rob Macalister can make a few comments on the moves to encourage migration out to the Gulf Savannah region where you have a number of

quite reasonable small towns, but they would really benefit, and certainly small business would benefit from increasing population.

Mr CHEESEMAN—One of the things that we are also quite interested to hear as an inquiry is where some of the gaps might be in existing funding programs. As people would be aware, in each state there are different state programs operating in a very similar space to some of these federal programs. I am very interested to hear from Queenslanders where some of the gaps might be so that we can at least consider that as we are trying to put together a program that might help fulfil some of the gaps in Queensland.

Mr Adams—You mentioned around the table that we have key stakeholders. Now that the Tablelands Regional Council is such a huge area, it is actually accommodating a number of people, and the statistics are there that the growth in the Tablelands at the moment is just enormous. Actually we have a list of concerns that we would like to put to the table, whether they be state government or federally funded. To start off, we need the link between Cairns and the Tablelands which, of course, would be the Kuranda Range Road that we have all spoken about many times and the importance of having a constant link between there. Also, my colleague here mentioned about the Cairns Port Authority selling the airport; that has a huge impact on whether the Tableland could be looked at as far as future access for freight and general aviation. Upgrades to the airport are significant on the Tableland. As you might all be aware, the domestic water supply up there is also quite critical. Even though we have plenty of it in Atherton, there are other areas of the Tablelands Regional Council that need some careful consideration, and that is of great concern to us at the council at the moment. Health-wise, the Mareeba and Atherton hospitals are both in dire need, as we are all aware. We are the largest shire in Queensland, which does not need to be forgotten, so I think we need some significance there. I have mentioned that we have a population growth, and it is of huge community benefit should the Tablelands continue to expand, which it is lending itself to now. We are in the community eye. We need to bring these infrastructure topics to the table. We are in great need, and I would like to thank you for the opportunity to put this forward.

Mr SULLIVAN—Thank you, Chris, and I think that you would share those needs with any number of areas in the country. But as I was listening, each of those things is not a gap in funding; it is just a gap in priority, if you like. The department of main roads in Queensland does not think that the Range Road is ready for it to spend the money that obviously this community would like to see spent there. I would have much preferred you to have said to us that there are 17 small towns in our regional council that do not have a community meeting hall. That is probably somewhere that there is a potential gap in funding, although it tends to be a council responsibility as we think about it, but councils cannot do all of those sorts of things. I understand that major infrastructure projects and health projects are important, and particularly so to a growing community like this. If my constituents do not read this, it is okay, but I am in what will probably be the northern suburbs of Brisbane, which is a massive growth area at the moment. We are having massive growth there, and we have those same sorts of infrastructure issues.

But this is not the program that will catch up with those. In essence, if we ask the ACC, there probably would not be too many projects that have gone through in this area that were worth more than a couple of million dollars under the old program, and the sorts of things we have heard are fairly expensive propositions. I am not sure that this is the catch-all for them, but I do

want to hear about those gaps. I do want people to say, 'Look, we've had this need for a long time; we've tried everybody else and there isn't anywhere' so that we can start to look at projects that might be appropriate.

Mr White—I think you just touched on the very, very point in terms of having a contrast between where you come from and where the people up here are based, and that sort of thing. In that northern region of Brisbane, you have a rate base, as we have already alluded to. You have, perhaps, several hundred thousand people there who are contributing in some way, shape or other, as against, say, Kowanyama, which has 182 non-paying ratepayers. Therein lies a difference straightaway. You mentioned before about the actual program for anything. The program worked well before, and there would be a lot of other departments that could have been the agency, but they had their own criteria where things just did not quite gel or did not quite line up, so a lot of projects came through that otherwise would have fallen through the gaps and just got lost all together. We still need perhaps an overarching program that can pick up those with a parent department but it just does not quite fit where this criteria is. Again, as you said, you have a rate base and that way you have some sort of capacity to build these 17 halls or whatever it might be that are required in those different regions. But in Kowanyama, where do you get, say, \$1 million to build a hall?

Mr Contarino—I think a lot of the talk today has been about different strategies and different levels of funding for areas, whether they be remote or rural. One of the other concerns I have is that you mentioned earlier the parliamentary secretary was very keen for non-commercial projects. Particularly when you get into the very small and remote centres, there has to be a level of supporting commercial activities. The gentleman spoke earlier about a service station in Kowanyama. That is a huge thing for that community, but you do not want it to be a community owned service station; you want someone at the end of the day to own the majority of that thing and to be able to support that. An engineering works in Croydon that might only employ five or six people at the end of the day will be a commercial activity, but it will not happen unless someone gets it over the line, and this sort of funding might be able to get it over the line. That engineering works that employs five or six people in Croydon will have a bigger impact on that community than a factory in Brisbane that employs hundreds of people. I think we need to look very carefully at the levels. Let us look at a program that is stratified across the levels of rural, regional or remoteness, and perhaps in those very remote areas, the level of commercial activity can be involved as well.

Mr SULLIVAN—Following on from what Ross has said, Darren and Jason were not at the hearings in Toowoomba on Monday, when there was some discussion around the point of commercial enterprises. Without telling you what they thought, I would like to ask you whether you believe that a program of grants to get businesses up, or a program of low or no interest loans, generous terms loans shall we call them, would be a better way to go with the establishment of commercial enterprises?

Mr Church—Based on experience through the Sustainable Regions program and the mire that developed around that, I would suggest that low interest loans would be a better way to go. Grants to businesses is a very difficult area. The criteria for assessing those grants, the criteria for assessing the successful or not outcomes, the controversy that was created around our area when one business got something over another, the perceived competition, unfair competition—there is just a myriad of potential problems. I would suggest that if anyone is serious about

starting a business, at the very least a low interest loan would be appropriate, because at least then there is some incentive for the person doing the business planning to build in repayment of loans and the normal sort of financing that people would undertake. That is just a comment. I would be very careful about giving money to businesses from that perspective.

Mr SULLIVAN—I would like to throw that to Peter now, because he spoke about the motel which I am sure was built with the assistance of grant funding. I do not know about it; I am just guessing.

Mr Friel—That is right, Jon. The actual aerodrome company is a company owned by the council. It is a council controlled entity. The overall cost was about \$1.6 million for the motel set-up. The majority of the money came from the aerodrome company. It was not that we just went out and got all federal and state government money sent to us. We paid the lion's share of it, and from that we are benefiting. I agree with what the CEO of the Tablelands was saying with respect to the commercial enterprises coming in. They should only be involved in low interest loans and that sort of stuff. That is fine for areas like Cairns and the Tablelands where there is a lot of industry, but if you want to encourage someone to come into Lockhart or Kowanyama, there has to be some fairly healthy incentive. They will not come in there based on getting a 3 per cent loan or something like that. These are the incentives now. If you want to see these remote areas grow, these are the sorts of things that have to be done.

Ms Leu—I do agree with what Peter and Ian were saying; I think there needs to be a mix because of the different nature of various areas that everyone else has discussed. I actually really wanted to go back to another point. When I walked in, you were asking about needs and gaps, and then you went on to criteria. I am not sure if I have missed something, but every single person in this room represents organisations that all have some variation of a plan—a regional, community, economic development plan. If you are asking those question, the only way the new program can be developed to identify what those needs criteria and gaps are is to have a coordinated approach and to have a community and economic development plan across the region or the identified boundaries that you are relating to. There was some query of whether there was a need for a regional plan. That sort of worried me a bit.

ACTING CHAIR—They already exist; it is a matter of—

Ms Leu—They do, but they need to be put together, because otherwise you will never get a coordinated approach, and you will never get a fairness in terms of what needs are, and from that plan, that develops out to the criteria.

ACTING CHAIR—Okay. This sort of draws us down to the last point on the first page, which I want to get to pretty quickly, but Darren had one more comment.

Mr CHEESEMAN—Just hopefully a fairly straightforward question of Peter. You mentioned the hotel development on a number of occasions. In that instance, was there already competition in that marketplace, or were you actually bringing in a new business to an area where there was actually no other competition within that community for that sort of business?

Mr Friel—Yes, there was nothing at all. It was a totally new business, and we saw a need. It had been something that had been looked at for a long time. For an area like Lockhart River,

really its big chance of development is ecotourism; that is where it lies. There is no mining up that way or any of that sort of stuff. We saw this as a catalyst project for other enterprises to hinge off, which is starting to happen already. Even though they are small steps, a local Indigenous person has set up a hire car company. He has leveraged off the motel. He would not have done that business if the motel was not there. We are having talks with fishing charters, getting people to set up fishing charters. We saw the motel as purely a catalyst project to bring in these new enterprises. It would have been better for us to leave our money invested and just live off that. This was not a money making venture for us at all; it was a sort of community development project.

Mr SULLIVAN—But, does it make money?

Mr Friel—Oh yes, it is profiting very much. It is in the black, so that is good.

ACTING CHAIR—Darren, the last comment on this section, and then we will move on.

Mr Cleland—Just in relation to that, as far as this argument about whether enterprise should be supported or not, I tend to agree with Peter that there may be special circumstances in relation to rural and remote areas. As far as the old previous Regional Partnerships program is concerned and its predecessors in other shapes and forms, we only provided capital funding to two programs under that program with the federal government. One of those was the Lockhart River aerodrome. As has been pointed out, there was a need there. There was no commercial accommodation available; there was no ability for anyone to invest, but the situation has changed slightly in relation to the ability to lease land in communities. However, we are still talking a long lead time until that happens. We recognise in the case of Lockhart River that there was a market failure and there was a real potential for a relatively small investment to have a huge impact and a lot of flow-on benefits to that region. I think Peter has illustrated those very well. The point he has made is that it is making money. The other one we invested in, which should be open soon, is Mareeba Softwoods. Once again, it is in a rural area. We did invest with a private company, but in this situation, we are talking about a softwood mill to basically process a massive forestry resource that we have here in Far North Queensland which will employ up to 72 people. In that case, the reason we invested capital into a project closer to a rural or urbane area was particularly based on those significant employment outcomes that will be generated in the Tablelands Regional Council area. There are opportunities to make strategic investments which will create employment from a private sector perspective rather than just focusing wholly and solely on—

ACTING CHAIR—Thanks, Darren. I think we have had a good discussion around criteria for a future scheme. I would not mind now moving on to the decision making process in a bit more detail. There has been discussion about numerous regional plans that are done by economic development committees or RDAs or local councils or even regional organisations of councils. The question that is asked at the bottom of that first page is one that I would like to discuss in a broader sense. It asks: what should the role of RDAs be in assisting and assessing applications for the new regional and local community infrastructure fund? I am interested in hearing some of the preliminary comments that have been made about the importance of bringing together RDAs, economic development committees and local government to identify what those real needs or what those priorities should be. We have heard before that sometimes local governments end up with projects that are not at the top of their priority list, or they end up with projects where they

might be required to maintain those assets over time. I am interesting in fleshing out or teasing out issues around what the role of the RDAs should be in assisting and assessing these applications, and include in this discussion what the roles should be of local government and economic development committees, and even regional organisations of councils. How do we go about deciding what these needs are and, more particularly, what the priority projects should be?

Mr Contarino—One of the things that is very important is that regional communities do work well together. They do not draw lines in the sand. They are happy about sharing information and priorities and what not. This bald palette of mine means I have been around for a while, and in a past life, under the previous Labor government, under Deputy Prime Minister Brian Howe, there was a program called the REDO program. I was involved in that process. The very first thing that those organisations were asked to do was to pull together a regional plan for their regions, and from that, work on priorities and issues and what not. Having been involved in that process, people were very generous with their information. We were able to tap in, and Don spoke earlier about the ability of groups like this that have all of these people that volunteer their time. That is a very important thing. People are out there passionate about their communities, whether they are very small ones in the gulf that Rob spoke about, or regional centres or others, but there are people out there who are willing to give up their time to look at these issues.

Working very closely with the regional councils and city councils is a no-brainer. They are happy to do that. They realise that everything on their own wish list is not going to happen tomorrow, but they would like to see it in some sort of plan that it might happen in the next three to five years. Then they can look at the priorities around them and say, ‘Okay, we realise that this is important to us, but this other thing in our neighbouring shire is more important’ and they can see that that fits into a process. I think the RDAs have a role in pulling that together in conjunction with all of the other organisations. I have only been in this role for three weeks, but I have seen a great willingness for people to work together and to be able to have a single goal, and for councils, regional development bodies and other groups to all pull together under some auspice, and that auspice could be the RDA, to be able to achieve a single goal.

