



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

HOUSE OF REPRESENTATIVES

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

(Roundtable)

Reference: New regional development funding program

MONDAY, 4 AUGUST 2008

LAUNCESTON

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

INTERNET

Hansard transcripts of public hearings are made available on the internet when authorised by the committee.

The internet address is:

<http://www.aph.gov.au/hansard>

To search the parliamentary database, go to:

<http://parlinfoweb.aph.gov.au>

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

Monday, 4 August 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: Ms Campbell, Mr Clare and Mrs Gash

Terms of reference for the inquiry:

The Committee is to report on the Australian National Audit Office's Performance Audit of the Regional Partnerships Program and make 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.

WITNESSES

ABERNETHY, Mr Ian Leslie, Director, Development Services, Launceston City Council	1
CLARK, Ms Lou, Executive Officer, Launceston Chamber of Commerce; and Deputy Chair, Area Consultative Committee Tasmania	1
CORY, Dr Tim, Chairman, Area Consultative Committee Tasmania	1
DONALDSON, Mr Lawrence Peter, Workforce Data and Policy Officer, General Practice Workforce (Tasmania) Inc.	1
DOYLE, Mr Glenn, Manager, Economic Development and Rural Health, Huon Valley Council.....	1
FROST, Mr Robert (Bob), Private capacity	49
GARCIA, Mr Allan Michael, Chief Executive Officer, Local Government Association of Tasmania.....	1
GRADY, Miss Kathleen, Private capacity	49
HAWKINS, Mr Clayton, Project Officer, Institute for Regional Development.....	1
JAENSCH, Mr Roger Charles, Executive Chairman, Cradle Coast Authority.....	1
McCALLUM, Mr Ian, General Manager, Devonport City Council	1
PERKINS, Mr Craig, Chief Executive Officer, Area Consultative Committee Tasmania	1
RANSOM, Mr Thomas Bentley, Councillor, Dorset Council	1
WALLACE, Mr Robert, Chief Executive Officer, Northern Tasmania Development.....	1

Committee met at 9.04 am

CORY, Dr Tim, Chairman, Area Consultative Committee Tasmania

PERKINS, Mr Craig, Chief Executive Officer, Area Consultative Committee Tasmania

JAENSCH, Mr Roger Charles, Executive Chairman, Cradle Coast Authority

McCALLUM, Mr Ian, General Manager, Devonport City Council

RANSOM, Mr Thomas Bentley, Councillor, Dorset Council

DONALDSON, Mr Lawrence Peter, Workforce Data and Policy Officer, General Practice Workforce (Tasmania) Inc.

DOYLE, Mr Glenn, Manager, Economic Development and Rural Health, Huon Valley Council

HAWKINS, Mr Clayton, Project Officer, Institute for Regional Development

CLARK, Ms Lou, Executive Officer, Launceston Chamber of Commerce; and Deputy Chair, Area Consultative Committee Tasmania

ABERNETHY, Mr Ian Leslie, Director, Development Services, Launceston City Council

GARCIA, Mr Allan Michael, Chief Executive Officer, Local Government Association of Tasmania

WALLACE, Mr Robert, Chief Executive Officer, Northern Tasmania Development

ACTING CHAIR (Ms Campbell)—I declare open this roundtable of the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government for its inquiry into a new regional and community infrastructure program. The committee has brought together a range of participants for this roundtable, all of whom have varying experience in regional development.

I welcome everyone here today. I am sure that what we are going to get out of today is going to be extremely informative. Although the committee does not require you to give evidence under oath, I should advise you that this hearing is a formal proceeding of the parliament. Consequently, it warrants the same respect as 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 a contempt of the parliament.

Everyone would have a copy of the issues paper that we sent out. I presume everyone has brought it along with them this morning. I would like to also acknowledge and thank Michael Crawford, who is the inquiry secretary here today, and Richard Selth, who is the main committee secretary and is at the back of the room.

The issues that are raised in the paper are not exhaustive, but we really believe that this is a good starting point. This is the fifth roundtable that we have held under this inquiry. The format that we are going to take is that we will split the hearing up into three. We will have approximately an hour on the first topic until about 10 o'clock. We will spend from 10.00 to 11.00 on theme two and probably 11.00 to 12.00 on theme three. But these times are flexible. We have certainly learnt in the past that getting past theme one has in some circumstances been quite difficult because there is certainly a lot to exhaust when it comes to topic one. So I will open it up to topic one, which is developing the framework of a new regional and local community infrastructure funding program. I guess I will put it on the table first. What should the objectives of a new program be? I guess I would like to get that topic on the table.

Mr Perkins—In the experience we have had working with regional programs, the broad nature of programs and the feedback we get from our communities, what they look for is that if it is about bringing communities together, about building social capacity and providing the potential for people to be included in activities that they otherwise would not be, be that employment, a social activity or a capacity just to be able to get out and meet their neighbours, that, in my view, is what a program should be aimed at working at. For different communities it is different things. For one it might be providing a health centre so people can actually live in a community knowing that they have got structures around them. To others it might be a school. To others it might be a community hall that they get out and do activities in on a Saturday or a recreation ground that they know their kids can go and play on and do things that other kids cannot do. So, in terms of what it should be, a really broad nature prevents exclusion for some.

Dr Cory—I think it would be somewhat foolish to ignore for-profit organisations from this because in the small communities it is often the for-profit organisations that generate employment rather than the big corporations going to move into smaller communities. So I think it is very important. Certainly historically we have noticed that the for-profit organisations do tend to generate a lot of employment. So we would hope that would be continued.

Mr CLARE—I suppose that is a very different form of social capacity building, is it not?

Dr Cory—Well, no. Take social capacity building to its furthest conclusion. If you do not have people living there because they cannot work there, there is no community.

Mr CLARE—Have you noticed in the work that you have been doing with the old Regional Partnerships scheme problems with competitive neutrality when government is allocating funds to one business over another?

Dr Cory—No. That is something that we focus on fairly strongly. Anyone who does cross a boundary we do not include.

ACTING CHAIR—Yes.

Mr Perkins—It is a really important part. At the end of the day, I think that determines it. Obviously supporting a business at the expense of another is not something you want to do. But it is really important, I guess, to encourage and enable people and businesses to grow. The businesses that we have supported have all been, I guess, driving their industry and had industry support, so actually helping out one business might help out an entire industry. We have always

taken the approach that, 'If you are going to do that, make sure that there are no surprises when this application gets lodged and tell us now who the people are that you need to talk to. If you have a competitor out there or someone that you think you are going to negatively affect, we need to know about it now.' If they cannot do that, you start to question. But it is really important that sometimes private enterprise is given the opportunity to lead regional development.

The other point is: who is going to benefit as a result of it? It is not necessarily about private enterprise and the private enterprise benefiting from getting some money, building their balance sheet et cetera. There can be really strong regional benefits. I guess the local example in northern Tasmania is Barnbougle Dunes, which has driven tourism in the north-east coast. It has become one of the best golf courses in the world and has driven the tourism market. I assume that Tom will talk about that, coming from that area. But that is an example where there was a business, it was going to compete not just against golf courses but against other tourism and hospitality areas in the region and it had the support of those other businesses because they could see it was going to grow them. They actually addressed that very early on in their project.

ACTING CHAIR—Thank you.

Mr Ransom—My background in local government extends over about 47 years in various capacities—mainly in management but in recent times on the dark side, the elected side. I will start with a dictionary definition and I will move from there. 'Region' in the *Oxford Dictionary* is defined as:

A geographical area or division having definable boundaries or characteristics or an administrative division of a country; local;—

which is a part of where we are going at the moment—

belonging to a particular place or neighbourhood affecting a particular place; not general.

It goes on:

local government; the system of administration of a city, town, municipality, shire et cetera.

They are good definitions. From my experience, I have been able to convince either the federal or the state government at various stages to extract money for various reasons—strategic planning and a whole range of things—one, as a municipality and, two, as a series of municipalities between two and four, particularly in coastal studies. So having gone through those processes, what is a definition of a region? In my definition, any area that the state or federal government thinks is a region. You can define it in any way you like because it will work for you.

My point is that if I had to redefine it, I would say a region is one or more municipalities, shires or whatever other name you want to apply to it. Why would I say that? Because if you were going to provide grants for a range of things, from recreation to infrastructure to this or that, who has the strategic plan, who has the focus on the community? Basically, local government. On my left, we are part of a region—Northern Tasmania Development. I am not saying that they do not know, but each council in Tasmania is required to have a strategic plan. It

should have a vision outwards of anything up to 20 years but no shorter than five or 10. So I am showing a bias, not an interest. That is where I would go if and when we as a collective group make some sort of decision or recommendation to you. Thank you.

ACTING CHAIR—Thanks, Thomas.

Mr Garcia—For our purposes, local government is the platform from which regional development should spring. While there are a lot of organisations and programs that come and go, they do that—they come and go. Local government basically is there to hold up the community. When the businesses leave town, when the people leave town, local government does not even get the chance to turn the lights out. They have got to keep the lights on. Invariably, we have seen Commonwealth programs come and go. Some have local government included. Some choose not to include local government. Fundamentally, as Tom said, the local government establishes itself in such a way as to take into account the needs of communities. They develop strategic plans in the interests of communities. They are the glue that actually keeps those communities together. They are the place that people go to to actually seek to start business. They are the place that people go to get information about how they actually relate to other levels of government in terms of what they might wish to pursue.

Certainly there are plenty of organisations around that help in that process. I am not saying that local government has exclusivity. The ACC in this state does, and certainly the regional organisations do. And there is a partnership to be had. But at the end of the day, local government is the one that is providing the liveability. Local government is the one that is dealing with the social inclusion issues. We are not doing that alone. We are the ones that are providing the soft infrastructure and the hard infrastructure. So when we are considering what the objectives of the new program should be, I am not saying it should be a program to underpin local government for any failings it has or any gaps it has. But if you are seriously looking at catapulting regional development, you should look at programs that build on the capabilities of local government presently.

ACTING CHAIR—Sure. Thank you.