Mr Marchant—When something works, I am very keen to keep it going. I have had the experience in the last four years of working with the sugar industry reform package. If I could use that example of how I see a future for our region pulling together and prioritising its issues and fund those, as you are all quite aware, the sugar industry is a fairly dysfunctional and fragmented beast at the best of times. But, over a course of time, with our regional advisory group, we were able to pull together a very focused strategic plan, so when applications for funding came up—which were also called regional and community projects—we were able to target particular projects and say, ‘Right, they are on the top of our list of to dos on our strategic plan’, and they were prioritised and put forward. It took away a lot of the squeaky wheels of people with more ability to apply for funding than others. It also gave a chance for that organisation to work with, say, an example where we had several applications for similar things across the region. As the organisation helping and assisting those people to put together those applications, we were able to help them put a quality application together and also to work collaboratively and to sign a memorandum of understanding that, if they all got funded, and we could fund each of these together, they would work together and therefore the greater good would be achieved. RDAs being there to assist and assess applications could be a viable role, but only—and I am going back to the strategic plan—if there are clear guidelines. Otherwise it will always be competitive amongst neighbours to a great deal.

ACTING CHAIR—I think we all agree that understanding criteria and guidelines will be central to this to make the system work. Let us make the assumption that they are established; the next step is: how does the decision making process work, or who is involved in that? I am interested in hearing from local government on this. Any contributions or thoughts from local government about the role that you should play in helping to assist or assess what are the top priorities for your area?

Mr Wilton—Local government is on a bit of an eggshell here. More often than not local government will be the proponent or the applicant for one of these programs, and that has generally come from our communities. We do not just get into our council chambers and think up bright ideas. Our communities bring them to us and ask for our support or ask the council to take it on to build up the initial plan to a draft where you can throw it to a funding body. The councils have generally made the assessments themselves against the criteria that are in place. There needs to be criteria in place; however, I would like to be flexible enough so that, if the next project I get is not within the criteria, we can bend the rules, but you cannot do that in the real world.

ACTING CHAIR—Would anybody else like to make a contribution on that point?

Mr Contarino—In another past life I was a federal public servant with the innovation programs. Those programs all went to a single board that is now called Innovation Australia. It used to be called the R&D board. I think system worked very well. It was at arm's length to the department and at arm's length to the politicians. It meant that our people could look at those projects objectively. There were no conflicts of interest and those sorts of things, and it meant that the process worked very well. If some sort of board of learned gentlemen and ladies were put together to look at these projects, I think that could work very well.

Mr SULLIVAN—Thank you, Ross. I am just wondering: arm's length from the department and arm's length from the politician, but a board like that would also be arm's length from the communities that are all over this country. I am anxious to see that there be some level of community involvement or direction, if you like. At the end of the day the minister or the parliamentary secretary with carriage of this area will be the one who signs off and makes the final decision in that regard, but I would not like a board in Canberra necessarily to be considering a project at Kowanyama, one in Cairns, one at Bondi and one in the Barossa Valley to try to work out which one had the greatest social benefit.

Mr Pollock—In our board's consideration of this important question, we have made a fairly detailed written submission addressing that issue. Largely we agree with what Ross has said, that it does need to be objectively done by a board. The important thing about the community and the RDA is that they are adding weight and analysing the issue, the opportunity and the need, as Rob has said earlier this morning, which gives rise to the opportunity for a particular project. It is important that those projects are assessed objectively and we believe that you can compile a specially convened board. It is not a Canberra based board; it can be based from community people, but they are there with a particular clarity of purpose and a role, a charter, where they will work in an area of a specialisation. We could have a board for social inclusion, or a board for housing, or a board for rural and remote economic development. We believe that that is a better way for those types of projects to be given a fair assessment, a fair crack of the whip. It

addresses a lot of the needs and issues that were identified in last year's Auditor-General's report.

ACTING CHAIR—Are you talking about your local RDA having different boards for different issues?

Mr Pollock—No. We do have regional boards. Our ACC is composed of seven regional boards. We have an area of 390,000 square kilometres; we have 15 local government areas; we have 15 communities. They are very diverse. We have made that point in our submission, and that is a strength of our regional economy. We are referring to a process which is somewhat similar to the ARC where applications are ultimately made on the basis of what the government is issuing as policy. We have particular areas of request. They are the needs of regional Australia. When the application for funding is made, it should be reviewed and assessed by a specially convened assessment panel. I think I can refer you specifically to the submission that the NQACC has made to Brian Lloyd back on 14 July. I am happy to take any further questions on that later on.

Mr CHEESEMAN—I actually do have some thoughts on that, and I have not had the chance yet to acquaint myself with your submission, which I will do, of course, in due course. If we were to go down that model where there is, to some extent, a board that determines, I suppose, projects against set criteria along the lines that you have suggested, what role would the RDA play within that? Would it be effectively the advocate of the project rather than the body appointed to make the decision or make a recommendation? So, you would be the advocate rather than anything else?

Mr Pollock—Briefly it would not be the applicant. The RDA is the regional coordination of the voice of the need, as Rob Macalister elucidated earlier this morning, and they are probably the champion of the business case for the issue to be addressed, not necessarily the specific project but the significant issue for the region. When a suite of projects can be raised to address that particular issue, the RDA should be involved in assisting with the development of each of those projects, but we have interpreted from the Auditor-General's comments last year that it is very difficult for that same body to be also passing a final judgment on whether that project should be funded.

The analogy is the squeaky wheel. Everybody's squeaky wheel is the noisiest and is in the most urgent need of money. We stress that we need a structure that enables objectivity, clear-cut criteria. All that we are talking about here is a transparent process with guidelines. That will only be achieved if we do have RDA with convened purpose built assessment panels. They do not need to be Canberra based. We believe that there is an opportunity for the whole of the nation, every RDA or community organisation, to contribute people to sit on those boards.

ACTING CHAIR—Donald, do you have any thoughts on how that board or panel should be composed? Is it included in your submission?

Mr Pollock—We have made some suggestions in our submission. Briefly we would envisage some people of particular expertise in those nominated areas, such as social inclusion, housing and marginal economic development, but the incentive for the RDA network to contribute to that is to draw some or half of those members from the individual regional bodies. It is an incentive

for Professor Peter Arlett here to continue to support our ACC because Peter Arlett might aspire to sit with his national colleagues for three years and review the nation's submissions on affordable housing. We would also specify that the chair of each of those panels should come from the region rather than be a Canberra based person.

ACTING CHAIR—We will go to Ross and Robert, but Professor, I think you had a comment that you would like to make?

Prof. Arlett—Thank you. I would like to just back up what was said there. I do not like being comprised and told I have to do another three years on this, that and the other. I have also been particularly quiet through this meeting, which is unusual for me, but I appreciate that around me everybody else has hands-on experience in this field. I am very much a committee man; I sit on the ACC; we attend the committee every couple of months and we look at this, and some things happen, some things do not, and it just goes away. One of the words that Don used there, which is not anywhere in this document that we have here, is transparency. That is the one thing that worries me, and if there is not more transparency, I do not want to see anything more of any system like this at all. I am very conscious of the amount of work that goes into submissions, both by the people who prepare them and particularly by the staff of the ACCs who do work their guts out, there is no doubt about it. When they come forward, usually they are pretty impressive; some you can see are weak, obviously, but they are quite impressive, and as far as I am concerned, they disappear into a black hole. It is called—I do not know what it is called, I do not have all the acronyms they have on these things. We are not involved in it, but it just disappears into a black hole. It goes up there somewhere or the other, and we hear hardly anything about it until it comes back to us in a roundabout route to say: you have it or you do not have it. There is just no transparency, and this is not good. I will leave it at that for now.

ACTING CHAIR—Thank you. Let us go to Ross, and then we will go to Robert.

Mr Contarino—I believe that the role of the RDA is to be an advocate for those communities. Obviously the program will have a range of criteria and an application form and all those sorts of things, but I think it is the role of the RDA to work with the applicant to make that application as good as it could be. A lot of the time, it is a lot of hand holding, going backwards and forwards and getting the answers to the questions correct, and getting all of the complementary information correct. I think it is their role to get it as good as it could be, and then it goes off. We have spoken earlier about some sort of board that it would go to, and then be assessed. I do not think the RDAs should have a role in assessing that at a local level. Obviously they would be very keen on any projects that come from their region, so it is hard for them to be totally transparent. But their role is to get it as good as it possibly can be before it gets to the next level.

Mr Macalister—I think somewhere in this debate we need to recognise that the state does prepare regional development plans. In the gulf, we have the Gulf Regional Development Plan that covers seven shires. That plan is driven by a regional planning advisory committee comprised of seven mayors plus other key stakeholders. The plan is holistic; it covers everything from economic development to community infrastructure to transport. In FNQ it is a bit different because their regional plan has become more of a land use plan, so it may be missing there, but certainly in the gulf and northwest Queensland, we have regional development plans in which mayors and other key stakeholders have invested a lot of time in their preparation. For small

communities, and especially for Indigenous communities, people are planned out to some extent. If we are going to do planning, it has to be associated with outcomes. We need to avoid duplication in setting up new plans and new management structures for the sake of a contestable grants funding program. That is the point I would like to make.

ACTING CHAIR—I am conscious that we have about five minutes before we take a break, but I started this discussion with an interest in the role that local government plays. We have had a lot of good conversation about the role of the RDA or the old ACCs in assisting and assessing these proposals. I am keen to come back to the idea of where local government fits into this process, because they do have their own priorities. Would someone from either local government or the ACC or RDA model like to comment in terms of: here we have an elected body of people who are designed to represent the needs and concerns of the local community; how do we make sure what they recognise as a real priority becomes something that RDAs invest a lot of their time and energy in supporting? Donald?

Mr Pollock—Briefly, our ACC would not exist without our 15 local governments supporting us. In our rural areas, if the local government is not involved or driving something, or very near driving it, it will not happen. They are the wheels of our regional engagement.

Mr Adams—In regards to the future development, and specifically employment, community benefit—that Jon was talking about earlier, the mining and exploration resource area in the Tablelands at present is looking for approximately 2,000 employees as the mines get up and running. This is a new area where we have not explored before; nobody has actually got involved in this to any great length. It is just about to blow out of the water, there is that much potential up there. The local Tablelands Regional Council is directly behind it. We certainly want the community growth; we want the people there. Hypothetically if there are 2,000 employees, they may well bring their spouse with them. There could be a doubling of that number. Consequently the housing—and referring back to Jon Sullivan’s point—and the community welfare of these new towns that will be developed is massive. There is employment and future growth, and referring to what Ian touched on earlier concerning low interest rate grants, the region is ripe for future development. It is up there ready to go. We certainly need a hand, but from the local government’s point of view, we are behind it, but we certainly need the assistance of the state and possibly federal government.

Mr Wilton—Local government fits into the scheme of things in the hierarchy. As I said before, the community comes up with ideas or a need, and it generally comes through the local council. Generally there is more than one need within the community, so the council goes through that prioritisation process and helps get the applications together through negotiations and consultation with the ACC or, in this case, the RDA when it starts, and they forward it on. As the other gentleman said, that role is to make that application the best that it can be to help that community achieve its goal. So, local government’s place is as a conduit to get the applications through.

ACTING CHAIR—What do we do when local government and the ACC disagree, where the ACC thinks this is a terrific project that we want to assist and help put through the process, but local government thinks this is way down the pecking order of the things that we think are important?

Mr Wilton—That has probably happened in the past, but at the end of the day, if the local government is the applicant, and they disagree, they must find another funding source if they can. If the local government is not the applicant, I do not think it is the local government's place to be throwing their two bob's worth in and saying, 'This isn't necessarily our highest priority.' I am sure the ACCs look at each individual application in line with what they perceive to be the needs of the community. They will certainly consult with the councils, and they do, but I do not think the councils are the be all and end all for a project within its community.

ACTING CHAIR—They do not need a special form of veto power over the decision making process?