Mr Wallace—With regard to the question of what the objectives of the new program should be, I think quite clearly it needs to look at the resources that are available in an annual budget and hopefully a three- or five-year budget of federal government as to what allocations it has for investment in all forms into regions across Australia. I will go back a step. If we look at the framework, it should be such that it allows information to flow back from local communities to federal government so it can make clear decisions and gain information on which to base its decisions. The second process is a forward movement, if you like, of the allocation of funds or the selection of programs that can be delivered into regions right down to the micro projects in the small communities, towns and villages that we have. So I think the objectives of the program should be what I have just stated.

But equally there should be a position of equity in the division, not so much on a per capita basis but certainly on a per needs basis. There may be themes that the federal government wishes to take from time to time to apply down to the local area. I think we need to look—I am the first one to throw the word on the table, but it has been in the notes—at whether we can roll out pork-

barrelling from the program so it becomes very much community based, community focused and community delivered and the benefits of the funds that come forward are the local community's.

ACTING CHAIR—Thanks a lot for that.

Mr McCallum—I will take up the point about local community. I think it is particularly important that any new program does factor in what are probably in the scheme of things very minor community projects. In my experience, I have seen some very worthwhile community projects being driven by smaller community groups. So from my point of view, I would like to see the program not lose sight of the importance of those projects for community wellbeing and community development. They are a little more grassroots. There is also the ability for community groups to access funding. How that comes about I do not know, but I think it is particularly important.

ACTING CHAIR—Sure.

Mr Perkins—Actually, that leads to the point I was making earlier when talking about broadness. Sometimes it might be small communities that get some people doing stuff. Sometimes it might be running an event that gets people out and the community talking. But sometimes it will be a huge investment in tangible infrastructure. So it needs to recognise all that. The other point that Robert was just talking about is how you distribute funds and ensure the equality of it. You would not necessarily want a fund that said, 'Well, we've got this amount of money. We've got this community. Spread it around. Work out how you do it yourself.' I will use a local government example. You have a suburb that might need a \$2 million sewerage infrastructure upgrade, so that will get a hit in this couple of years. The neighbourhood down the street says, 'Well, why do they get all the money spent there?' Well, swings and roundabouts says that in 10 years they will get their infrastructure needs. So I guess that, in terms of where money goes and how it is distributed and spent, the needs of the communities will determine that. It needs to recognise that. That is how I see it.

ACTING CHAIR—That there is a difference.

Mr Abernethy—I think there is obviously a case for two levels. There is the community grassroots, where the link is very important, particularly for the smaller areas. But when you are looking at investing in major infrastructure, it may be a case of looking at agreed or subregional priorities and certainly with strong local government involvement so that people can tick off and say, 'Yes. The swimming pool is something that the region wants.' So local governments are not then competing for a limited pool of money and diluting the resources. I think the program has to be fairly flexible to look at those smaller projects—the ones that are really important to little places—and the ones that are also going to focus on the major infrastructure to make a difference.

ACTING CHAIR—Flexibility. Yes, sure.

Mr Doyle—I will build on that. Our notes talk about whether we should have a funding program which is based on promoting growth or community liveability. To me, they can be the same thing. Often promoting growth in a regional area is going to improve that liveability. So just as you have the flexibility in terms of the size of the program, maybe its application should

be. I guess also showing a local government bias, I agree with Tom inasmuch as if we talk about regions, it can be horses for courses. But I think the local government boundary is a good start, be it a singular government or a collective of them.

Mr Wallace—I do not completely disagree with that. At the same time—I will use in this state, for example, Launceston and Hobart—there are three or four local governments that all come together in the one community centre, if you like. From this city, for example, you only have to go a few kilometres and you can be in three different local government areas whereas there could be some regional facility—Ian flagged a swimming pool a moment ago—where three or four local government regions come together. As Allan mentioned earlier, local government is very, very important and is a good way of doing all sorts of things that it does well, if I can roll it that way. But, equally, the focus of, and collaboration among, local governments for regional developments will benefit the region. I think that is something that we need to be mindful of. In Tasmania, a very large proportion of our population is in small towns of 5,000 and less. People work in communities. You can go to local government areas in other parts of Australia where the major town is basically the major town in that local government area. So I think we just need to be a little careful that we do maintain that regional focus but not take away the importance of local government.

ACTING CHAIR—Yes. Sure.

Mr Garcia—And it is important to understand what the funding priorities are at this stage. This is moving to a regional planning framework for local government. In that context, there will be priorities established. There will be, I expect, infrastructure priorities established. The needs of those communities will be largely dealt with in that planning framework. Obviously it does not go to all the issues that this program seeks to cover. But in terms of the guide, it is going to provide some framework that probably is better than what exists presently, where you have council A, council B and council C probably trying to do similar things but it not being actually picked up in an overall way.

So, moving forward, I think within the next little period we will have a better understanding of what regional priorities are and what things are being taken account of, whether it be large infrastructure or hard infrastructure or whether the focus is more on soft infrastructure. That may not get picked up in the planning process per se. But if that is sitting above what councils are doing and if councils are doing their job properly and involving the community and, say, government and the federal government where necessary, those things start to build and you will be able to actually plug into that type of thing when people are making applications. I am not saying that a fundamental should be how this particular application subscribes to the regional plan. Perhaps it should seek to demonstrate how it might fit into that process because it will exist in the near future.

Mr Donaldson—I should probably restrict my comments to health, because that is really my expertise. We work very closely with the area consultative committee here in Tasmania, and to great effect. I have been observing the conversation about what the focus should be—whether it should be local government or the region, whether it should be the community or whether the private sector should be involved. I also think there is an element where we could focus on sectoral change. Certainly in the health sector we are observing the need for major and quick change in rural parts of Tasmania and across the country. Really what we perceive as missing

from the equation is the resourcing and support needed at the community level to help make those adjustments occur.

Maybe not as an objective but certainly as a guiding principle, we hope that any new program would look to resourcing and supporting rural communities to allow the micro change in their regional arrangements to achieve alignment with macrostructural changes or reforms. So we are expecting the health department to announce its primary health strategy. We are looking forward to that. We know that the focus will be on the providers, be it the doctors or hospitals. As importantly, we are detecting that there is going to be the need for community adjustment. Maybe Glenn will support me in this because I know he is playing this space on a day-by-day basis. But I hope that there will be the facility within the program to allow that focus to occur. It extends beyond health. It might be educational reform and the closure of schools or other economic change.

ACTING CHAIR—That is a good point.

Mr Jaensch—I am from the Cradle Coast Authority, which is a regional development body. It has nine councils together in north-west Tasmania. We have been a participant in a number of different federal government funding programs over the years, which has been terrific. We were pleased when we saw the terms of reference headed up with the aim of finding ways to invest funding in genuine regional economic development and the aim of enhancing sustainability and liveability in Australia's regions. This suggested to us that you are interested in actual regions and actual outcomes.

One of the things that is apparent, though, from the terms of reference and some of the discussion is that the main focus of the inquiry seems to be on the administration of the funding programs rather than how to achieve better regional results. We are aware that there is parallel to this inquiry another review being undertaken of the role of this future Regional Development Australia body. Our thought is that the discussion has to involve both parts. It cannot deal with the funding instrument without dealing with the advisory and approval structure. There is a real opportunity to do something quite exciting, I think, with Regional Development Australia rather than have it as a small modification of the existing ACC structure.

An example that we are studying quite closely at the moment is what is being done with Enterprise Connect under Kim Carr's portfolio and the establishment of a national innovation system for manufacturing. Something we have found as an applicant or a participant in programs like Sustainable Regions is that the federal government has always had thousands of people to send us draft contracts and deliberate over amendments to timeframes and follow us up on milestone reporting but very little in terms of having regional development expertise and economists and sheer grunt to help us understand and design a way out of very complex structural issues in our region. I think the comments about the grassroots are very important in that local people and regional bodies like ours are in a very good position to see that they have a problem and to generate support and buy in from various people who are interested in making a solution to it.

What we do not necessarily have is economists and demographers, strategists and public policy advisers who can help us to find a way to solve those problems, because sometimes everything else has not worked for the last 20 years. My feeling is that there needs to be a

mechanism whereby, as well as helping us develop good complying funding applications, applicant bodies at whatever level, with the assistance of Regional Development Australia, can get direct access to Australia's best thinking case studies and international experience et cetera. It could be partially funded by the federal government. We would then not only come to grips with the problems we are trying to solve but the applications we put up through the process would be a whole lot more rigorous. They would be based on expert advice. There would be more recourse for those assessing them to follow up on due diligence, if you like, in the design of solutions. That might make it far easier for public servants and ministers to make decisions rather than have this issue of some arbitrariness, which has been the subject of previous inquiries.

I think overall, though, what you would see is just better projects coming up with better ways to solve the big problems that have been hitting us for a long time. If we do not do something like that, there is a risk that we will get more efficient at funding projects which deal with the symptoms of problems in regional Australia rather than the causes of them. I think you have a unique opportunity. We are yet to submit a submission. We realise that we have passed the deadline, but we have secured written agreement that we can submit one later. We would like to be able to comment on these aspects of the Regional Development Australia journey in the context of this discussion as well rather than just talk about who assesses what and advises whom and when. Is that available? Is it relevant to the terms of reference?

ACTING CHAIR—Yes. Most definitely.

Mr Jaensch—Excellent. Thank you.

Mr Wallace—I want to build on those remarks. I fully endorse what Roger is saying. We are a regional body. However, I have one caution. I am not quite sure whether Roger was referring to perhaps a central body of expertise, intelligence or IT. Personally, from our perspective, we would very much like to see it regionally based so it is not coming from just one central body. In turn it could perhaps within itself develop its own themes, flavours and requirements. But certainly deliver it in Tasmania. We are fortunate enough to have based here the Australian Innovation Research Centre at the University of Tasmania. There is a lot of expertise there. There are other areas. I agree with Roger that we need expertise in the form of demographers, climatologists and all the people who are going to help us actually identify projects, prepare submissions and then, more importantly, measure the outcomes as they are delivered. I will quickly wrap up by saying that personally I agree with Roger that we do not want to see a highly efficient administrative perspective. We want to see the outcomes—where the money is being delivered to the communities.

ACTING CHAIR—Sure.

Mr Jaensch—In response, I agree with Rob. Regions should stick together. But I think that the new thinking which is being explored nationally with the manufacturing centre and the innovation review is not about a new structure which lives somewhere like Canberra. It is actually about stitching together a network of that expertise and experience wherever it exists now. I would like to think that Regional Development Australia is something that my organisation can be a member of, as can the Institute for Regional Development, as can any number of bodies with track records in regional development and public policy relating to regional development all over Australia.