Mr Wilton—No, and I think that would be wrong, personally. Local governments are elected representatives, but they are not the be all and end all of every community.

Mr SULLIVAN—Can I just ask how many of the former programs' projects went forward in your area where the council was not one of the people, if not the only group, providing the matching local funding?

Mr Wilton—I could plead ignorance; I have only been there about eight months. I do not know personally of any project where the council was not involved in the matching funding.

Mr SULLIVAN—That ought to give the council a pretty decent say, one would think?

Mr Wilton—Generally council is the one driving these projects. The members of the community identify the need and say, 'Geez, we need this'—whatever it happens to be, but they have their lives and their production and their work to get on with. They do not have the resource, the knowledge or the facility to actually build an application, do the necessary research and get it off as a good application that has a chance to stand up. That is generally where the local councils come into it.

Mr SULLIVAN—I think that probably is another thing that differentiates an area like a good portion of my area with some of the areas that you folk represent, because where I am there are a number of applications where the council was not involved. That is not a bad thing; I think it is a good thing.

ACTING CHAIR—I have just been told that we will be advised 10 minutes before the event starts, so we will keep going with this discussion until we are told that morning tea is ready. Darren had a comment, and then we will head over to Frederick.

Mr Cleland—Just in relation to local government, I think there is certainly a role there. In our case, I suppose, in Far North Queensland, of most of the previous projects that were funded by the federal government, it would be fair to say that the majority in our region were probably private sector. Over time there has been a disconnect between the structures that have been in place with local government particularly, and probably even to a greater degree with state government. That is where we have really missed two opportunities, I suppose: one particularly by having the state government involved to be able to access our rigor and expertise in relation to opportunities in the region, and as Rob pointed out, the state government involvement in regional planning through a range of processes throughout the area, and as part of that, you also

have those existing local government structures and the like, planning committees, in the region which I think need to be considered into the future. As you would be aware, those structures vary from state to state. From a Queensland government perspective, we think it is very important that you do not take a one-size-fits-all approach. There has to be the opportunity to acknowledge the regional development policies of various state governments around the country as well as local government, and it is imperative that particularly the state government and local government are formally brought into the process.

ACTING CHAIR—How would you do that? Would they be involved in that assessment process, or would they be involved in the assisting and developing up of ideas?

Mr Cleland—I think from a state government perspective, if we were going to be involved in a project from a funding perspective, which we have in the past, we would certainly want to be part of the assessment process. That is not to say that we would be part of a standing committee in the region, for example, but that may be the opportunity as well. There is the opportunity to leverage by having all the levels of government involved.

ACTING CHAIR—I think that is absolutely necessary in order to get everyone around the table so that everyone knows what each other is doing as well as being able to identify the real priorities.

Mr Cleland—That is where the state government can help us in that area of priority identification, just by virtue of the fact that the state government is leading the regional planning processes right across—

ACTING CHAIR—That is where the value is in terms of identifying where the priorities are, rather than in ticking boxes or saying what projects should get up or not?

Mr Cleland—That is correct.

ACTING CHAIR—I think I promised Frederick a comment, and then we will go to Ian.

Mr Marchant—I just highlight the fact that, from my experience with the way our area consultative committee is operated, and again going back to how the regional advisory group operated, you have at officer level that assistance in getting the application to its very best. It is also quite a bit more than that. It is a chance to filter off projects that should not go forward, those that just do not align with strategic plans, for instance. You may also at that officer level be able to shift that project over to another agency, another government source. It also gives you a chance to look at partnerships with other agencies in that particular project. That sort of process of initial filtration takes place. When it gets to the point of being to the board level, hopefully and theoretically, you should have a board that is then seeing this thing for the first time. It has had no dealings with it before. The board members are seeing it in the cold light of day. It is also a board that is not representational in terms of districts, areas or whatever; it is a board based on skill. There is some representational part to it; in fact, on our particular ACC, we have members from different local governments and so on. You would hope that your board would be a skill based board and would assess the project as it aligns to a strategic plan. My experience in the last four years with the sugar industry was that we were actually not ticking off every project, just because it came from our region, and we knew we were competing against other regions. We

just simply did not tick these boxes because it did not align with our strategic plan. I think that is possible to achieve. It comes with the right training and the right skill base. I think boards have to be trained, and officers in the field have to be trained.

Mr CHEESEMAN—Just to follow up on the whole planning process, I suspect there is no one here that has the view that plans are not important. They are very important for getting regional development right. We have heard evidence that local governments have plans, that the former ACCs have plans, and of course the Queensland government has plans for the area as well. How might we work to ensure that those plans are very much integrated as a holistic planning document for the community that deals with a number of issues—economic opportunities, liveability issues, and so on and so forth—so that when applications are made, whether it be in the first instance via local government or whether it be via the state government or whether it be via the RDA that the plans are all lined up so we are actually not competing against one another, that we actually do have a fairly united view about some of the important things for our region; how do we do that?

Mr Pollock—The structure for the strategic vision in the NQACC is composed of—I might quote three or four of these things. We have our RPACs. We have three RPACs, state government Regional Planning Advisory Committees. We have components out of the northern economic triangle in our regional plan. We have Townsville Enterprise Limited's strategic plan. We have an organisation called MITEZ—Mount Isa Townsville Economic Zone. We have a Mount Isa Economic Development Group. We have a particular local issue in Charters Towers, an association between the shire and the Chamber of Commerce, which has a business retention strategy. We have three NRM regional board strategies. We have a generic program from the state government called Blueprint for the Bush. All of those regional visions and actions are component strategies of the strategic vision that the ACC members are maintaining. That is the basis for the evaluation of issues, so we are not duplicating but using all of those things as component plans and strengths for the argument for the region.

Mr CHEESEMAN—I am very pleased to hear what you have said. I suspect as we get to some other locations that there is perhaps not that level of cooperation that you have been able to demonstrate. Would you make a recommendation that we sort of pick up the planning approach that you use and try as best as possible to make it part of the new framework? I suspect that in other areas there has not been that level of planning and that level of cooperation that perhaps has been demonstrated here.

Mr Pollock—The answer is probably yes, because we think that it works best. It is the best approach that we can adopt, given the high level of participation from state and local government, but also the motivation. I can supply a draft document of that, if you want to take it with you.

ACTING CHAIR—I see the real value in condensing the strategic plan across a number of different agencies for an area into a document that an ACC or applicants can use to understand where their ideas and plans fit within that. Is that something that ACCs are doing at the moment? Have they been able to turn what might be a mountain of paper and strategic work into something that easily captures the strategic planning for an area across agencies?

Mr Pollock—The mountain of paper is certainly right. There is an awful lot of activity going on, and a very common criticism of dealing with these issues from local government is: here we go again; another talk fest, another forum. All of our ACC members from our 15 local governments all stress the same thing: we have done it once; we now rest our confidence in what we, the ACC, are doing. It is the only way that we can see that we can give adequate, efficient representation to what is coming from the RPAC and what is coming from the individual local governments' wish lists or their strategies. Of course, we are backed by those three or four regional development organisations as well. I know now we are talking about RDA rather than the regional development funding, but we certainly see the role of the RDA as being simply that coordinating and collating effort to make sure that those issues are efficiently and effectively represented, that they are current, and that they are clearly developed so that our objective for the region is clear. We remove confusion; we remove the squeaky wheel; we remove the motherhood statements. We have to try to give some substance to those issues or the needs as they are defined for the region.

Mr Contarino—If I could answer Darren's question, he said that maybe in other places plans are not available. I think Australia has been planned to death over the last 10 years. There are plans everywhere. There are local plans from local authorities and all sorts of things. I do not think we should be looking at reinventing the wheel; it is just about consolidating all of that work that has been done, and saying, 'Look, for this region, here are all of the plans that have been done; let us get them into some sort of a sense', and I think that is what we need to do.

Mr CHEESEMAN—I do not think I was indicating a lack of planning. What I was indicating perhaps is that there was not one document that sort of oversaw all of that in many areas. There are a lot of documents that are competing directly against one another. I certainly do think it is very important that we do have that one bible that is the regional plan that encompasses all of the work that has been undertaken. That document then can be very much used as a very strategic tool for determining projects and so on and so forth.

ACTING CHAIR—One final comment perhaps from Frederick. I am told that the Prime Minister is here or about to arrive, so we will make one extra contribution to this part of the discussion and then we will break for morning tea. Frederick.

Mr Marchant—I absolutely agree with my colleagues here and statements made about being over planned and that we just basically get together what we have already. To add another dimension to that as well, what has occurred over many years is that we have worked as ACCs in our regions, and I am talking about the Torres Shire, Northern Queensland and Far North Queensland ACCs that have worked collaboratively in crossing the fuzzy borders, if you like. We have actually shared resources and shared a joint venture and issues. The Small Business Answers Program that we housed here in Far North Queensland worked also in the Torres Strait because small business issues are the same up there. We also took some of the territory from the Townsville based northern Queensland ACC because it just was a practical way of dealing with that business. We are already talking between ourselves, and we continue to do so through this RDA process about how we can make that more formal, if it needs to be formalised. This is not just about our region, but sometimes three or four regions together may need to work together, and I think we need to have that ability to do that.

ACTING CHAIR—The flexibility to do that?

Mr Marchant—Yes.

ACTING CHAIR—Okay. Thank you very, very much. What we will do now is break for approximately one hour, and when we return we will come back and begin discussion on topic 2. The reception is downstairs in the Civic Reception Room. Everyone is welcome. If you do not have a name tag, name tags are being handed out and can be prepared for you. Thank you very much.

Proceedings suspended from 10.44 am to 11.52 am

ACTING CHAIR—Welcome back. I want to now move to topic 2 and spend some time talking about the application and assessment process and seek your advice and views about how the previous system operated, what was right about it and where it let proponents down. Professor, you made mention in evidence earlier today about the importance of transparency. I am interested in what a new application process should look like, the transparency of the previous system, whether there are concerns about the time limits of the way the process worked in the past and in the same breath how quickly the process should work into the future, and the nature of the system that should be put in place to make sure that applications are processed as quickly, as timely and as openly as possible.

There are a number of subsidiary questions on pages five and six of the documents that fall out of this discussion, particularly regarding the nature of who should make the decisions and what those time frames should be. Can I open it back up to the floor for some commentary on how the system has worked in the past? Brad, what are your thoughts?

Mr Duck—From the viewpoint of the Coast Guard in Cairns, we put applications in for the purchase of a new vessel. At that time it was relatively urgent as an inshore rescue vessel. We are a volunteer organisation that requires funding from various sources, wherever we can get funding; we will accept the money from anywhere. This was a partnership agreement so we applied to the Queensland Gaming Commission for the motors for a boat. For this project we applied for the actual boat. I had assistance from the local area consultative committee with the application, which was great. It was such a long time between submission and approval that the Queensland government were about to say, 'No, you are taking too long to get the approval for the boat, so there is no point having the motors if you haven't got the boat.' We nearly lost the whole lot.

ACTING CHAIR—What sort of time frame are you talking about here?

Mr Duck—I am talking about over 12 months. At the time we wanted to buy this boat, the one we had was actually leaking. We were trying to provide a rescue service for the local Cairns area with a leaking boat, and it started to be paramount that this thing be replaced. We have got the same sort of problem now with volunteers; there are so many people after the same dollar that it makes it very difficult to get the money out of the community so we have to get the money from other grant type areas. At the moment, the Coast Guard up at Port Douglas is operating offshore with a six metre vessel. The Prime Minister was out at Low Isles this morning. They are currently trying to buy a new, bigger boat. They did have a bigger boat that got past it and had to be sold and now they are just trying to operate with a small six metre tinny basically. They are restricted; they cannot go out past Low Isles, but that reef goes out to at least 40 miles, which is a huge area to cover, in terms of square miles. I probably speak for a lot of the volunteers, but it is in areas like this that we need assistance with the provision of the equipment. I have been listening to all the regional councils but we have an entirely different outlook. We are not going for jobs, although the Coast Guard does train people up to skipper area and so they could then go across to the commercial side of things.

ACTING CHAIR—Before I go to Darren, can I just ask you the question, Brad: what is the most important thing that you would like to see come out of today's forum or the discussions

that we are having around the country? What would you like to see different about a new system than the one you experienced?

Mr Duck—I would like to see a cut-off time, a period whereby applications are submitted by a certain date and the decision is made by a certain date. At least then you would know where you are going. If you are expecting a decision to be made on a certain date, you are going to get a yes or a no and you will know where you are going. To be held in limbo like we were in this case was quite off-putting for everybody.

ACTING CHAIR—You are looking for certainty?

Mr Duck—Yes.

Mr CHEESEMAN—Brad, I am interested to know some further details on a number of points you have raised. Your application indicated that it took more than 12 months. During that period, were you getting any sort of informal feedback that there needed to be aspects of the application reworked or was it actually just a period of 12 months where nothing whatsoever appeared to happen?

Mr Duck—I think one of the members around the table alluded to what went on up in the Tablelands. I think that caused a bit of a hold-up in the whole thing. It was all put on hold for a while so that was probably a little bit out of the ordinary.

Mr CHEESEMAN—You indicated that you felt that there needed to be more of a defined process. Would you be of the view that we ought to have different rounds of applications, so that we open it up, people apply and then within a defined period of time a response is made to the application as opposed to the previous model where effectively it was always open and there were rolling applications? What model would you prefer to see?

Mr Duck—Yes, I would prefer that rather than the open ended one that just goes on ad infinitum. If you have a defined time to put your application in by, and also then a defined cut-off period, you are going to get a definite answer. Further back before the partnership agreement I submitted applications for assistance to purchase part of a building under the previous arrangement. We were completely unaware of the assistance provided by the likes of the ACC. In this application the ACC, here in Cairns, put a hell of a lot of effort into helping me with the preparation of that application. The applicant, the little person who is going to get that money, should be aware that these places exist. Initially I was completely unaware of that.

Mr CHEESEMAN—If we were to go to that formal application process, presumably there would need to be a degree of communication to the community: a round is now available, you have three months to submit your expression of interest or whatever it may happen to be to the ACC. There would then be a period of time during which it is worked through and built up into a formal application and submitted. Following that, a decision is made, one way or the other, in a period of time and with transparent reasons behind why an application has either been granted or rejected. Is that the sort of process?

Mr Duck—That is precisely what I was getting at. Some of the Queensland government grants such as the casino grant and the Gambling Community Benefit Fund have a specific time

by which you have to have your application in and you know what the turnaround time will be. You know where you are going with that. For our volunteer organisation, it costs \$50,000 to \$60,000 a year to run the boats here in Cairns. Where does the money come from? We have to go and sell raffle tickets even to get those boats operational. We run an \$800,000 boat, but where do we get the money to buy it?

ACTING CHAIR—Thank you, Brad. Jon, I know you have got a comment.

Mr SULLIVAN—I would like to get a couple more comments from Brad. I think this is part of where we might see the kind of gap that a program like this could fill. I heard about \$300,000 boats and \$100,000 to put fuel in them when I was at the volunteer marine rescue function recently. Can you tell us what assistance is given through the state emergency services department to the volunteer marine organisations in Queensland? Also, what is the amount of additional funding that you have to do as a—I do not like to call them not for profits, I call them social profit organisations?

Mr Duck—Currently the Queensland government gives the Coast Guard I think it is \$20,000 a year for the provision of the service. All our vessels have got to be in survey and they also provide assistance to help us keep them in survey, that is for the provision of flares and electronic position-indicating radio beacons, EPIRBs, and things like that, because that is a requirement of the survey. With respect to the other funding, that is where we have to go out, knock on doors and sell raffle tickets to provide that fuel you are talking about. I mentioned the maintenance and that is something else. We are about to take our major vessel out of the water in the next month and that is going to cost—

Mr Bramich—\$140,000.

Mr Duck—\$140,000 just for refurbishment of that boat. Some of that money is being provided by the Queensland state government. They provide each unit with \$100,000 every ten years for either refurbishment or replacement of vessels, but that is every ten years. I mentioned Port Douglas who are trying to get another \$50,000 to bring them up to the \$400,000 they need as they are looking to purchase a boat. It is in limbo at the moment. The government has agreed to provide them with \$100,000; they are still short \$50,000 for the purchase of a new vessel so they still have to persist with the small one. I do not know whether that helps?

Mr SULLIVAN—Essentially the state government gives you a modest amount of money each year to offset the fuel costs, in your case it looks like about 33 per cent of what your fuel bill is. Every ten years and can pick up \$100,000 for equipment and then it looks like they may also contribute towards the purchase of new boats but not buy them. Is that the situation?

Mr Bramich—Can I respond to that? Basically the \$20,000 we get from the state government is just to cover the normal operating expenses, not necessarily fuel. Our fuel bill for the last calendar year, 2007-08, was about \$30,000. Some of that comes back in donations from people we assist, other bits of that come back from, for example, the Queensland Police Service. If we do a job for them they just reimburse us for the fuel. Basically we get the \$20,000 for operational expenses. We get around about \$5,000 a year to keep the vessel in survey; that is for servicing life rafts, replacing lights on life jackets, flares and that sort of thing. The rest of the money we

fund raise or we get from what we call our rescue club, which is where boaties can join as an associate member and they help to contribute towards our running costs.

For any capital type expenditure, basically we have to go for government grants or council grants. That is where there is a gap in the Commonwealth funding. Once the Regional Partnerships ended, about the only grant that is available to Coast Guard units is the volunteer small equipment grant which I think is for equipment up to a value of about one thousand dollars and I think is available once a year. Small units like we have around here such as in Cardwell, Innisfail and Tully do not have big communities from which to fund raise nor do they have big companies that they can go to and ask for funds or donations. They have to rely just on the state government grant which is the Gambling Community Benefit Fund. We are just putting two new replacement motors on our boat—which should be finished today—which were funded by our regional partners and the Gambling Community Benefit Fund. There is also another grant that we can get in Cairns called the Reef Casino gambling fund. Also, once a year the Cairns City Council has a round of grants and we got some money from them, this year it was for sonar for the boat. Cazelys also has a community fund. Apart from the volunteer small equipment grant, which is a federal grant, there is nothing we can get on a Commonwealth basis.

You might say, 'We do not do much for the Commonwealth,' but in fact, in this area, we are one of the prime response units for waterborne search and rescue. A lot of the time the state government rescue helicopter is on another job so we do medivacs. We also go to Fitzroy Island where there is no helipad. We are used in that manner. We provide a response for AusSAR through the Queensland police should there be any waterborne emergencies. If you look further down the coast, between here and Townsville, there is no water police force; only Coast Guard units can respond. North of here there is Cooktown and Port Douglas. There is a big area where we provide assistance to the Commonwealth in AusSAR but we are getting very little funding from the Commonwealth.

Mr SULLIVAN—In essence if I am right, you have an organisation that provides services that the community needs, yet a very limited amount of the money that you need is provided by government as such, or the taxpayers, other than by their own generosity, raffle tickets and whatever grants you can apply for and win?

Mr Bramich—I think the contribution of the state government is reasonable, the \$20,000 and keeping us in survey and then \$100,000 every ten years. Obviously we would prefer more. Yes, from a Commonwealth point of view, there is not much in the way of grants that we can apply for, for capital equipment.

ACTING CHAIR—That is useful. Darren?

Mr CHEESEMAN—I have some questions along these lines. There are obviously quite a number of peak organisations that exist. You have mentioned the Coast Guard here in Queensland; there is also Surf Lifesaving Queensland, presumably, and a whole raft of different peak bodies. What sort of role do you think they might play in this whole question of economic development, social development, liveability and those sorts of things? I think there might be a role for them to play and I would be interested to hear from you, and your perspective, as to whether there is a role and what it might be?

Mr Bramich—The Coast Guard does have a peak body. We are a national organisation. Within Queensland, our state body is the Queensland state council and they are quite well organised. We have an officer that works in the Queensland emergency services' building, so there is quite a lot of liaison between the Coast Guard and the state government. From a national point of view, I think that it could be greatly improved. I do not think there is too much liaison between our peak body which we call national board and the federal government. This is mainly because I do not think there is any sort of consultative organisations or bodies that the national body can co-ordinate through with the federal government.

Mr CHEESEMAN—I will leave it at this. Presumably the peak body would be able to identify certain gaps that might exist within say the Coast Guard, from a Queensland perspective. Of course, if we are able to get advice from those sorts of organisations when applications are made for new equipment or for new facilities or whatever it may happen to be to support that work, it might be of tremendous benefit. I suspect if we went to every Coast Guard they would all be able to identify gaps that might exist. But, with a peak body providing advice, it might give some sort of framework for economic development and need within certain areas.

Mr Bramich—I think that would certainly work quite well. In Queensland there is an organisation called I think the Volunteer Marine Rescue Association of Queensland, which is chaired by someone from one of the Queensland government departments. It brings together all the volunteer rescue organisations: surf lifesaving, volunteer marine rescue, VMR, which is more prevalent down around Brisbane and Coast Guard and the water police.

They get together and co-ordinate a whole range of issues that are relevant to volunteer marine rescue in Queensland. From the federal point of view I do not think there is such an organisation. I think Australia would certainly benefit from some sort of body like that.

ACTING CHAIR—Thank you, Jim and Brad. Just by way of background, we have moved on to section two and before calling on Peter, I would just make the point that we are now looking at: how would you build anew application process from the ground up; what was good about the previous system and what was wrong with it; did things take too long; was there some ambiguity about how to put in an application; was there a lack of transparency in the process and even to the point of how was a successful application managed and monitored after it had been approved? That is where we are at present and I would just ask Peter for come comments.

Prof. Arlett—Thank you Mr Chairman. I come at this from a very different approach to our colleagues across there. I have never applied for a grant on any body like this. I can appreciate the problems involved but I have never been involved in the detailed building up of the whole thing. I sit somewhere up there on the situation and we pronounce and give it our backing and what have you and it goes away. It is not onerous on my time, I must admit. Another role I have is chairing the electricity boards up here and we cover virtually the same area as the ACC; out west to the border of the Territory and up to the gulf. When I go out there with my electricity hat on, I am getting more and more loathe saying that I am a member of the ACC because of the reputation it has got out there. That reputation is because of the length of time it takes to get anything done, the triviality involved and the lack of transparency, as I have said. I cannot recall any one successful application that has come back in less than half the time that our people told them it would be back. If they are told they will have it back in three months, after six months has passed it might be a yes or a no. That is an enormous problem; most people sweat like hell to

get these applications in and I really do feel for them. There is no way I am going to go out there looking for their support on something else and tell them I am a member of this body, it is not in my interests. I wish it were.

I come back again to the lack of transparency as the main thing. I recently chaired a meeting down at Ingham, a pleasant little town between here and Townsville. It is mainly based on sugar but the mayor feels however that the town is starting to shrink. The young people are moving out. The university is not too far away and they go there and they do not come back. He wants to rejuvenate the town. They got a lot of money together and put an enormous of work into things and put in their applications all the way through. They got, I do not know what it was, \$10million or \$20million from the state government. They were pretty confident they were going to get something from the ACC. The application went in, damn me, the government changed and everything was blocked. To say that the Mayor of Ingham is ropeable is an understatement. These are the sorts of things that go on. He did not have a clue what the hell was happening while it was in there; nobody had a clue. This lack of transparency is like a black hole that things go into and sometimes they come out and sometimes they do not.

ACTING CHAIR—Before we move to transparency, what about time limits. I am interested in your thoughts on the discussion we had a moment ago about whether it should be this endless ongoing season of applications or whether there should be applications rounds. Peter or Don, do you have any comments?

Prof. Arlett—Don, is more in line with this than I am.

ACTING CHAIR—Don?

Mr Pollock—The board now recognises that we are going to need to move to rounds. The idea of a continuous application stream and process was very appealing because it avoids two staff members being faced with bottlenecks, mad rushes, three weeks or the day before the application date closes. At least with a continuous stream, people were taking eight months or 18 months to develop their project work with their peers or stakeholders. It was very appealing. For all the reasons that Peter has outlined before, all of our projects were at least double the time. In recent history they were all six months in the timeline for assessment, but with communication from the department. The department were coming back and asking questions; it was not absolutely no communication. The project overruns, cost increases and other partners falling off line were the problems to which Peter was referring. Our position is now that we regard a round of funding as being inevitable. We are going to have to be faced with that. Again, that fits with the point we made in our submission about revamping the assessment process in that particular way so that we can bring some timeliness and some objectivity to that project assessment.