People such as Craig and his team can be the people who know that network intimately. They have the directory at their fingertips. When we come up with a demographic challenge or a structural reform issue, Craig and his team are the sort of people who can quickly find us in that network the expertise that we might need to draw on and to make sure that that comes to us and that they are articulate with the various fields and players out there. We can write our own projects. We are pretty good at that. We have a good record in that. What we cannot afford to do is go to a conference every week. We need to be able to be in touch with best practice. But a little organisation like ours cannot. We cannot employ that high-level specialist capability within our organisations. We do not have the budgets. That needs to exist. If Regional Development Australia can be the thing that we are members of but which also feeds us, we will all get better at doing regional development. I think that that would be something you could invest in with a lot more confidence.

Cynically, the process at the moment seems to be aimed to ensure that we get the money out and that we can account for it. There does not seem to be a lot of focus on whether we are solving the problems of regional Australia.

Mr Perkins—I am just thinking about Roger suggesting I go to a conference every week. That is very nice of Roger.

Dr Cory—I agree with a lot of what has been said around the table. But I, too, am a member of a local council and an elected member, so I can speak from inside the council, not the outside. I have concerns with a lot of what has been said because I think a lot of the small projects are missing out here. They do not need big steamrollers to help them out. They are one- and two-man projects that just need a little help on the way. A council is not going to help them because that is not their business, at least from my perspective. If we are not very careful, we are going to help develop the top end of town. But it is the little guy at end of the street who is trying to do something, albeit it small, who will miss out. That is about half our projects. They are not big bucks. They are high impact for that tiny little community. They are always slipping under the mat. I think one of the good things about what Craig and his team does is he goes out and helps the little ones.

Mr Jaensch—I would agree with that sentiment. But our thought is that future funding arrangements possibly need to have two separate levels—one which is based on local communities and that local liveability factor and the grassroots. I do not know if you would put a maximum quantum of funding around those. You might be able to assess them quite differently to what you would some of those other regional, structural and economic reform type issues and major infrastructure issues that are really apples and oranges. You cannot put them up into the same funding round, I suppose, particularly when you are approaching the political part of the cycle, where some of them are going to be great crowd pleasers whereas dealing with far larger regional, structural issues are going to be a little bit more abstracted politically. So I think that general regional economic development you refer to plus that local community development are quite different topics. They might both require some level of expertise, but I do not think it is sensible to try to have them competing with each other in a grants program sense.

Mr Ransom—About 15 months ago there was a study by the University of Tasmania and I think South Australia into regional bodies in Australia. I have been involved with three regional bodies in Tasmania, and they work differently. Indeed, the basis of my evidence was that

regional bodies are sustainable only because they are grant driven. I am picking up where Tim came from. There is a place for regional bodies. But let us focus on what municipalities do and what we all ought to be doing federally, and that is the famous word 'sustainability'. Unfortunately, the future or going forward is redefined every second day. But we have the triple bottom line, which is in my view an accountant's term about what we are supposed to be doing when. Indeed, history records that the Butlin report to the United Nations in Rio back in 1992-93 really set the scene for where we were going, which was followed by the appointment of a commissioner for the future, Dr Peter Ellyard. Simplistically—and ain't it true never more than today—we try to find a balance between the economy, social needs and the environment. I do not know why we do it—it is probably ego—but we put a spin on things and move away and come back. We are like waves on a shore. That is the bottom line of most of the strategic plans that we are required to do in Tasmania. It is also the big push by the Local Government Association of Tasmania in terms of sustainable local government. It means looking at boundaries. It means looking at lots of things. But you cannot come across that bottom line. Where Roger is coming from is the perfect world. We may attain that, but we do not do it unless we drive it from the bottom up.

Mr Perkins—Roger was talking about the broad region and the role, I guess, to collect information and have the best resources in terms of searching for solutions and stuff. We have also talked about the smaller projects. I guess it just goes back to my opening comment with regard to a funding program and what it should be focused on and what the needs should be. There is that broad scale, be it little ones, be it big ones, be it sector focused or be it local council focused. Not-for-profit organisations sometimes want to build infrastructure that is self-sustaining and does not actually even fall back on to the council's asset register. So I think it just goes back to that. Across a whole host of regions there is a whole host of different needs and organisations that say, 'Something needs to happen here and we will drive it.' For different people that is different things. I think the discussion that I am hearing around here today is that people say, 'Don't lose sight of the little guys. Don't lose sight of the regional priorities. Don't lose sight of the big projects. Don't lose sight of the little ones.' I think that is the point I am making. Different regions have different needs. We need to understand that.

One of these questions talks about community infrastructure funding and what that is. Again, it is different for different people. Sometimes it is just about building social capacity and providing resources or a framework for people to get out and re-skill or re-educate. Sometimes it is about actually building the skate park, the bridge or the road. Again, it is infrastructure from that point of view. It might be local knowledge and building knowledge so we know how to deal with solutions. It might be getting the database of information that is world's best practice. That might be the infrastructure that is missing in that community. So I think we need to get a broad approach to that because what works in one region is not always going to work in the next.

Mr Jaensch—I support that. I think that that actually goes to the issue of having a greater ability to identify the problem. The solution needs to be whatever it takes. So the funding should be able to be applied to a very broad range of solutions. Recognise that we have these problems, because the solutions we have used in the past have not necessarily worked. So we need to be able to be innovative. But we do need to be able to really define what we are dealing with and to be able to monitor the solutions. One of the questions that comes up for me in this regard is how the federal government or a funding program might maintain its own information on what the status of regions is.

We were participants in the Sustainable Regions Program. We were identified as one of 10 regions around Australia that did not seem to be responding to the national economic miracle. Therefore, there was a new way of doing things created. We said to them, 'Okay, so what do you think we should do about it?' They said, 'Well, we don't know. That's the problem.' We had to work it out ourselves. We invested a fair bit in some external expertise to do that. I think we have to understand that, yes, every region is different. But there needs to be some sort of basis for understanding what the status of regions is and what the problems are. One thing that the federal process should avoid is going down the route of what happened to the Natural Heritage Trust, whereby regional planning and priorities that were identified, which was the basis for the delivery of federal money, were overtaken by a series of national priorities. This will mean that we might get progress against problems with the Great Barrier Reef and drought affected areas around Australia et cetera, but if those issues do not manifest in your local area, you might miss out.

A national priority process and then an open slather sort of competitive process is a pretty blunt instrument. I think we need some basis for being able to say, 'How does this program wrap around the particular circumstances of a local area or a particular region of Australia?' You have to have some way of measuring that.

Mr Wallace—I will also make a comment, building a little on that. I think one of the things that we have just seen in the last six or eight months is a vacuum, if you like, of new projects to be approved. Whatever we build into this new model, we need to be able to make sure that there are projects that can be put forward and funded continuously. One problem we have at the moment as a regional body—correct me if I am wrong—is that I believe there will be little funding coming out for regional development nationally for perhaps around another eight, 10 or 12 months. So that puts a gap. We have just come through a period of six or eight months. So we are looking at a period of about 18 months where there are no new projects being funded. This is absolutely critical. If we tie it, and we are trying to be apolitical here, to governments changing every three or four years, if that did occur, does that mean there is only over a 15- or 20-year period 50 per cent of the time that we will be able to look at funding? I hope from our perspective that we look at perhaps some other models.

I mentioned the term 'innovation' earlier. Innovation basically does not come from scientists. It comes from consumers. In this case, we are talking about consumers as the local community people, the regions, the capacity we are trying to build, the wellbeing we are trying to build and the sustainable economic value that we are trying to build into communities. So I do not think we need to spend as a nation a lot of time naval gazing at how we are going to fix the problem that we are going to discuss at the roundtables. Yes, that conversation is occurring. But equally there are globally some very, very good models which we could look at. It is the areas having common interests together where they come together and how the local communities deliver to those common interests, needs and requirements. As you go around Australia in these roundtables, you will be gaining a lot of information and a lot of thoughts and ideas. But that may need to be tempered and weighed up with models globally that are already working.

Tom gave us earlier a definition of region. One of the things we need to focus on is that regional requirements are completely different from large metropolitan type projects and programs. That is the thing that we need to be very, very careful about. In Australia, the majority of our population lives in two or three key regional areas—south-east and south Australia et

cetera. Again, I would not lose the focus on regions. There are models around. We need to build on innovation. What is delivered from innovation comes from the needs of clusters of like-minded people.

ACTING CHAIR—I will follow on from that. I will ask a question that kind of follows on from Roger and Rob. Are we hearing correctly that maybe there should be one, I guess, big pocket full of money and then separate umbrellas under that—that is, maybe a medical infrastructure fund or a business innovation fund or something like different umbrellas that come off this big pocket of money that is there?

Mr Wallace—I will quickly respond to that. The short answer is yes. I mentioned earlier when I was addressing you that there needs to be the flexibility of the government of the day to decide that there are gaps, be it through their own advice, through public servants and/or through community perception. They need to have the ability to say, ‘Well, here’s a theme that we believe we want to deliver on over the next five, 10 or 15 years.’ So I would not like to see that there is a pool of funds and that we all try and argue about it. However, the next level which you described I think is very apt, and that is getting it down to maybe a theme of capacity building, for example, for wellbeing nationally. But then for each community you jump from that umbrella right down to the grassroots. As Allan mentioned earlier, there could be a small community at the back of Sorell in southern Tasmania which says, ‘Hey, our real need for building capacity is to get the local hall fixed up so we have somewhere where we can bring the people together.’ It is those sorts of things. So I am not trying to be prescriptive in the answer. It is more the overall perspective.

ACTING CHAIR—Sure.

Mr Doyle—I want to comment on the small project idea. Working as a community development manager, as I did for a number of years in a council, I am very much supportive of the small project idea and the need for it. But something Craig said did worry me. When infrastructure is developed in small communities, it needs to go on to someone’s asset register. I think it is dangerous if there are community assets developed that are not on an asset register. Local government, with its contemporary asset management planning processes, is the authority that should pick it up. Otherwise, we do run the risk of having smaller infrastructure developments that simply are not looked after and managed, because the community can move on.