ACTING CHAIR—It sounds like that would really help applicants as well, it would get a bit more certainty into it. What about transparency?

Mr CHEESEMAN—Can I please interrupt? Just to pick up on what Don and Peter both informed us about just a few minutes ago. Of course if we do go down that path of making a recommendation for rounds, I suppose there are a number of ways in which we might go about that. We might actually have a round once every 12 months or we might do every six months or every three months. Do you have any view about how often those rounds might open and close?

Mr Pollock—We have identified six months, two rounds a year as being generous. It is unreasonable to expect that anybody is going to develop a project or a submission from start to finish inside of that time frame because of the necessity of fleshing out the business case to support that application. We figure that two rounds a year would keep us adequately busy. One round per year I think would create an impossible workload for a small, very lean and mean organisation. In our case we have one executive officer and 1.7 project officers to handle that work. So, we would go for two rounds a year.

Mr CHEESEMAN—Do you have any view of when those rounds might be? I am just thinking out loud, would it be March and September or December and June. Have you got any view about that?

Mr Pollock—We have not identified the ideal time. I think it would be wise to go back to our constituent regional people such as our local councils and our state government organisations. It is fair to say that we would devote our whole workload to that program so it does not really matter to us when in the year it happens; I think it is more important to coincide with the potential partners, which are local government and the other state government agencies.

ACTING CHAIR—Jon?

Mr SULLIVAN—Thank you. On the issue of rounds, if we have two rounds a year, think of the bureaucracy that has got to examine those. I think it is immaterial as to how long it takes to build up a proposal that the ACC was involved in helping the proponent put together. If it took eight months that would not necessarily be a problem. I am really more interested in the fact that rounds give us the capacity to make some milestones. There is one state government program that has frequent rounds, but beyond those frequent rounds it has the departmental recommendations that have to be on the minister's desk within 14 days of the closure of the round and the minister has to sign off or otherwise within ten days of receiving them. I think that is a good system. If you knew that the round ended at the end of May and you got your application in, you would have your answer within three weeks. That gives a lot of capacity for people to make those final adjustments, miss out on overruns and all those sorts of issues. If you are aiming for an end of May round and you cannot get it in at the end of May so you do it at the end of July, nothing much is terribly lost, you adjust your figures. I think we need to be conscious of the potential gridlock that we could form at the other end as well. I am just hoping that somebody might have had some experience with round type applications and want to talk about something other than possibly six months or 12 months.

Mr Pollock—I would like to make a comment to assist. The proposal that we put forward for the assessment panels would minimise the impossible workload for a bureaucracy to manage that because we are spreading the work evenly and we thing effectively.

I agree completely that it would not matter whether it was eight months to get the assessment made. The problem has been the black hole of unknowingness as to whether it is going to happen this year or next year, by which time BHP has pulled out of the community funding or they have spent the money on something else or the project has increased by an impossible amount because of cost overruns. It is knowing rather than the actual time taken to do that.

ACTING CHAIR—Bob and then Stephen. Bob, you had a comment?

Mr Katter—The original targeting of national attention came from my seat and Tony Windsor's seat, specifically from Tony's seat. In that election before last, the seats held by the National Party of Australia—Rockhampton, my own seat and Tony Windsor's seat—were declared target seats by the then Deputy Prime Minister. The National Party target seats received \$5.4 million on average. The remaining 22 seats in Queensland received \$339,000 and the ALP seats received \$81,000. There can be no explanation for that, except a very, very unpleasant one delineated by the Auditor-General in November last year. Further to that, comparable seats can be compared. Some seats are very big; one could say Kennedy is entitled to it because that is a huge seat and there are little places that cannot afford to fund themselves. I delineated nine seats that were almost identical in area and composition and a similar distance from capital cities: Calare, Hunter, Lyons, Page, Cowper, Lyne, Wide Bay, Hinkler and Dawson. The three National Party seats—Wide Bay, Hinkler and Dawson—got \$17.7 million in Queensland. Page, Cowper and Lyne in New South Wales got \$10.5 million and the Independent and two Labor seats got \$2.7 million, a difference of 500 per cent. The difference between the ALP seats and the non-government seats was 82 per cent. Ros Kelly—you will remember the whiteboard incident—was drummed out of the parliament. The then opposition treasurer, Mr Costello, and the then leader, Mr Hewson, said that she had blatantly used those monies to advance the political interests of her party. There was an 82 per cent difference. The difference in Mr Anderson and the National Party's responsibility was 928 per cent. If she should have been drummed out of the parliament for 82 per cent, what should have happened to the people involved in oversighting this when there was a 928 per cent difference?

In many years I have seen blatant examples of pork barrelling, sometimes from governments I have been associated with, but emphasising the point made by the Professor, in all of those cases there was a lot of transparency. People knew well and truly what was going on beforehand. In this case there were meetings held and I cannot get these people to come forward for obvious reasons. The senator from the National Party said, 'Oh, our candidate here has got great difficulty in getting around the electorate, can you people help him?' They said, 'Well can we get the \$250,000 for the mouth of the creek facility that we need for our boats?' He said, 'I think we can look at that. Can you blokes help with our candidate?' They said, 'Well we think that we can.' They all handed out how to vote cards for him and they got their \$250,000—I am not using the exact figure because I do not want to embarrass these people and obviously they can pinpoint who gave me this information. In another case one of our people that handed out how to vote cards got a half a million dollar grant and then he handed out how to vote cards for the National Party in that election.

There are some arguable figures depending upon who you want to listen to, but between half a million and a million dollars was parcelled out to a tourist coffee facility. There were four other tourist coffee facilities in that area and they got nothing. How unfair was this? Two of them had pioneered the industry, they were passed over and somebody else was given funds. Those somebodies had, once again, very friendly political connections. Ros Kelly was drummed out of parliament, nobody has been drummed out of parliament over this. It can be argued that Mr Anderson left parliament two hours before these figures were put to the Senate inquiry.

I just want to give two other examples, if we have time. There are three pages here, but it puts it into perspective. On 9 September 2007 during the election campaign when the Caretaker Convention was understood to be in place, the member for Dawson announced a \$1.3 million grant to help a company called A2 Dairy Market to set up a processing facility for A2 milk. The

action by Ms Kelly had several undesirable outcomes, not least of which is the example of a farmer who took delivery of a herd of cattle specifically purchased for the A2 program on the same day the grant was cancelled. The overall impact of the project was that it would have initially taken some 25 per cent of throughput from the local Malanda milk factory which already had declining throughput because of deregulation. This reduction would have taken it close to crisis point. In actual fact, Mr Chairman, it would have closed the dairy plant. They claimed it would have given six jobs; it would have closed the dairy plant worth 50 jobs. Once again, the political connections were well known by the people in the area.

The second case is the Atherton Tablelands Potato Growers Co-operative Association which is facing bankruptcy because two potato processors have set up in competition to the co-operative with the assistance of government grants. Government grants were given to the two competitors against the farmer owned co-operative.

ACTING CHAIR—Thank you, Bob.

Mr Katter—The irony was that the farmer owned co-operative then had to make an application to rescue itself to the same government process.

ACTING CHAIR—Bob, I think that has been enough stories.

Mr Katter—The third example is important, Mr Chairman, in the context of where you want to go. It is the equine centre, and I do not know if it was \$10 million or \$15 million at Tamworth, in Tony Windsor's electorate. We had Buchanan Park. It was a \$20 million project and the federal government put close to \$9 million into the project. The councillors were left handling this with other grants for other projects, some \$60 million most certainly \$50 million, in non-essential council items which they have to look after.

ACTING CHAIR—Bob, I will interrupt for a second just to pass a resolution for the committee. We have got a film crew here and we need to move a resolution to allow them to film proceedings.

Mr Katter—Yes, that is all right.

Mr SULLIVAN—So moved.

Mr CHEESEMAN—Seconded.

ACTING CHAIR—Thank you very much. Bob, please continue.

Mr Katter—A council or a body may come to you wanting money for some project. They will often do this before a council election or to get massive publicity for themselves. It is a very popular project, but of course it leaves the local community then to look after this non-essential asset. The Local Government Association of Queensland have produced a number of papers on this warning councils that what might look like a Christmas present to you will have to be paid off by your ratepayers over a period of time. They cannot possibly expect to look after, in the case of Mt Isa, \$50 million or \$60 million of non-essential items. There is the Hard Times Mine which is an excellent thing for the area; Outback at Isa which is a tourism sort of museum

facility, this is excellent for the area; Buchanan Park Equine Centre, yes an excellent facility for the area but can that community afford the upkeep on \$50 million of non-essential items. It was all right for the government to go and make big heroes of themselves and get their name in the paper, but we are left with this.

I have some proposals here, in the light of what has transpired and having been in the eye of the storm. In that election campaign we got \$25 million. The nearest seat to us in Queensland got \$5 million in discretionary grants. In every one of those grant cases, there was the candidate for the National Party with his photo in the paper with the person handing out the cheque, whether that was the National Party senator or the Deputy Prime Minister. I am saying that it was done in a most blatant political manner without any effort really. The transparency in this case was not probably there, Professor, but they continued on regardless.

I have some observations about where we should be going. Do I make those now or later on?

ACTING CHAIR—We will just go to Stephen first and then we might come back to you about those, Bob, in a moment. Stephen?

Mr Wilton—Yes, thanks Mr Chair. Going back to the timeframes for application, I understand where the Coast Guard is coming from—the delay in one funding source having an affect on another funding source. We have experienced similar things ourselves in Cook. But, at the end of the day, if the people who are assessing the grant are taking the time and actually coming back through the ACCs to the applicants asking questions to make a grant that better fits the criteria or to make the project better for the community, even if it takes six months, 12 months or two years, if it makes the program better, I would hate to have a timeline where you were an inch away from the end and all of a sudden you ran out of time so your project falls over.

ACTING CHAIR—A rolling program of the rounds would mean that if you did not meet the timeline for one, you might be eligible for the next.

Mr Wilton—Yes, but is that a resubmit? If there is a cut off of rounds and you are halfway through assessment and it stops, do you then have to resubmit your application?

ACTING CHAIR—This is an open question, it is a discussion point.

Mr Wilton—I do not think there should be a sunset on the time taken to assess a thing. They should not be tardy with it; they should assess it quickly and do it as quickly as they can, but sometimes there is a lot of communication between [DOTARS] through the ACC back to the applicant. It is not just like people are sitting on their hands; these things are progressing. Sometimes it is slow but I do not think there should be a sunset on it.

ACTING CHAIR—Fair enough.

Mr Wilton—But I think the idea of rounds—

ACTING CHAIR—A series of rounds where you put together processes so people know what they need to present and when and when the feedback occurs, that might assist or aid there.

It seems like there is a general consensus that providing timeframes provides more certainty and more timeliness in decision making processes. I am very interested with some of the things Bob said in whether we need to talk about who makes the decision. How do you take the politics out of this sort of stuff?

Mr Wilton—Can I comment on that one?

ACTING CHAIR—Certainly, and then we will go over here to Darren.

Mr Wilton—I believe the people who actually make the final determination should be totally separate. Ministerial discretions, et cetera, are great if you are on the favourable end of the ministerial discretion but as far as transparency and honesty goes or what people perceive to be honest, as Bob just said, it was as blatant as anything. The people involved on the ground in the projects were tarnished by the perception. So it should be totally away from the politicians, no offence meant to you blokes.

ACTING CHAIR—No, this is an important point that we need to flesh out here. I will go to Darren and let us keep this idea going.

Mr Cleland—Thanks, Chairman. Actually my comment relates back to rounds. I would like to share with the committee the experience of the state government and our department in particular, through the Department of Tourism, Regional Development and Industry. Previously all our grant programs were available on a rolling basis. We have just recently brought in a new scheme called the Business and Industry Transformation Incentives program. Under that program we have gone to a round based approach. I think that the results for us have been very positive in that it makes the department a lot more responsive in trying to deal with the applications in a timely manner because there is a timeline to work to. The old Regional Partnerships program dragged on a bit because there was no commitment from the bureaucracy to deal with an application in a timely manner. Further to that, the pressure is really on the government then to make the final decision on the funding based on the recommendations. From a Queensland government perspective, we have seen a lot of improvement in our service delivery by going to a rounds based approach.

ACTING CHAIR—Okay, well that is good. Glen?

Mr Graham—Just going along with what Bob was saying before. I think obviously there is a risk that people who are associated with developing applications may feel tarnished if the process is not properly administered at the Commonwealth level. The application process for the funding needs to cover all those questions about sustainability so communities do not get caught out with projects that they cannot afford after they are built. Even the Regional Partnerships program did have such questions and criteria in them and basically required also indications of support from other agencies such as the Queensland department of state development, the councils and so on. I think the biggest risk is the accusation that projects that are really deserving in their own merit are pork barrelling simply because of the way it has been handled. A lot of projects that get up have had a substantial degree of feasibility study and work in the application and it is actually quite tragic to see them labelled as pork barrelling after that process.

ACTING CHAIR—How do we avoid that? How do we get rid of that? How do we change or how do we create a decision making process that avoids that problem?

Mr Katter—I might make a suggestion.

ACTING CHAIR—Please Bob. Please just flick on the microphone.

Mr Katter—If the local government, the state member of parliament and the federal member of parliament had been equally involved in the process by regulation, it would have immediately defused the political issue. Also it covers the government's back because all of the elected representatives from the area are in agreement or not in agreement which is transparency, as the professor referred to before. I would say that the three tiers of government would be very important and a body of businessmen and social sporting people as well.

A lot of these grants are great for enriching the quality of life. I would just like to give you one example of that. In Cloncurry we did a study on the effect of rugby league on crime in the town. Unbeknownst to us two years later, Palm Island, an Aboriginal community, did a similar study and in both cases the crime rate dropped clean in half at the start of the season. At the conclusion of the season the crime rate dropped. If you think about it, it is not really surprising. It emphasises the enormous importance and value to our communities. There is value in making Doomadgee part of the rest of the world; you were a Martian, an AIDS victim or a leper if you came from Doomadgee in days past. When they started playing football they became Johnny Smith or Billy Brown or Tommy Erickson; people knew them just as ordinary people. They made Doomadgee part of the rest of Australia. That is not an economic grant; it will not create jobs in that community—it might create one job I suppose—but there is money needed for that. There should be some group that is also a group of business people that should, somewhere in this process, oversight the application. It would be my recommendation to the committee that the group should also incorporate some people who are involved in sport, church and social activities.

The price and the time of the process make a lot of people that I know who are worthwhile people not apply. They will not make applications because the time and money they could have put into making the application makes it just silly to try. I personally have hesitated to recommend anyone make an application for grants because only one in 20 people get them. From a political point of view, of course, if 19 people go away unhappy out of every 20, that is not a very good outcome for the government or for you as the local member of parliament.

The other one I want to talk about regards smaller towns. Again I will give a specific example: \$200,000 is needed in Cloncurry to do an engineering report on a water proposal. If the council does it, because there has been 48 of these reports done previously, then they will get into terrible trouble with their community. Two hundred thousand dollars is a lot in a little tiny community like Cloncurry. But, if it is done by some other body and we have the figure then on how much it will cost, we can proceed with this project. I already know the figure because I have got some good engineering friends who have given me the figure. That project will produce 100 direct jobs, 300 indirect jobs and 2,000 people increase in our population in Cloncurry and drought proof the entire shire. These are enormous benefits for the local people and for the Australian nation which we can get from a \$200,000 grant which we cannot otherwise get. We will raise \$40,000 or \$50,000 locally, which is a sign of good faith, but we need that money.

I give you those two examples where a little bit of money can work enormous magic for us whether it is in the field of rugby league or whether it is in the field of economic development for our towns. I think these sorts of grants are tremendously valuable.

The final point I want to take up was something we did as the government in Queensland when I was the operative minister; we set up the state bank, the Queensland Industry Development Corporation, QIDC. The Commonwealth Development Bank was set up with no money at all actually. The Commonwealth Bank was but the Commonwealth Development Bank was set up with no money at all. I do not know the size of the Commonwealth Development Bank but I know it was losing no money. We set up the QIDC with \$200 million and it was sold for \$3.5 million. It was an enormous success story. But, if you give a grant to cover interest rates, Mr Chairman, and then provide, as was suggested here earlier today, a development bank loan, banks will not loan money in country centres or in isolated centres now. They have lost their expertise in agriculture and they have had their fingers burnt. They do not want to go into those areas. Also, most projects that are really important cannot provide the security for a bank. A bank requires land security. There is a crude example but I will use it anyway. At Lockhart River we can negotiate tomorrow to put in 100,000 head of cattle in a cattle fattening operation there. All we need really is the money for fencing and the money to buy the cattle. It is a 60 inch rainfall area; it rains all year round. We can support 100,000 head of cattle there tomorrow. This would make this Aboriginal community terrific, but because of the laws in Australia, no-one can own any land there and we cannot provide the banks with any security. I could give hundreds of other examples but I will use that one which is a bit out of left field.

For example, in one our towns we had a clothing making factory which, believe it or not, was making clothing for schools throughout Australia. When they went to the banks for \$20 million to fulfil their contracts for the next year, the banks said, 'What security have you got to offer?' Of course, there is no security value in a heap of machinery for manufacturing.

In mineral processing, I can give you hundreds of similar examples. I am just saying that if you were to pay the interest on a bank loan, that would make a hell of a difference to securing loans and the setting up of some sort of development bank process. If I go back to most of the major projects in Queensland over the last 30 years, which includes the entire coal industry and the entire aluminium industry of Australia, they were financed either out of government loans, government guaranteed loans, or development bank loans. They would not be there without those development banks. Now there are no development banks, Mr Chairman, in Australia at all.

They have all been closed down. I will be the first to admit there were unfortunate episodes in Western Australia, in South Australia and Victoria but I would claim that that is an aberration in Australian history. The Commonwealth Development Bank had a very proud record. QIDC was a magic success story. Even though you have been discussing grants, I think the suggestion here that we discuss financing is absolutely imperatively important. We cannot go forward unless we have some method of providing money without that land security.

ACTING CHAIR—Thanks Bob. Before we leave this general topic I just want to ask you one question regarding who is the ultimate decision maker, to try and avoid the problems that you identified. Do you have any thoughts on that?

Mr Katter—Yes, I would choose the Commonwealth Development Bank as a model. They parcelled out hundreds of thousands of millions of dollars. They were public servants. They were at arm's length. If there was involvement in due process I am not aware of it. My father was a minister in the federal government and obviously I have been associated with government for an awfully long time and I am not aware of that transpiring. In the case of the State Bank, there was one example, arguably two but those are two examples in an enormous success story. I would not condemn them for two examples of that. They probably needed to be protected a bit more by arm's length legislation than we had protected them. I think we made a mistake there. I would say that you refer it to public servants or an arm's length independent body. I think that that is the simple answer.

ACTING CHAIR—Thanks Bob. Thank you very much. Robert, I know you have been waiting for a little while.

Mr Macalister—I just want to make a comment on the application process. Any contestable grants funding program operates in a marketplace and as such the laws of supply and demand operate. In that marketplace are organisations like Gulf Savannah Development or little progress associations, who are the customers. I think you have got to ask the question, 'How do you generate demand?' Obviously transparency and efficiency are part of that. From the point of view of the funding agency you want to get an appropriate quantity of applications coming in but you also want to get an appropriate quality of applications coming in.

I think one of the good things that happened with the Regional Partnerships program was that the small business field officers were attached to the ACC network. They had a broader role in facilitating small business development but they also had a role in facilitating demand for Regional Partnerships, in helping applicants in remote areas to put together their applications and helping them with the whole project design process such as defining outcomes, defining outputs and so on. I think most people in this room would agree that, because we are a small business economy, the decision to withdraw small business field officers was unfortunate. Whether that program can be reinstated or not is a separate issue but certainly we believe that there needs to be a similar resource attached to the ACCs to get out in the field, have customer service skills and help potential applicants design projects and put applications together. If that does not happen, if you do not invest in those resources to generate that demand and the quality of applications, the beneficiaries of the program are going to be the larger organisations who have the staff resources and the competencies to design projects and put together nice looking applications. One of the key points we wanted to make is that we believe there needs to be a similar resource to what we had in the small business field officers to generate that demand for the new funding scheme.

ACTING CHAIR—Thanks Robert. Jon, did you have a point that you wanted to raise?

Mr SULLIVAN—I just wanted to follow up if I can please, Mr Chairman, on the issue of the arm's length process. I know in Mr Katter's earlier comments he talked about the local committee of sportsmen, church people and business people and all that sort of stuff. I have known Bob Katter since 1989 and I have watched him operate, sometimes with bemusement, often with admiration. That is just to balance it off a little bit. What I think about Bob Katter is that he is never shy in coming forward to advocate for his communities. I would hope that people would see that in me as well. I see part of my role in talking to decision makers is to

make sure that the decisions are made in the full knowledge of the circumstances of my own community. In some senses I want to make sure the decision makers have got the vibe of Longman. I think that is a bit hard to do if we take a process which is, by and large, about social infrastructure, community social infrastructure, into a really hard nosed banking situation as Bob may be suggesting. I would just like to see if there was a little bit more discussion we could have about that because it is one the key questions for our committee's report in November.

ACTING CHAIR—Kevin?

Mr White—Through the chair and following up from what Jon just said, I would be a little bit concerned with the rounds if there was a grant competitive element to it. I think that is addressing part of the things that Bob raised as well that it does not necessarily have to have these great economic benefit outcomes. It could be the rugby league team that has this happen therefore they have got a better community. There are other outcomes rather than just being straight competition, about who has the best application say to get their share of the dollars. Secondly, what is going to have the greater effect on the community at large, whether it be economic, social, health or whatever else the issues may be, needs to be considered. I would be concerned with the rounds if there was a finite number of dollars in that round. For example, if there was \$20 million in this coming round and there are projects between say \$200,000 and \$10 million, if a \$10 million project is awarded in one go, then half the round has already gone. If you do not get into this round you might go into the next one because you might be more competitive in one than you are in the next. How do you work around that situation?

ACTING CHAIR—That is a good point.

Mr SULLIVAN—I think you have just probably explained why the delays are so long, because they have an annual budget to spend and they are getting projects over the course of the full year. I think it is possible for there to be segregations within the program such as relatively minor \$5,000 or \$10,000 projects and then \$60,000 projects and seriously big projects. If there were say six rounds a year and there is \$6 million—I am using silly figures—but every two months we have got a million dollars to spend, it has got to be done a bit differently. If you are looking at it from the point of view that you came at, that obviously says that there is going to be one lot of decisions made in each financial year. I think that that is part of the grief. I think the biggest part of the grief of the program is the amount of time people wait to get their projects up.

ACTING CHAIR—Chris?

Mr Adams—Thank you Mr Chairman. I would like to endorse Bob's comments. I will speak of aged care on the Tablelands specifically. We do not have access to funding, particularly as Bob pointed out, because we simply do not own the land, DNR&W trustees, et cetera. We have not got anything we can put up as collateral for the banks. If that could be modified in the rounding up of arrangements here, I would certainly like to put that to the forefront. Aged care is growing. As the community is aging, a lot of people are moving to the Tablelands basically because of the climate. It is a wonderful place to be.

Mr Katter—Hear, hear!

Mr Adams—And I will strongly support the aged care which is a growing area that has not been discussed here today and it certainly needs to be. I acknowledge what Bob has pointed out which is a very valid point, thank you, Bob.

Mr Katter—Mr Chair, can I just add?

ACTING CHAIR—Certainly Bob.

Mr Katter—I made the decision that I am going to drop out as the person who is going to work very hard to get money for projects in my area. But, if you have got the three tiers of government, chances are you are not going to get the sort of outcomes that occurred in 2006 or whenever that election was, those dreadful things which are a reflection on all of us, not just the people who did it. There is another way instead of using the three tiers of government. It is a very crude method and maybe there is a better idea than this, but if each electorate gets the same amount of money then what happened where National Party electorates got 10 times more than the Liberals and 20 times more than Labor, cannot happen again. That could not occur if there was an equal amount for every electorate. For example, \$200,000 would not warrant a line item in the budget of the Brisbane City Council whereas it could bring down the council and in Georgetown or Hughenden or Cloncurry. You would have to categorise areas into remote, regional, metropolitan or even a finer breakdown than that.