Mr Perkins—I want to clarify my comments about community infrastructure. I had one project in mind at the time. One example of community infrastructure—and we are visiting it this afternoon—is Toosey Hospital out at Longford. It is owned by a foundation. It is strong. It is viable. It is a community infrastructure that is used as a day centre. The community come in and use it. But the council never have to worry about the ownership of it because there is a strong body. So I am not talking about a community hall, which is a not-for-profit with no finances underneath it. You really have strong, sustainable projects that are owned by community organisations. They are the types of things I am talking about.

Mr Doyle—I guess I was just making a comment on it.

Mr Perkins—Thanks for clarifying that.

Mr Abernethy—I would certainly support what Glenn says, which is the idea that if you build infrastructure, before you even commit to the project, there has to be somebody at the end who is going to put their hand up when it needs repainting or repairs. Similarly, with programs that are not funding infrastructure, where they are funding more community development type things—putting services into communities as well—I have seen lots of programs where they will fund this position for three years. Great. On the fourth year, what is going to happen? There has to be a commitment to say, well, it is either a three-year program and then the service stops or somebody has to put their hand up to keep it, because the community level of expectation will be raised in that period.

Mr Garcia—I do not think there should be a program where every child wins a prize. I think there needs to be some vision in terms of what is it that we are actually trying to fix here. Perhaps there are layers. Perhaps there are some particular elements where people have an opportunity, be it grassroots, intermediate and larger scale. I think that is probably appropriate, themed or however you want it. But clearly a circumstance where there is an opportunity for everyone and anyone to have a grab is not appropriate.

Another point I was going to address has probably been addressed. One of the issues about these projects, particularly for hard infrastructure, is that it has to have a home ultimately. So many times we see these projects up and running. There is an application. What a great idea. It looks sustainable, but invariably it is not. The reality is that those people who still have the rights at the end of the day are councils. When the community expectation is built up, the persons or the group that was running the process and doing it very well for a number of years fall over and you still have that community dependency and desire for that service, who do they go to? They go to the councils. Again, I think there is this issue—Glenn’s point is right—that it does not necessarily need to appear on a council asset register. At the end of the day, councils are the ones that actually tend to have some level of inheritance. That is why local government is important in the process. I keep on saying this. In terms of a lot of these projects and these community things, even at the grassroots level, there has to be some longer plan than three or five years. There has to be some sort of subsidiary arrangement wherein in the event of failure—not that we want to foreshadow that—or problem, this is what happens. I expect at that time councils are going to probably say, ‘Well, we don’t want to cop it’, but that is the harsh reality that we have to address.

In your subsidiary questions here, you ask what community infrastructure is. I am sure you have heard it in other places. You may have heard my big brother agency at the ALGA, if you have spoken to them. In this country there is a backlog of community infrastructure across the nation in terms of fundamental things, be it swimming pools, recreational grounds, playgrounds—health facilities are probably a little different—a whole range of things that people need for amenity. Without that amenity, without those recreational facilities, without those fundamental things that make your place a great place to live, you do not have a community. If you start then talking about what constitutes regional development, the first thing that you want in regional development is a place where people will live. A problem across the country at the moment is that there are so many issues facing us. This is currently a local government responsibility. It is the local government’s responsibility to provide these services. But the backlog is so great by virtue of other priorities taking over, be it services to the community through immunisation or looking after youth or looking after the aged, the things that fall off are these local community things. A community hall was mentioned. The reason that comes up from the community is that council has lost the ability to be able to do that. I am not saying that all the

money should be put into a backlog of local government and community infrastructure. But certainly somewhere in there some consideration may be given to how we address this fundamental issue of building a community. If those basic community requirements are not there, you can regionally develop as much as you like but you will not actually get traction.

Mr CLARE—I want to explore this in a little more detail. People around the table deal with budgets all the time. They know that you have a limited pot of money and you try to extract the most value from that limited resource. Allan, you made the point that there is a backlog. I think that is something that I have heard around the country. If you have a limited resource in terms of a budget for federal grants, it is where the money should best be spent. That goes to the essence of this question that we have been discussing this morning. I have heard different opinions across the country about whether we should be in the business of helping businesses to create jobs—whether that is the job of local government—or whether that should be the job of some separate fund in industry and innovation. I am interested in hearing from other people around the table, particularly with a local government hat on, about the point that Allan has made about the backlog in community infrastructure. If we are setting objectives for a new scheme, albeit ones that are flexible enough to deal with the local issues that Craig has pointed out and that Allan has pointed out, should we be specifically making the point that community infrastructure, like the things that have been discussed around the table today, should be top priority?

Mr Doyle—I will make a comment on that. In recent times, other infrastructure needs seem to have been rocking along and perhaps jumping the queue. An example in my council in the Huon Valley is where we have just had to invest in a medical centre to attract doctors to a small town known as Geeveston using money that might otherwise have been spent on playgrounds or the softer stuff. So the difficulty, I think, is getting our head around what community infrastructure means. If we are talking about the traditional parks and recreation and the stuff that Allan alluded to, that is one school of thought and one debate. But what seems to be happening to local government, particularly if we start to stick our nose in health services in any way—and without health services it could be argued that your region will soon fall over—is that if we are comparing a playground to a doctor, it is a no-brainer. The infrastructure to get the doctor there will win every time. That is the other issue that I think needs to be considered.

Mr Ransom—My definition has been life support systems or vital life support systems. They are quite definable, and you can extend them as well. What is it that we need to survive in our society at present? We certainly need water. Just think about the services I am talking about and if you cut them off, how you would handle it. There is water, sewerage, health from immunisation to brain surgery—which I am lined up for; a transplant, that is—social planning and building, because it relates back to health. You get a nice discrete area. Someone mentioned the Grants Commission. If you watch the tax curve in your graph, it is going like that with the GST. If you look at the Grants Commission, it is somewhere here. There is a huge gap that has developed in that area.

It occurred to me when I was looking at this paper—we are talking about who is going to get what and who is going to get a new hall, for Christ's sake—it is \$176 million. Spread that across Australia into regions or bits and pieces and it becomes a lesser amount. If the applications become too diffuse, you have very little effect at the end of the day. Small clusters get quite happy, but that could be a community such as Legerwood or upper Oodnadatta. So I will go back to where I was. I looked at a submission that would plonk that money out of this area into the

Grants Commission and go that way because it would spread, arguably, equitably under the formula the Grants Commission has, which is population, this, that and something else, as opposed to go going through the administrative process, the management process and whatever. You come back to my famous strategic planning. If you are not filling your gap in a strategic plan and you have it out further, those funds would be on the table immediately. But that is not what I am proposing today.

Mr Jaensch—Allan is probably speaking from a more informed basis than me. But I think there was an issue in the discussion back a couple of steps. It would be a mistake if a new regional development competitive grant program was developed which was used to cover a shortfall in some other as-of-right funding allocation to local government to meet the maintenance needs of basic services for its communities. There is a lot of debate in local government with the state governments about cost shifting and the way services move boundaries without money attached to them. You could very easily use up the whole country's regional development grants program in covering the costs of just survival before you are getting ahead.

Mr Garcia—And more.

Mr Jaensch—And more. So I think there is a rule there that needs to be taken account of. You cannot use this new grants program to fund a backlog because all you are doing is getting back to where you should have been at the beginning, and that is wrong. The other thing in relation to what you suggested, Jodie, is I do not think there should be a whole lot of different sectoral or purpose specific allocations under an umbrella and that we try to pick what they are—the medical and the other things like that. I do believe that there is a big difference between things that are about a local community and an economic region. I think that that is a useful distinction. At a community level, the provision of support for certain types of health services could either be the chicken or the egg. It might be that a developing mining community will only develop properly if there is an adequate health service there. It might also be that you have an area which has a massive sea change population which has got to the point where it is growing and outstripping its current service levels. There are communities where, quite probably explicable, painting murals on the sides of all of the shops and houses down the main street has led to a significant economic revival of main street. So if you can have an arts-led, GP-led, enterprise-led or an infrastructure-led recovery, you need to be able to use whatever tools are needed. I think if you try to identify all of those and give them a part of the pie, you will miss budget and you will miss issues, I think.

Mr CLARE—Should there be funding for for-profit businesses?

Mr Jaensch—I think that you possibly need some special rules that come into play where a for-profit business is part of the mix. Our experience working with those businesses is that the boundaries you take are very hard. If you decide you are going to talk to manufacturing businesses of a certain size, someone is going to test with you your definition of manufacturing or small to medium enterprise or whatever. And then there are things like the due diligence and competitive neutrality issues that come into play. I do not think that there need to be categories of funding that are available, but there might be aspects of the process of assessing those things that are deployed when a for-profit company turns in a proposal. I think that private companies and some of the community enterprise not-for-profit areas that are not public have some really

important roles to play and can be a source of huge innovation. Look at Andrew Forrest in the news over the last little while. You do not want to walk past that. You need to be able to grab that. But what you need to be able to do is somewhere, back of house, bring out some extra tools to ensure that government funding in those circumstances meets some probity and neutrality issues. If you are talking about local government councils, girl guides and Landcare groups, there are different rules because there are different sets of risks involved. Different levels of diligence and liability are involved.

Ms Clark—I agree with what Roger said. I think that if it is a for-profit organisation, certainly perhaps the guidelines are much stricter. There definitely needs to be more due diligence. What I would say outside of, say, areas like Launceston and Hobart and in regional communities is that there are certainly for-profit businesses and organisations that are perhaps the heart and soul of those particular regions. A project may not get up off the table because you simply choose not to fund a project which involves a for-profit organisation. The effect on those communities, I think, could be quite wide. Certainly organisations or businesses in those areas can provide employment benefits, social benefits and that sort of thing from being able to access funding for a project.

ACTING CHAIR—I think what we might do—I have a list of people who want to speak—is move into topic two, which is the application process and the assessment process. We should probably focus on that in our discussions going forward.

Mr McCallum—I just want to take up one point on the discussion in question. I do have concern about some things that were said, particularly what Glenn said; mate, I am not having a go at you personally. Certainly what I have concern about is that as community assets are developed, and potentially without consultation with local government, they are foisted on councils to take up the responsibility for the ongoing maintenance. Often that is lost in the equation. Local government as an industry is struggling enough as it is. There is a lot of councils across Australia that have not even funded their own depreciation of existing assets. To foist additional responsibilities on without some sort of consideration or consultation with those councils would certainly make their task a lot harder going forward.

ACTING CHAIR—Yes. Sure.

Mr Perkins—I want to pick up on a couple of things. Jodie, you asked before about priorities that had to apply, I guess, at that highest level. I think it goes back to what Roger was talking about with the NHT stuff. I use the Regional Partnerships program as an example. It had some really broad parameters. But for regions, such as for the NHT, they actually identified where their needs were. So a funding application had to be connected to the strategic plan of the region. So if that strategic regional plan met the broad objectives of the program and said, 'But locally these are our issues', funding applications then needed to connect with them. In terms of local government and that cost shifting, it is quite simple. You build in an assessment criteria that says, 'Does the local government support this project or not?' If they do not, it does not get supported. So they actually have an opportunity to say, 'Look, I'm not going to be part of this.' It might be driven from outside local council, but there are checks and balances there.

Another topic I want to talk about is the private enterprise question, because I know you have asked about it a couple of times. In our funding submission, we have three case examples of

private enterprise, because we see this as important too. Two of them I want to talk about. One is the Hellyers Road Distillery in Burnie, which received \$657,000 in Regional Partnerships funding to build a visitor interpretation centre. Roger has a better knowledge of the jobs. I am going to say there would be 30 jobs, probably at peak tourist times. But underneath that, TAFE was able to come in and deliver some hospitality and training programs that otherwise would not have been delivered in Burnie. There was a direct partnership between TAFE and the distillery. So you get this social capital building through training and development that otherwise would not have happened. You have an organisation that is producing world-class whisky that would have always done so and sold it but would not have had that tourism infrastructure in their region to support the jobs that came with it. So you are able to then tack on to that and say, 'Now we have some jobs as well.' On the competitive neutrality, we made them talk to all the other whisky producers in Tasmania and outside Tasmania to say, 'This is a worthwhile project. It will grow the industry.' So now they are the biggest whisky producer in the country.

The other one is a for-profit. It is Tall Timbers Hotel in Smithton. Smithton had a hydrotherapy pool. It was owned by an individual. They could no longer offer it because of public liability insurance. The doctors and the physios in the town would send patients to the private individual. They would do their hydrotherapy swim. But that then shut down, so they had to travel an hour to Burnie. Someone has to get in the car, travel to Burnie, go to the hydrotherapy pool and travel an hour back to Smithton. What was the point of that? They were just as bad as they were once they had done the journey. It was no good. Tall Timbers was building a hydrotherapy pool for their resort. The council then took the lead and said, 'We'll help you with some maintenance issues on that. If you can allow this and put the right equipment in to enable the physio through a managed system, the physio could bring people.' Regional Partnerships put \$66,000 in for all the bits and pieces that enable disabled people and others, including the elderly, to access that pool through a managed system so that every man and his dog just was not walking off the street. Now they have a hydrotherapy pool in the town.

So the full benefit is the health benefits. People now have a hydrotherapy pool maintained in the town for no financial benefit for the hotel. It is a hotel saying, 'I can deliver some community good here.' All of a sudden you get this private-public partnership arrangement. The council is helping. They did not want to spend \$100,000 on a hydrotherapy pool. It has cost them \$5,000 to help with a bit of a maintenance and they have got a really good outcome. So that is, I think, the level of thinking in private enterprise. It is not just because someone says, 'I have this idea. I can't be bothered going to the bank. I don't want to pay all the money back. I'm going to deliver jobs, so give me the money. I deserve it.' But here is a really good outcome as a result of, 'What assistance and support can I have, if at all?' That is the level.

Mr Jaensch—That is an example where there are going to be other programs out there that are about funding private enterprise to improve. The Enterprise Connect stuff is very important. There are significant examples, and that is one of the best ones I know, where a private investor or enterprise is an integral part of an overall public good project. You do need to apply particular care to the assessment of those and understand who is getting the biggest drink out of the thing. This is different to the Hellyers Road one. In the Circular Head case, the Tall Timbers case, there were wins all around, and it would not have happened without that private operator being part of it. I am not sure that anybody else in the industry they operate in would have any problem whatsoever with what is being done. It is a really good case.

Mr CLARE—And that description represents an example of the grant being used to create more than just jobs in a local community. That is what it seems, from the description you gave, distinguishes that from a lot of other examples I have seen across the country. When we go back to the point of definitions, it is interesting to consider with a grant to a private or for-profit organisation whether it is sufficient to justify that grant on the grounds that it is going to create jobs.

Mr Jaensch—I can give you another example. It may reflect some of Craig's examples. But there are cases where the development of individual or multiple enterprises themselves addresses a regional problem. We have a situation in our region where we have phenomenal rainfall and soil capabilities and a wonderfully stable climate, even looking out 20 or 30 years. Compared with the rest of Australia, agricultural resources in north-west Tasmania are very rare and valuable things. We have a large agricultural economy. A hell of a lot of that is tied up in producing commodities. We feed them through two internationally operating vegetable processing companies, which from time to time show signs of not being as competitive here as they are in other parts of the world. We could face a challenge in the future. If those companies did not exist, we would not have large parts of our agricultural economy any more. But we have excellent resources.

One of the shifts that we need to bring about in our region is a diversification of our agriculture into particularly higher value-added forms and branded consumer products rather than produce commodities. That might mean investment or having a program of investment available to help many existing farming enterprises or vegetable packing enterprises to become more food producing enterprises. As a package, as an investment across the region, that has a regional development strategy behind it and a real identifiable need, but it might involve mainly investing in the growth and change of lots of private enterprises. That is different to, say, the Enterprise Connect stuff, which is enterprise only focused and growing and getting the best value out of a business. We are looking here at regional economic structural reform of the sort that you might have had around Newcastle, the tobacco industry in Queensland or the wool industry in Western Australia at a different scale. I think that that sort of investment is legitimate as part of a regional development investment program but as a regional strategy rather than just as, 'These are businesses in a region. Therefore, they should receive this money.'

Ms Clark—I will touch on what Jason was saying. You would not fund a for-profit enterprise simply because the idea is a great idea. You would fund it because it has tangible benefits for the community. It might be more employment. It might be health benefits, such as the hydro spa et cetera. So it is more than just the project or the region.

Mr Garcia—It is about the public good factor. Quite honestly, seeing an enterprise funded absolute on its own would be difficult, I would think. I think you would almost need a partnering arrangement on that, be it with the council, the regional development organisation or a community group or whatever. I have taken Roger's term, where it can fit into a regional strategy. I can accept it, but I think it would be difficult in a funding sense to differentiate between that type of thing and something else. But partnering with what would be recognised as a community or a public entity that was actually providing in partnership a public good would be the outcome.

I sat on the ACC prior to Tim and Craig being there. I saw so many small-scale things. It used to be restricted to not-for-profits. Certainly no business enterprise could get involved. You just saw that if there was the capacity to have that partnered to someone who had the wherewithal and the expertise to make it happen, it would have happened. The issue is what level of support you are going to get from the private sector in almost providing something for nothing. It is something for the community. If that can be factored in up front, I think there is a possibility. But I think a lot of the projects that I saw in the past went by the bye by virtue of that lack of sustainability. Had there been a partnering arrangement, it could have been achieved. But on its own it was very, very difficult to support. So I think the opportunity did come in. You have heard some good examples of partnering arrangements where that has been able to be possible.

Mr Perkins—When private enterprise is putting money in, if they have the hurt factor—the contribution into a project—they actually make it work. They have their own assets and resources, so if the competitive neutrality stuff ticks off and private enterprise says, ‘I’m prepared to risk my own investment in here and be a bit innovative and challenge myself and grow because I’ve got stuff to lose as well’, they have this underlying imperative of their own. They might benefit financially if the thing takes off as a result of the government investment, but they have also got a lot to lose if the thing falls over. So it is what is better. Is it better for them to take the risk and win a little themselves and grow a region or is it better for them to not be included at all and lose that opportunity that Allan is talking about? That is the balance you need to try and achieve, yes.

Mr Ransom—I will provide a reference point. This is a little history. Look at the history of the regional forest agreement as a classic of how not to employ—indeed, how to put employment on the backburner—particularly in the north-east region. There were some very substantial grants for the mechanisation of logging. They were put by for-profit organisations, who talked about effectiveness and efficiency. I cannot measure the jobs, but in a small region it was probably 100 to 200 people. But I am pleased to say, on balance, that the owners of these organisations increased their profit. In most cases, at the end of the day, because of the portability of the new things they had, they moved to other places. That is an issue that I would raise regarding sustainability within regions.

There is competition between regions. When you look at Gee Whiz, a wonderful thing to happen in the Cradle Coast, God bless it, you also have to look at the northern regions. We can see that in other areas, particularly in relation to the recent relationship to a certain pulper of woods, because there was a push for that in another area.

ACTING CHAIR—I would like to welcome Joanna Gash, who is, as I have said before, the member for Gilmore. Thank you very much for attending here today. Apologies because of the weather.

Mrs GASH—I got fogged in.

ACTING CHAIR—We are kind of used to it down here in Launceston. Just for your information, Joanna, we are still exploring topic number one. I think what we will really be doing is moving into topic number two, which is about the application and assessment process going forward into the future.

Mr Abernethy—I was just looking at your subsidiary questions. What assistance should be available to applicants? I certainly think there should be some assistance, but it is balancing that assistance—the help factor—against who is going to be doing the assessments at the end of the day. In that first section we almost talked about two streams—the local community based type project and the more structural regional type project. I will throw up two models. If we look at the first category, the local community type model, probably the assistance—Tim is probably going to hate me for this one—should come from the local government level. When I continue that theme through, who is going to be doing the assessments, I am going to give that to the RDA, because it really is a local matter. Probably the sums involved are quite small, so there should be some almost devolvement of funding and a final sign-off down at the RDA level. If you go for that structural, more regional thing, probably the assistance should come from the RDA with some sign-off being at a higher level, be it Canberra based. I will just throw in those couple of models for discussion.

Mr Perkins—I do not have a problem with what Ian says. I was thinking about this before. We have some really good local governments in Tasmania, but we have some local governments that struggle to attract resources to help them provide support. I know Launceston could do it really well. I know Devonport could do it well. But I also know of other councils that struggle because they struggle to attract quality. With this resource strain that they have got to do everything else, they do not have the people and the capacity to be able to do it. So you do not necessarily want those communities to miss out because their council is struggling to provide that resource. That is my qualification on it.