ACTING CHAIR—Different categories according to their remoteness.

Mr Katter—But, using that regional, remote, metropolitan breakdown and then on top of that if all electorates were to receive the same amount of money, and also that the three tiers of government be involved in every application, then I think that you will overcome that political bias which has dogged successive governments such as with Ros Kelly, John Anderson, et cetera.

ACTING CHAIR—Do you see any real disadvantage in doing that, Bob?

Mr Katter—I think one obvious drawback is times when there are several magnificent projects in one area and another area just does not happen to have that many good projects that year. I think that that overcomes the problems that exist. I most certainly agree with Senator Sullivan in saying that the last thing in the world we want to do is to eliminate the politicians from arguing that this project should get this amount of money.

ACTING CHAIR—But that is in the proposal stage.

Mr Katter—They are close to the people; they should be the ones who have a lot of say.

ACTING CHAIR—Yes. This goes back to my points earlier today about the role of local government in this process.

Mr Katter—Yes.

ACTING CHAIR—I am conscious now that we are getting close to one o'clock, we have got about half an hour to go. We will close it at 1.30 pm. As I cast my eye around the room make

sure that if there are topics that we have not covered that you think are important to cover, let us do that. If time allows then it might be good at about 1.20 pm for me to go around the room and ask people to make any closing comments that they would like to leave us with. Before I hand it back over to the floor I will pass back to Jon.

Mr SULLIVAN—Thank you. Just to continue on that per electorate basis, Bob, and thanks for elevating me to the Senate. I would love to be there. They do not have to do much more than committee work. What about over the term of the forward estimates? I am attracted to the idea of equal distribution of available funds because all citizens have an equal right to receive back their tax money. In a sense I am attracted to it but I think the problem with it is those magnificent projects will not be able to be funded unless a community banks up for it. What about if there was a situation where, over the terms of the forward estimates, which is four years, each electorate was to be treated equitably?

Mr Katter—That is a good idea.

Mr SULLIVAN—Do you think?

ACTING CHAIR—Over the term.

Mr SULLIVAN—Yes.

ACTING CHAIR—Okay. Maybe we will go to Frederick first and then Donald.

Mr Marchant—Thanks, Mr Chairman. I have a couple of very quick points. Firstly, we should not lose sight of who actually is the customer in all this. I think we can get a bit carried away with looking at structures or timelines or bureaucratic hold-ups or so on. I am in different minds about funding rounds. I have been a victim of being a secretariat for funding rounds and know that it does cause its own blockages, if you like, because of the rush of 20 or 30 applications all in one month. At the end of the day it is what it is going to deliver to the customer and who is our customer. I think we should keep that focus and not worry too much about us bureaucrats or secretariats or whatever they have to process. We have to meet the needs.

The other point is Bob's comment about three tiers of government. In our ACC we have enjoyed some form of representation from those three tiers of government who have sat and looked at projects coming through. It has been perhaps fairly informally in some ways but we have always had that representation.

The other thing is that I have seen committees operate and I have been secretariat to committees who operate, I believe, in a very, very fair way and have marked projects accordingly and prioritised them again, because of the skill base and again because of the overall strategic vision. I do have my doubts about the process after that because the timetable of delivery of when these funds are announced is often tied up with a political event. It just seems that unless it is seen that the deciding committee is in partnership with whoever is in government if it has got to go to a ministerial decision, and if a consensus is reached between a minister or a minister's department and the advising committee, then you have your transparency and you will have less possibilities of things going off the rails.

ACTING CHAIR—Okay, thank you.

Mr Katter—I doubt whether there would have been three projects run passed me in the last five years. There most certainly was no representation from the federal tier of government. If you say that a senator from Brisbane is a third tier of government I would object strongly that he would know anything about North Queensland. The three tiers I see are the state local member of parliament for that area, the local council for that area and the federal member for that member. The erroneous comment that you just made illustrates very clearly that that process was not operating.

Mr Marchant—May I respond to that, Mr Chairman?

ACTING CHAIR—Certainly.

Mr Marchant—Perhaps I should correct that. No, do we do not have representation on our ACC at the political level. I am speaking of the officer level where we have people from state government departments. By virtue of the fact that the ACC is there as the eyes and ears for the federal government, would be my other reference to federal representation. Indeed we had people from local government represented on our board. There is one here today from the Cook Shire, so I guess at that level, yes, and my apologies.

Mr Katter—That clarifies it. Mr Chairman, it is the elected representative that I am referring to here; he has to be answerable to the people very three years. If there is a councillor who is answerable to people, a state member who is answerable to people and a federal member who is answerable to people, then I think you are getting a fair consensus.

ACTING CHAIR—Thanks Bob, I get where you are coming from. I will turn now to Donald. Then we will allow for wrap up statements because I think if we give everybody two minutes it might take half an hour. I will go to Donald and then we will start with you, Robert, and go anticlockwise from there. Donald?

Mr Pollock—On the question of making roughly an equal amount of money available for each region or electorate, the point was made earlier this morning of the opportunity to get the best bang for the buck in terms of the community or economic development. Somebody, importantly, used the words innovate and entrepreneurial projects; those two words can be applied to community infrastructure as well, it is not just business. There is a need for these funding strategies to strategically align with an opportunity or particular stage of development of a region. We have often said this morning that not one size will fit all and that is a very common comment that is made. The program would need to recognise the particular regions or areas of Australia are going to have varying levels of needs at different times. We are looking in the medium term or to the long term and it is not improper for the taxpayer to expect that if their money is being invested to facilitate regional development, that it goes where there is going to be the potential for ongoing benefit and growth. We are talking about leaving a capacity in the region which will lead to further growth and further leverage from that investment. I just offer that as an additional point.

ACTING CHAIR—Thank you very much. We will begin to go around the room anticlockwise to allow for some concluding remarks. You will have about two minutes each.

Here is a great opportunity to canvass or emphasise things that you may have raised in evidence earlier today or to draw out new issues or concerns. Robert?

Mr Macalister—Thank you. I just want to reiterate that we believe the program needs to have a needs focus and that the development needs are greater in remote and very remote parts of Australia. During the assessment process, a weighting criteria in favour of remote and very remote regions might be appropriate.

The second point is that the program needs to invest human resources into facilitating demand to ensure that applicants in remote areas, who do not necessarily have the skills or the competencies to design projects and put together fancy applications, can get applications in.

A final couple of points: I think there is a strong case to streamline the application and assessment process for projects under \$20,000. Maybe there is a role for local regional development committees actually to have some discretion in the approval of small projects. The final point, which has been made by others today, is that the assessment process needs to have a mechanism in place where it recognises regional priorities. Thank you, Mr Chairman.

ACTING CHAIR—Darren?

Mr Cleland—Mr Chair, I will be quick. I want to just reiterate the points that I raised earlier. I think it is important that all tiers of government are involved in the process and, in our case, particularly the state government given the strong base of the regional development human resource in the regions compared to the federal government. I think we need the ability to utilise that expertise to assist the federal government in assessing applications. I would just like to support Rob in relation to the issue of need, particularly in a region like Far North Queensland which is very diverse: there are the very prosperous areas of the greater Cairns area out to the very disadvantaged areas of Lockhart River, Doomadgee and Mornington Island. From our perspective, we have to look at that need in the context of where the greatest relative benefit may come back to the community at the end of the day. I hand over to my learned colleagues.

ACTING CHAIR—Thank you, Darren.

Ms Parker—I would support a lot of the comments that have been made today about drawing on what we already know are the priorities across the levels of government and within the regional stakeholders' own planning process. I think the RDAs have an important role to play in pulling that together and drawing together what the common priorities are for the region. I would really encourage some thinking about the possibility that the program treats those projects slightly differently, not more importantly necessarily, but differently from the way that it might treat a project that is an identified need for a more remote location. I think there is a need to be able to differentiate both those needs as well as the processes that might sit around those.

ACTING CHAIR—Thank you.

Prof. Arlett—I was just to make three points, transparency, transparency, transparency, I think that is what we really need. Can I just back up again to a point that was made about the possibility of a two tiered systems? In our submission we have suggested there should be a cut-off at \$50,000. I just checked through the 30 routes that we have made—Bob, that leaves out two

big ones that are called electoral commitments, the huge ones at the end—but of the 30 that we had a hand in doing, 10 of them are below \$50,000. I do not know if \$50,000 is the right term. I know our colleague said \$20,000 but I think \$50,000 is a bit more realistic and possibly is not enough. But, that can make a significant difference and has made a significant difference in some of the smaller outposts in our area. That could be done quickly and efficiently and, because it will be done at a local area, hopefully it is the local people who could make a decision, and then there will be transparency. I will leave it there, thank you.

ACTING CHAIR—Excuse me, just to clarify, Peter. Are you talking about a cap of \$50,000 for the approval locally of minor grants or a cap of \$50,000 for all grants?

Prof. Arlett—For local approval, a cap of \$50,000. I think that would streamline it; it would cut out so much paperwork and because it is just local it does not get into that damn big black hole and then it will be transparent.

ACTING CHAIR—Thank you. Donald?

Mr Pollock—Four points to sum up. The importance of being able to access development funding cannot be understated; there is no doubt about that. I would like to question further what we can learn from past successes. We have a rich history of this from the Second World War, but certainly from the 1970s and 1980s as well with previous governments. We had mentioned this morning the REDO program that was introduced in the 1990s. They have all got very good attributes and a lot of our members can recall those processes and benefits.

A third point, it is very important not to lose sight of the economics of assessing the feasibility. I am using economics in terms of social, the community value as well as the hard dollars that we can earn. My board members are always very keen to make a point that if there is not a financial, economic gain here we are not really going to get regional development. We are a little bit concerned about the severity of separating the community infrastructure from the participation in regional economic development in smaller regions.

Lastly, I am confident that the RDA can fill a very important role. It exists and it is a useful body to part serve this purpose that we are talking about.

ACTING CHAIR—Frederick?

Mr Marchant—I would just like to reinforce the transparency side of it and also most of the other comments. I think there is enough experience, there have been enough attempts at this kind of funding and different types of funding for us not to fret too hard over getting the nuts and bolts sorted out. I think that there is enough experience to work out how funding should be operated and so on. I am pretty confident that will be the easier part of the job. The hardest part of the job is from when it goes from the regional area and heads south, in our case, for approval through a department and through the ministerial process. I would just like to reiterate my comment that I think there needs to be some mechanism where it stays as a joint decision on that funding and the transparency therefore is seen.

The other thing I just want to reiterate is my avid keenness for seeing the people that are involved in regional funding, through its processes should have the skills and resources and, obviously, the clear regional priorities so there is again a lessening of the workload.

Finally, remembering who our customer is all the way through this process will help.

ACTING CHAIR—Kevin?

Mr White—Thank you, Mr Chair. If I can just share with you a project I have been aligned with over the last couple of years which did miss out on the last round of RPPs. It is to do with biofuel and it affects an Indigenous community up at Lockhart River. We hit on the point before about duplication with other agencies and things like that. I think this program as an overarching program could eliminate a lot of the bureaucratic work and just make things happen. It is a biofuel project up at Lockhart River, there are already agreements made with the local TOs, the traditional owners.

It is planting pongamia trees which will take four years to harvest. They will produce oil which can then be made into biodiesel. In an area like Lockhart which is affected by the wet season where trucks cannot get in and out and barges cannot unload oil and things like that, it would make that little community self sustainable. They would have oil at a price of around \$2 a litre. But, it does several other things: there is training to be provided which can come through say DEWR, the employment and workplace relations department; there are carbon credits to be obtained from the growing of trees which is climate control, things like that; and there is Indigenous employment coming out of the Indigenous affairs portfolio. There are about four or five different government agencies here on one hand and there are local councils and local employment opportunities as well. The local population is 600 people and half of those are on CDEP who would have a real job. Others could be trained for a real job such as in chainsaw work and tree maintenance, that sort of thing. This particular program can embrace a project like that without having to go through four or five different fronts to find funding. This is where I think a model program could be developed. Bob's idea about having X-hundred dollars per electorate would help this electorate but this particular model can be replicated around the nation so small communities could have their own oil delivery at their back door, as well as encompassing price, carbon credits and pollution.