Mr Abernethy—I will take that. I am glad you brought that up because that leads me to something that certainly we are keen on. I think Allan touched on it before. It is resource sharing with councils. When I put that model, I was very conscious of the councils that cannot afford their own person. That does not probably have to mean it has to be a person employed by that council. It could be a resource that is shared amongst the group, maybe through groups like Rob's or Roger's organisations.

ACTING CHAIR—There are examples of that.

Mr Wallace—Certainly there are projects which are regionally focused. As we said earlier, there could be two or three in Hobart or three or four major councils that all cluster into that one Hobart greater area. So certainly it should not just be that. However, I think there is a capacity that needs to be built into the overall program to build this capacity that we have been talking about. That is almost a gatekeeper locally, where it can be decided that, yes, the community requires, needs and wants to move forward with the next step of looking at this project. It is not just the squeaky wheel that is getting the oil. That is where the three regions in this state could be able to help and assist to help filter those. They would work closely with the RDA, who have the federal capacity and knowledge. Equally, the three regional bodies here in this state need to be in a position to. Let us say it was a Flinders Island project, for example, which does not have other LGAs attached to it, and they wanted a standalone resource there. The regional body could go in and assist the community to decide whether this is really what they want.

Jason asked a question earlier about the backlog and the funding of backlog projects. Of course, we are all emotionally driven by our local community. Sometimes we need to put the line on the sand and step over it and move on. There are particularly, as was mentioned earlier,

requirements for fundamental things, such as non-boiled drinking water. That is something which is an expectation in our community yet we have some 20-odd areas in this state which are from time to time through the year on a boiled water alert. It is just not on in this day and age. So they are the sorts of projects. I know I have got off the track a little. It needs to be that the community wants it and the community is willing to support it. The question back in topic one at the end—I am trying to get to two, Jodie—is how it fits in with other funding bodies or other funders. We have heard about private enterprise coming forward with some funding. It may be that some local church communities bring in funding. There may be state and local government groups that have funding to build on the federal funding. So it could be all packaged up, the community adding volunteer time and those sorts of things.

Mr Garcia—It seems that those communities that have the least need the most. Generally those smaller communities are subject to the smaller councils that probably do lack that capability. But taking up Ian's point about exploring that opportunity to have, I suppose, some determination at a local government level, it does not have to be the Tasman council that says, 'I will attest to this and I will judge this.' I am not really fussed if it is in local government or elsewhere, but there is some issue about it being within local government to actually get that flavour. I expect that if it was a southern based application, we could put in place mechanisms to deal with that. I do not think I would deal with the association because I am not local enough. While we are a peak body and while there is a capability, I think at that regional level there are some linkages that could allow for smaller communities and smaller councils to be assisted through a local government network. If this program had that prominence, I expect that is something that could be resolved in the Cradle Coast. Whether it actually happened through the Cradle Coast Authority or whether it happened through NTD or the Southern Tasmanian Councils Association, I think certainly that would be of some benefit in assisting that local community, understanding what the local connects are; they are either through councils or other mechanisms. There would be some great benefit there.

Mr McCallum—From my experience, we have had very good assistance from the ACC as it exists now. From my point of view, we have found it particularly helpful that the organisation is a conduit to Canberra. The local knowledge that they have has been particularly good to us. I personally would not like to lose that because of the assistance that it has given us. They have got a particular expertise that we just do not have within our organisation, I have to say. Thank you.

Mr Jaensch—The question about what assistance should be available to applicants does come back a little to the question of applying for what. I think there is definitely the role for direct assistance to anybody—to the weakest application writer—to put a good project down well to get it through. I think they are right. Not all organisations who might put their hands up for this have people with the right words for it.

Thinking about slightly bigger projects as well, I think it is worth having a mechanism within the overall program to invest in there being good applications. With a lot of applications that go up, particularly for larger items or riskier stuff, I think you would be well served by throwing a couple of grand at insurance to invest in the application and the design of the project first. It could be that there is a discretionary delegated authority with Regional Development Australia or the department head office in any state, or whatever authority you want from Canberra's end. It could apply a small amount of money for a preliminary stage investigation to design a good

project so the applications you would get through the slot for full funding for implementation would be good and have some pedigree and rigor to them. They would not just be the best that people with a good idea could put together on the day to get it in by the funding round or before caretaker provisions come in, or whatever it might be. It is worth investing in really good projects. That makes assessment a whole lot easier and far less contentious or risky later down the track.

I have a diagram that I have drawn on my whiteboard at home which shows regional development funding, local, regional, planning and implementation. There are four different boxes. It does not mean that an applicant has to apply for assistance to develop their proposal and then take it through. They can come straight in to the implementation phase. But there is a higher bar that needs to be set. It might say, 'Have you consulted with your local government council to ensure that these hangovers at the other end, out year issues, are dealt with? Have you looked at the people who did this in Queensland three years ago and how it went for them? We know about that through our network.' Anybody should be able to put something into the implementation stage funding, which is where the big dollars are, but they could also be rejected from that and told, 'You need to do more work. We recommend you talk to these people. There is a grant of up to \$5,000 that might be available to help you do it.'

In other areas of federal government funding and state government programs, amounts like \$5,000 are available to businesses under certain circumstances to help them do a business plan as a basis for a government considering a further level of assistance to a business. That is almost a due diligence sort of thing. The same could apply for any grant coming up under regional development funding that wanted to draw down over \$50,000 or \$100,000 or half a million dollars. So you are investing in quality. What you might find is that some of the silly ideas go away. Sometimes people, having the resources and the practical assistance as well as the specialist assistance to work their idea around, might find that what they were originally planning to do does not solve their problem and that there is another way of doing it or it is bigger than they thought or that there is another partner out there they could bring in. So the whole quality of the thing goes up.

Mrs GASH—Roger, does your ACC actually prioritise all your projects now, or did?

Mr Jaensch—We are not part of an ACC. We have an ACC in Tasmania.

Mrs GASH—Do they not prioritise all the projects?

Mr Jaensch—I think they do prioritisation, yes. I think they do a good job. I think that the configuration of the ACC and the process it runs through is more of a peer review process than a technical review process. I think it has merit in that there is an ability through the ACC to apply some understanding of the local circumstances and the players involved and the history of an issue that you cannot read from Canberra. But it is not necessarily expertise in the particular area of the technical problem that the project is trying to fix. They can seek that advice definitely, but I think that can be—

Mrs GASH—I think that is going around the long way, because the ACCs that I am associated with in New South Wales actually have the expertise on their committees throughout the community as well as professional people. They actually prioritise the submission before it

goes up for funding. It has been hugely successful in that regard. I am just trying to work it out. You are actually asking for another step in the process, with the funding to be able to do the research before a submission goes in and gets prioritised. I am just wondering where that would lead.

Mr Jaensch—You are paying for it somewhere. I do not think that maybe an area consultative committee in itself, no matter how large or well-constructed, is going to have all the skills for all of the possible projects that are going to come up or have them their within professional staff, who are limited as well.

Mrs GASH—It is not always the staff. It is the people who are on that committee drawn from the community, drawn from local government and drawn from state and regional development who all form part of that ACC. But, anyway, I hear what you have to say.

Mr Jaensch—An issue I raised just before you arrived was around the concept of an innovation system like what is being proposed for the manufacturing sector nationally, which is another layer of access to expertise that can help build better proposals.

Mr Wallace—Joanna, I think there is a step that does take place, which you have described. Your local ACC actually, if you like, prioritises. I think what Roger is referring to is the next step. Personally, I would hate to see resources—such as \$5,000—thrown at every new idea that comes up to write something to then present to the ACC. You are quite right. I think there is a step there that is in place here. Tim and Craig can support that or confirm it. I think Roger is thinking at the next level. Is that correct?

Mr Jaensch—I am thinking about bigger issues, I suppose. There is an example where a few years ago, facing this structural challenge in our vegetable processing industry, which is still there, one thing we did under the Sustainable Regions program, before we went out and started to advertise for small grants for food businesses to grow, was undertake some research. We used an agricultural consulting company to come in and talk to about 100 individuals and organisations involved with food processing in Tasmania to work out where the barriers were to doing more value adding, so we knew exactly what those were and we did not fund some of the solutions that had been tried and failed before. That gave us a way of being quite pointy about what we ended up using the serious money for. The information that we gathered then we are still using five years later to inform other spin-off projects that have arisen from it. But we know that when we put up a grants proposal now, one of the things we can put behind it is independently conducted industry research addressing that particular problem in our region. That makes it strong.

Dr Cory—I think what Roger and Robert are alluding to, to a great extent, is the top end of town projects, the larger projects. I fully support what you are saying. You have to have some very specialist knowledge there. I am not so sure whether the smaller ACCs actually have that very specialist knowledge, so I think I will give them a tick for a change. I think, though, almost half our projects are the smaller projects. There is a lot of frustration in those communities because they do not know how to sell their project. This is where the ACCs I think can do a lot better. To some extent we are constrained at the moment in helping them put together their project. I would like to see them spend more time with the smaller projects helping them even more than they do.

Mrs GASH—Does not the department help the ACCs to put the projects together? Is that not the basis of it?

Dr Cory—I guess you have to be careful here with the segregation of duties and all that. After all, the department is going to come down with the sword of Damocles and audit the hell out of them eventually. So I think this is a role that the ACC or its replacement should be doing. It should be helping and promoting the smaller, one- or two-man projects. They are very frustrated not only with the nomenclature and everything that goes with it. They need help. They are also very frustrated, because they do not get enough help, that the process is extended quite considerably. They will submit something and it will get rejected and reworked, submitted, rejected and reworked and so on and so forth. If you have a project that requires more than one funding body to help you out, you could very well miss out. You can get one bit of funding and work on the other part and then time lapses, the money goes and you are back to square one. This is an area where I think ACCs can be much more dynamic because you are dead right; all our committee members are from the grassroots community and they know what is going on out there.

Mr Perkins—For the benefit of people here as to how that work plays out in terms of projects that are worked through, project officers have worked with the applicants to develop the project first and foremost. We do not tell them to do applications. We work to get the project, make the linkages with partners and support mechanisms and talk with local councils, state agencies and all that. So we develop the project and build their capacity to be able to get something that works. We hold them back all the time on applications because they want to jump into them. We get an application filled out when we think the project is ready to have an application made. The project officers do that with my support. They are submitted with the department. The department then asks for us to rank over a whole host of things, such as project viability, sustainability, partnerships, communities, links to our strategic regional plan, competitive neutrality and the whole stuff. So they do all that.

But our board, or the committee, then took that role on. So it was not the project officer that was working with the applicant. We are quite proud, I guess, of our committee because they actually take that role here extremely seriously. It is not like, 'Oh, it looks good', tick and flick, kind of thing and another good outcome for the ACC. Move on to the next one. This is taxpayers' money that is going out. Does this meet it? Often we will ask questions. Often we will have to go back to applicants. Sometimes they will pick up stuff that was not involved. We also talked with the department at a regional level about some of the issues that we thought we still needed to work with to get a good project developed. So all that happened underneath it and then it went up into the ether. I could spend a whole day talking about decision-making processes and how that went awry and the frustration that was borne by it.

I think the whole point about how the decision-making should be made is that it should be made easy and it should be made easy and timely for the applicant. We say in our submission that there are different ways of doing that. There are the ones for the simple projects—the tick and flicks. We say, 'Here it is.' The department ticks it off. The application meets all the boxes. There are two areas. One is the project value and one is the application quality. So you actually get a separation from a departmental point of view. As a custodian of public moneys, it meets the risk analysis. The budgets are done. The approvals are done. It has the support. The ongoing

sustainability is done. All those bits and pieces are there. So whatever happens, the project will be implemented okay regardless of outcomes. That takes that risk out.

From a local needs point of view, we are suggesting that a local body—we have said in there it does not need to be us, but we are suggesting we are the best place because we have been in this space for a considerable amount of time and we have, I guess, the linkages within communities—takes the role in saying, ‘There’s a need for this project. There’s a need for what they’re doing. From a community capacity building, community outcome point of view, we believe it has the best chance of success and it’s needed.’ Mix the two together and they both connect up. You say, ‘Well, here’s the money. Off you go.’ Eight or 10 weeks down the track they are into it. They have linked up with another funding partner and off they go. That is rather than this whole process of saying, ‘Up in the ether’ and someone else is involved in the decision-making process that does not understand the local needs.

Mr CLARE—Who makes the decision regarding it?

Mr Perkins—Well, I do not care. I just want good projects funded. What I am saying is that the RDA, or the local body, understands the needs of the community. Sometimes you do not want the local council ticking off on it because they may say, ‘We don’t want it.’ It might be just personalities or whatever else. Sometimes you actually need a bit of a helicopter view. It might need to be the next level up organisation. But from a quality assurance and risk point of view, I suggest that the department needs to have a role in terms of saying, as a custodian of public money, ‘This meets the risk analysis financially.’ But from a local point of view, you actually want the decision made with strong advice coming from a local area that knows the needs. The problem with Regional Partnerships is that it went up into Canberra and, whatever steps it went through, we would get bombarded with all these questions. I am happy to say I will take the risk on this. I know this is needed. I do not know what it is about. I do not know if they were frightened about something. I do not know. But it was about making sure all the bits and pieces were right so that when it went up to the next level or whatever, they had done their job. That is where it got stuck. If you are doing that with little projects, you are not actually getting on with the larger, more complex and diverse ones because they are getting stuck with these little pieces of sand, these small ones, that could easily be dealt with through the system really quickly.

Mr CLARE—By way of background, the sort of evidence that we have heard around the country—Joanna was in Darwin; I was not there, so she may be able to add to that—is that there is a theme emerging that there should be a different way that we deal with small grants to large grants. There is a general frustration about submitting things to Canberra, and it is sometimes taking an extraordinarily long time to get a result one way or the other. It is sometimes 12 or 14 months. Sometimes it is the constant referral back for more information or to redesign the application. In one part of the country, people were talking about a grant of \$50,000 or less being able to be determined locally. Another part of the country said that recommendations for grants of that size should be able to be dealt with locally, with a schedule sent to Canberra for approval. Others talked about larger applications being still dealt with centrally.

Connected to that discussion was the idea of whether applications should have a timeframe set to them—that Canberra should have a 12-week turnaround obligation—and whether there should be closed or open funding applications. One forum that we ran suggested that they should all be closed—that you should have two or three a year and that is the way you do it and a 12-

week turnaround. Others suggested that a closed system might be good for small grants but an open system might be good for these bigger, regional types of ones that, Roger, you were talking about before. So I provide that just to give you a flavour of some of the discussion that has been happening in our forums around the country.

ACTING CHAIR—Following on from that, something that we are looking at is those tight timeframes. You could provide some background on what you think is a suitable timeframe from go to whoa.

Mr Perkins—A suitable timeframe—

ACTING CHAIR—From assessment to final decision.

Mr Perkins—It is an expectation from the project partner that if it is going to be 12 weeks, it is going to be 12 weeks. If it is going to be four weeks, it is going to be four weeks. If it is going to take me 12 months, tell me, and that is fine because I probably will not do it. The whole thing will just fall apart and you will not get the community benefit. But setting up a system that enables that to happen is the most important thing and being able to work in with funding bodies. Is Mark coming today? I think he said he would be a bit late. Mark is from the TAS Community Fund. I was kind of hoping he would come and have this discussion with us. The TAS Community Fund is a broad based funding program that provides funding to everything except for private enterprise in Tasmania. It provides about \$8 million or \$4 million a year. We work particularly closely with them on lots of projects. What people do not want to do is go to Mark and get some funding and have to come to us for 40 per cent—we will have that discussion later, I guess—and then go to sport and recreation and get 30 per cent. All of a sudden it has been 18 months. We have this need, got these people together and got the momentum going. By the time it comes to an end, everyone is worn out. He has gone there, she has gone there, the whole thing falls apart and you do not get the community benefit. So there needs to be a system. I am no expert in public policy and how you make quick decisions, but I know what the client wants, and they want to be able to say, ‘I want to make an application. I’m ready for it now. There’s a need in my community.’ Sometimes there are immediate needs. Sometimes things can evolve and develop. They say, ‘I want to be able to get through it easily.’

Dr Cory—I will pick up what you were saying earlier about the approval process. I do not think the ACCs or the RDA should be involved in the approval of the thing itself. It is wrong. It is about the money. I think what is a good option, though, is the local department to be given a delegated limit of authority to \$50,000, \$75,000 or whatever the number is—that is fine—because that will certainly expedite an awful lot of the smaller projects. They will not fall into the trap that Craig has just been describing about the frustration, losing cash and all that sort of stuff. The department in Canberra still has control because, as I say, at any moment they can come down and audit them.

Mr CLARE—Not all states have a local department, though.

Dr Cory—We could help out there. Tasmania could take them.

Mr CLARE—We could outsource it to Tasmania.

Dr Cory—Seriously, if we were able to expedite the process, you would see an awful lot more smiles on faces and you would see a lot more projects being done properly.

Mr CLARE—What I am interested in fleshing out here is how to do that. I am getting your ideas about how to build a system that is responsive to the needs of the local community.

Dr Cory—Certainly, just talking about the smaller projects—I believe that the bigger projects are an entirely different kettle of fish—the process as it is today is not bad because the individual ACCs, RDAs, call them what you wish, have a very good process going. It is very open, above board and it is apolitical, and these are all good things. They could then put together with the applicant a good project and pass it to the local department or whoever and they could assess it—as they do anyway—and then say, ‘Yes, this is a good project. Yes, it’s within my level of authority. I will sign that off.’ If you do it that way, will you cut about seven-tenths of the time out.

Mr Jaensch—And I think you can also remove some ambiguity whereby the person who is helping you write it is not partially the person who is going to be assessing it either. I think you need to be very clear about that.

Dr Cory—Yes.

Mr Jaensch—You delineate the help part and the hard eye.

Mr CLARE—So the help is still the RDA and the approval is the department?

Mr Jaensch—Yes.

Mr CLARE—You made the point that small grants are an important part of what you do in Tasmania and they could be determined quickly by the local office of the federal department. How do you make sure that happens, though? We are hearing examples of people who are waiting for a long time for that last piece of the puzzle. Do we have closed rounds? What is your view on that? Do we set time parameters for federal department decisions?

Dr Cory—I think closed rounds would reduce the number of applications you would get from those people who really need it, because they do not watch these things. They do not keep an eye out for when the round is opening up and what have you. They then take an awful amount of time to try to put something together. Nine times out of 10, with respect to all of them, they miss the point. They put the submission in and it is rejected not because it is not a good project but because they do not know how to put together an application. So I personally do not like having rounds for the smaller projects. I think the smaller projects, which involve one man and his dog, or two men and two dogs, need help. Their heart is in what they are doing, but they find it very difficult to put it on paper. That is where we come in.

Proceedings suspended from 10.59 am to 11.19 am

ACTING CHAIR—Something that Ian and I were talking about in the break—Ian will perhaps start off with this discussion—is the role that the state government plays. We have not really touched on that process.

Mr Abernethy—All through the discussion this morning, the one thing that seems not to have been mentioned too much is the state government. I think Craig touched on it right at the end when he was saying that some of the programs and the projects he had put up have had to try to secure multiple funding from different agencies. It can be a long time delay in making that happen. I throw this up just as an idea. It is a concept from land use planning in Scotland. Where there was an element of doubt over a particular application, councils could consider an application called in principle. So if there was a lot of doubt over a particular development, the developer did not have to go to a lot of the expense to prove that particular development. They put in a very basic application and the council would either approve it or refuse it. If they approved it, they would approve it subject to lots of conditions. Lots of conditions would basically say, ‘Go off and do more work in the following areas.’

If you apply that type of concept to what we are talking about today, it may get around some of those problems that Craig and Tim highlighted. That is, an application could be put in in principle for, say, a major project and be considered and given a tick subject to lots of conditions. I can see some benefits in that. One is that it makes a lot of agencies—state, federal, local and community—all work together knowing that there is going to be an outcome at the end of the day. It also brings in expertise from various levels of government that we were talking about was lacking in the past.

The one rider on that, which the accountants like, is that these projects have to be signed off within a particular budget timeframe. Being a non-accountant, I have not worked that one through. But you could almost say, ‘Well, you’ve got six months to put together a good case and then the money can start flowing.’ Again, I just put that up as a suggestion of getting the state involved in this process.