ACTING CHAIR—Thank you, Kevin. Glen?

Mr Graham—I am here today representing the Mount Isa Townsville Economic Zone, MITEZ, which represents about seven shires in the outback of Queensland. I would say that in that territory there would not be many projects that are submitted for federal funding that are not really submitted through local government. Local government has got the people and the resources for the initial applications. To be honest, not many funding or project officers would even dare to present a proposal for a project unless it did have a funding plan that had state, local and Commonwealth funding and perhaps corporate funding as well. It is imperative that there is a vehicle for the continuation of delivery of funding for much needed projects in regions and communities. If the new applications are designed to cover all of the questions of sustainability and so on, I see no need in the future for anyone to be labelling any of those projects as non-essential. After all, many of the projects are not necessarily job creation, they are about enhancing lifestyle to attract and keep people in those communities. To enable those shires that

do not have the resources, it is imperative that bodies such as the ACCs and the people like the smaller business officers are there to help those communities because these projects require a lot of expertise for the applications to be done. In small communities there are just not the people on the ground for doing that.

ACTING CHAIR—Thank you. Ian?

Mr Church—Thank you, Mr Chair. On behalf of Chris and myself, I would like to touch on the role of local government. As a qualifying statement, I have not had much involvement in any area consultative committees or projects that have gone through those committees, so forgive me if I step on any toes with this. I am wondering if a model for the future which might be considered worthy to adopt is that whatever program comes up partners more directly with local government. I must say that in the Queensland context there have been massive changes in local government, as you probably know. We have had some serious amalgamations so in the Tablelands we have now got one instead of four. In that context we are in the process of trying to develop what our roles might be in regional development, employment growth and some of these things that you have mentioned about liveability and communities. You have also cast questions about what are the gaps in community infrastructure funding. They are all things that are very important to us. They are common themes for the sort of things we are trying to develop and we are trying to deal with.

As Chris has mentioned, we could give you a list of worthy projects that we think are really important for funding for our region, for development, liveability, employment prospects, et cetera. Chris mentioned a few of those. We talked about the mining boom and the issues surrounding that. We talked about aged care, housing, and the point raised by Bob about organisations not being able to get money because they do not own the land that they are on. All these things are important to us, as is water supply and all those traditional infrastructure needs of local government that need funding as well as all of those other community infrastructure type matters that traditionally come from grant funding. I am trying to say that there is a need for some sort of partnership with local government in terms of this new program to develop priorities.

ACTING CHAIR—In terms of approving some of those minor projects, would you think?

Mr Church—I would think there is a whole range, to be honest. This would be applicable for those local governments that have probably recently amalgamated and do have a more regional perspective now. We are now all called regional councils; the Tablelands Regional Council, the Cairns Regional Council, et cetera. Our perspective is now changing to be more regional and less parochial, so maybe it is time to consider that tie in. That is not the case, though, in those areas that we have been talking about that are remote. Clearly there are still issues of capacity in the communities and of capacity in the local government. We are building capacity to try and deal with these sorts of issues so that we can, for example, identify the gaps for you in terms of community infrastructure and identify the priority projects and help with these matters. We should have the capacity in the future to help people with applications and help determine how they are put through. Does that make sense? It is probably a bit confusing.

ACTING CHAIR—No, that is very, very useful, thank you very much. Chris did you want to make some comments as well, or does that capture your thoughts?

Mr Adams—Thank you, Mr Chairman. No, I have been conferring with Ian. I have made a great list of things and I think that he has covered things reasonably well, so I will not indulge any more time, thank you.

ACTING CHAIR—Before I go to you, Steve, can I make the point that for anything that you did not have an opportunity to cover or address today there is certainly the opportunity to put that in writing to us. If you wanted to expand upon some of the comments and ideas that came out of today then we would receive those very gratefully. Ian, did you have something?

Mr Church—I apologise. Val Schier and Noel Briggs, the CEO of Cairns Regional Council caught me in the foyer just as I came up. Can I convey to the committee on their behalf or not?

ACTING CHAIR—You certainly can.

Mr Church—Thank you. I know planning was mentioned earlier and that everyone feels that we are planned to death, but I am passing this on, on their behalf. They asked me to say that they would like some sort of forum or facilitated forum whereby some of the disparate plans that we have got can be workshopped, talked about and brought together in some way. They are looking for a practical way to bring all these plans together within this region.

ACTING CHAIR—It might be that the RDAs are the way to do that beyond the ACCs. Steve?

Mr Wilton—Thank you, Mr Chairman. I have a few points. Firstly, simplify the applications for the small projects; that would solve the problems that the Coast Guard people had. It does not need to be a university thesis but a figure such as \$100,000 could be put on small dollar projects. Secondly, small business field officers are essential, especially out in the places where you cannot go and see your local accountant because there is not one. Our small business field officer was not very attractive, but he did a good job, sorry, Kevin.

Mr White—I love you too, Steve.

Mr Wilton—Thirdly, I recognise that remote areas are different within regions and I agree with what Robert said earlier that they should be weighted accordingly. Fourthly, continue with good milestone reporting as some projects do take time actually to complete on the ground. Fifthly, simplify the acquittal process; small projects should be able to sign off with an expenditure statement, do a statutory declaration in front of a JP and say, ‘Yes, we spent your \$10,000 as we said we would, here is a photo of the finished project.’ By all means big project should be fully audited. Finally, probably a question and that is, projects that have ticked all the boxes prior to the election should continue. An example is the Cooktown Community Events Centre, which is a Cape York facility that covers education and events and will be Cooktown’s community evacuation centre—at the moment the community of Cooktown does not have an evacuation centre. The election happened. The project is still going ahead; we have a bit of federal money but we are looking for federal money to help finish it.

As was alluded to earlier, there is no other program; there is no small equipment grant that we can put in for. Finally, recognise that to do something in Cairns that costs a dollar, costs \$1.35 in Cooktown, and costs \$2.40 at Bromwell Station or Moreton Telegraph station and probably

worse at Aurukun, Kowanyama and those places. It needs to be recognised when funds are being handed out that it costs nearly a quarter of a million dollars up on Cape York to build what would be a \$100,000 toilet elsewhere.

ACTING CHAIR—You need to weight it accordingly.

Mr Wilton—Yes. Thank you, Mr Chairman.

ACTING CHAIR—Bob, any concluding remarks?

Mr Katter—Maybe it is going too far, but to give equal amounts for each electorate. The electorates should be differentiated on the basis of whether they are metropolitan or remote and variations in between. I think those two factors would help.

I forgot to mention regarding wastage. In Charters Towers there was \$3.5 million allocated for an underground mine which was just magic for us from a tourism point of view. It fell into the hands of the local mayor and he decided to spend it on about 30 or 40 projects, one of the principal ones was repainting a band rotunda. We did not get a single job or a single benefit out of the \$3.5 million but he saved himself a bit of his budget. He was thrown out at the next election but it did not help us because we had lost it. If that had gone to the three tiers of government, the state member and the federal member, he would never have got away with that. I think it would solve the problem of wastage and stupidity as well and you have got a better chance of getting a good outcome if you have the three tiers involved.

I did not have time to talk about the price of the process today but I could not agree with you more. I would say each year in my electorate a million dollars is spent on applications which are never going to see the light of day and achieve nothing. If the application for the Cloncurry water supply is just an engineering cost thing, then we have already got the engineering done for it. There is no wastage at all here. You do not have to be Albert Einstein to figure out whether it is a good or a bad idea to have an irrigation project in Cloncurry. The price of process is a huge issue and I could not agree with you more on that. The smaller places have got no ability to produce anything sophisticated.

Finally on the issue of a development bank, you will multiply your benefit a thousand times. I put down a hundred and then I was working through the figures and I think there would be a thousand times the benefit if you have that development bank process. I think this is within the ambit of what you people have been asked to do.

I will conclude on the note of using the example I held up until last, which is Georgetown. Georgetown is on the fourth biggest river in Australia and it has nine million megalitres flowing past it. The whole of the Murray Darling system, which produces half of Australia's agriculture, has only 22 million mega litres. This one river has nine million. It is all flat farmland. Peter Megadasa, the biggest farmer in Australian history, owned a fair portion of it; obviously he was looking to the future. They cannot get an engineering study because they are only a tiny little shire and they have not got half a million that they can really devote to something which they do not know if they have any chance of ever getting done. But, if they got half a million dollars to do the engineering study I already know the cost of the dam and the weirs, it is around about \$40 million, and I already know that will put 100,000 hectares under irrigation which will produce a

thousand million litres of ethanol per year which will allow us into the Japanese market. That project is worth a thousand million dollars a year to the Australian economy and we cannot get it going because we have not got half a million dollars to get the engineering study done.

ACTING CHAIR—Thank you, Bob, thank you very much. Brad?

Mr Duck—Thank you, Mr Chair. Just from the viewpoint of the small time participant, I like the ideas that were mentioned earlier about a cut off limit of say \$50,000 and also for local approval. That would speed up the whole process of what I mentioned earlier. To me, to have assistance from the ACC to help the applicant and then have a recognised cut off time with a finite time for a decision, then you know where you are. This would help the small time applicant. I am talking more in the terms of the likes of us, the volunteer type organisations rather than the local council big time stuff and the millions of dollars Bob is talking about. I am talking small quantities like the things we are after. I think there should be cut off times. Thank you.

ACTING CHAIR—Thank you very much. Jim?

Mr Bramich—Thank you. With the demise of Regional Partnerships, as I mentioned before, there currently really is not anything, apart from the Volunteer Small Equipment Grant which is \$1,000, that community based organisations like us can apply for at a federal level. We would like to see this concept explored and continued on.

I certainly like the idea the professor brought up of a tiered sort of grant system where lower grants say under \$50,000 get local approval; that would certainly hasten the time frame. It would give us certainty and allow us better to plan what we are doing.

Lastly the idea of rounds, such as the Gambling Community Benefits Fund has, I think once again, gives you more certainty and you know exactly where you are going. That is it, and thank you.

ACTING CHAIR—Jon, did you have any concluding remarks you wanted to make?

Mr SULLIVAN—Always. Thank you very much for coming out to talk to us today. It has been very helpful in a number of areas for the kind of thoughts that I am trying to gather in order to participate properly in this committee report. I should say that there is going to be a project to replace Regional Partnerships. This committee is trying to do the architecture of that program, the process from the application to the approval, who is eligible and who is not, and how it is going to be. I am very grateful to you for your time and I hope that come November, when the report does hit the decks, that you will be pleased with what we have been able to produce as a consequence of your participation and that of people all around Australia. I think somebody asked us earlier and we counted up, there were about a dozen of these kind of events that were originally to be held around Australia. I think three have fallen off the agenda at the moment for various reasons. I do thank you all, personally, for having been here and given us your time today.

ACTING CHAIR—Thank you, Jon. Can I just add to Jon's comments to thank everybody as well for your time and for the information that you provided to the committee today. For me, as

someone who does not come from regional Australia but comes from western Sydney, it has been a terrific source of information. I have learned a lot. You cannot be a valuable contributor to a committee like this unless you talk to the people on the ground that administer these schemes or are affected by them. This is the first of a number that I am travelling to around the country to try and learn as much as I possibly can. Your time today and the information you provided me was very valuable for my contribution to this committee process. On behalf of the committee, and myself, thank you very much for your time.

I just need to formally close the hearing today. If there are any matters on which we need additional information the secretary of the committee will write to you. You will also be sent a copy of the transcript of your evidence to which you can make editorial corrections. The Hansard reporters may wish to clarify some details with you before you leave and I am getting a nod of agreement, so they may need to see some of you for some additional details. As I mentioned earlier, if you would like to provide the committee with additional documentation arising out of the evidence that you gave today, then we would receive that very gratefully as well. I declare the meeting closed. Thank you very much.

Resolved (on motion by **Mr Sullivan**):

That this committee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

Committee adjourned at 1.32 pm