Mr Perkins—My next topic before we went off for a cup of coffee was to start talking about joint assessments and working together with other bodies. Certainly I believe that there would be opportunities with state agencies. If they have an application process or project that is very similar to what this one might be, they are going to take the same due diligence and degree of assessment to what this one should or any other one. So there are opportunities for working through an application together and saying, ‘As a group of two organisations, you have signed off on it and we’ve signed off on it. We think this is worthwhile. We’ll get on with it.’ That takes out that need to go through these two different things. It takes it out certainly from the project partner’s point of view. You overcome those issues of uncertainty. You have two people seeking the same information for a similar purpose and the risk, therefore, that you are going to get the same answer should be pretty high, I would have thought.

Certainly if people are bringing something forward, I think in some of the states you go to the first step. It goes to the board and they say, ‘We like this. Go and deal with it a bit more.’ The only concern, I guess, in thinking about it, that you might have is that even you would make it quite clear that getting through the first stage does not guarantee funding. Over time there becomes an expectation with most of them that do that they will get funding. It is, ‘Oh, we’ve got through there so we should be pretty right. We’ll move on.’ I am not sure how you manage that. That is the only problem I could see in it. But it is a reasonable approach.

Mr Wallace—I said earlier that the communities that come together need to actually work for the same goal. I will expand on that quickly. It could be a local small town working with their

local LGA, which in turn is working with the regional body, which in turn is working with the RDA and the state government. It is through these communities that we can actually deliver projects and identify. There are two points I want to make. One is on the state involvement and with the federal government. I mentioned earlier about being apolitical and about pork-barrelling. One thing that we must be very, very clear about is that there are processes in place, regardless of which party is in government in either the state or federally, that rise above that. We have to be very careful that we do not get this used as a political player, if you like.

The second point is in the form of delivering to community needs. It is part of what should be contained in a funding agreement. I mentioned earlier innovation and using communities to help decide. We already have a lot of information available to us which, to be honest, we do not use. NTD have a strategic plan. Each of the municipal councils has a strategic plan. The state government has a strategic plan. Small communities, little local communities, can have their own local strategic plan. Most of us would not even pick these up or look at them. In the last 12 months, Northern Tasmania Development has had to do it. It has looked at its shareholders, which is the eight councils in the north, and their strategic plans. The strategic plan that we have delivered and has been accepted by all our key stakeholders and shareholders is broad and wide. It gives the board of NTD not the authority but the confidence to step forward.

I am suggesting that this same model be used for the RDA and for the groups that decide, 'Well, is this good for the community?' This project could be a small project or a big one. I think the discussion we had before the break was excellent. Jason mentioned splitting smaller projects of a certain level down and up. There are two areas of governance required. There are two areas of requirements and even an expectation. Bigger companies might be happy to sit for a two- or three-year process even whereas small communities may only be able to last three months. So I am just putting that on the table. Yes, I fully agree that we need to be working with state governments. They are part of the community, be it through contacts or information they are giving and/or even resources they are putting on the table. But we need to make sure it does not get wound up into a political party process.

Mr Donaldson—I have a question for Robert and Craig. Do you see it as such that the RDA in its new configured form might actually take a pump priming role in terms of looking at the strategic directions that are out there and actually going out there and engaging with communities of interest and suggesting that they might want to put forward an application, if that is what is required, to get better alignment of these mutually reinforcing things that might deliver a change on the ground? Is that what you advocate?

Mr Wallace—There are three regional bodies in the state and we all have different models that we work from. However, with Northern Tasmania Development, our theme is live, visit and invest, so it is investment attraction and economic development. It is social issues; that is in the live component. The visit is the tourism programs and those sorts of things. So our board, which is a board of five and skill based, is proactive and looks at what gaps there are across these three areas and where capacity is meant to be built. Yes, we would be as an organisation very happy to help identify and then even go and tap communities or businesses on the shoulder and say, 'Do you realise there could be an opportunity here?'

Mr Perkins—We would not be a driver of that. That certainly needs to be a part of it. If you are looking at taking an application through—I think you were talking about that—you need an

application system that is timely and appropriate. It is important for us to be there from the start, I would have thought, if it is going to end up in an application through a program that we have involvement in. In terms of driving it, again, that comes back down to the local level, be it the regional development body or the local council. I guess they work that out. So I do not see us driving a community and leading them but providing support to them, where needed. Coming to this funding model, we provide assistance and support to get a timely and appropriate decision out of that.

That might be them working with the state agencies. You might have a need in a community where the health department or the education department or the department of economic development might go to address a problem. They say, 'We can put some money into this.' We say, 'We can support that' or, if we are given the authority to go do it, 'We can help out.' We develop that up. We go through the appropriate assessment model. You get a decision together quickly and consistently. So that is the role I see that we could potentially play in that. But we certainly would not be driving the local community.

Mr Wallace—There is another element to the role of the RDA. Someone mentioned it earlier this morning. It is passing information back into the broader community. Someone said that they do not have time to be watching where the money is available and where the themes are. I see that as a very, very important role for the ACC or the RDA to be able to communicate that back in, can I say in non-accounting-speak, to businesses and communities who have a passion, a vision, but really may not connect with some ad they see in their local paper which says 'Grants for' blah, blah, blah. As an organisation—I cannot speak for other ACCs around the country—with the relationship we have had here in Tasmania, they have a very close network and they have built very sound relationships with the community, and I mean community in the broader sense. So we would want to be able to still use that in this region so that you bring information back to us.

ACTING CHAIR—I am conscious of the time. It is half past 11. I think we are actually crossing—whether we are in topic one, two or three—all the topics. As far as the management of funding agreements for a new funding program, I think we could explore that. We will start with something that I am keen to look at. It concerns the audit program. Should there be a regular audit program for projects? If so, how often should they occur? It is on page 7. They are some questions that I am interested in. Craig, I might get your thoughts on that, if that is okay.

Mr Perkins—We had some discussions in relation to the past audit and how that all works. Our thought—I will jump to our submission and the dot points—is when it comes to the funding agreements and the best way to manage that department, for applicant and project, we do not work in that area. Therefore, we cannot make comment. But what I will say is that in terms of providing support and in terms of how an organisation reports back and handles that, the TAS Community Fund—I will just read out a bit:

... provides assistance and support to applicants in terms of their reporting requirements.

Basically when it comes to auditing and making sure that money has been handed out and been given appropriately and at the right times, they actually pay for the audit and the management of that. They say, 'Well, it is our money we're giving out. We'll actually take that responsibility away from you.' Different organisations have a different capacity to meet the reporting

requirements. So they actually take that away from them. They give them a kit. They say, 'These are the things you have to do.' It is for ones over \$10,000 I think they pay for them. It is, 'This is the information you need to provide.' Then they engage with an accounting firm, which then becomes the link. So they need to provide all that information to the fund. They sign off and say it has met the reporting requirements. The money has been spent the way it has to be. What that has done has give some other benefits to them. I will just jump to them. By doing that, if one is made right up front for the applicants—they work with grants from \$200 to \$200,000—they found that the applicant upfront knew exactly what reporting requirements and what bookkeeping and stuff they had to keep. I guess that is what they were after—some quality reporting back. So there were no surprises in there for the application. It meant that they knew what their contractual requirements were from the start. They knew that if they did the wrong thing and did not keep the paperwork accurate or spent the money on the wrong stuff, they would not necessarily get all the money they were going to because they went outside the lines. In my discussions with them, if they did need to deviate, they knew how to handle that. Sometimes projects do need to deviate because as you go through it, you find you just need to realign a bit.

The other consequence they had is that they got consistent reporting back from all the applicants. You cannot compare apples and apples. All the projects are different—they are not always going to be the same—but there is a consistent reporting in the quality of the reporting that came back to their board and organisations in terms of the governance of the money. So that worked for them as well.

Another thing it does is if an organisation asks, 'Did you meet your outcomes?' and they say, 'Yes, we did,' they try to report and think what it is. You actually get a third set of eyes come in. For a community outcome, they can take a bit more of an eyes outside approach. They can actually see the benefits it had and the difference it made. I am just trying to think of an example. You say, 'Yes, we met our outcomes. We got a nice new sports centre.' But depending on how big it is, an external assessment might come in and say, because they know what questions to ask, 40 per cent more people from a disadvantaged suburb are participating in sport. There are these other outcomes. There is another group in performing arts, if it is about that. They can explore a bit more because they have the capacity to do that. The organisation that has run the project does not necessarily know how to always report and think outside that.

Another thing it can do, particularly in larger grants, is that any funding—this is my understanding—is tied to meeting milestone reports. Someone else is ticking off on the way through. You can say, 'You haven't got to that point. Therefore, our recommendation to the department is not to draw down the next lot of money until you've got to there.' I guess it is possible that someone says, 'We actually have got there.' So they can report through. It is not always necessarily trying to deceive. But potentially they can report on stuff that has not happened. You can get money paid when outcome reporting has not been met or it is the best outcome, if it is about that. So our view is that in terms of reporting, whatever that contractual arrangement needs to be, maybe potentially the department, as the holder of money, takes a more active role or gets some external people involved in it to make sure that it has been done right, yes.

Dr Cory—I endorse wholeheartedly what Craig has just said. I have just survived a TCF audit. It was done by Deloitte, and they are no pussycats. We had to supply everything—our

complete books, every receipt for every single transaction. So they did not look at just the money that the TCF gave my project; they looked at everything. So it was a very thorough audit. They also gave comments back on the running of the business too. Luckily they were positive. So that type of audit, I think, is well worth subscribing to. Yes, we did know about it. When we took the money, we had to sign saying we were happy that somebody could come along at any time to audit us. And they did during the course of the audit. We did have milestone reports. Those reports were checked against our books. So we had a very thorough physical. I think that is the style that you have to go through, depending on the amount of money you get, obviously. If you get a lot of money, you get a lot of audit. If you get a small amount of money, there must be a checklist audit that can be done.

Mr CLARE—There might be two tiers of auditing.

Dr Cory—Absolutely.

Mr CLARE—Like two tiers of grants.

Dr Cory—Yes.

Mr CLARE—What you are talking about is incorporating the costs of an external audit within the original grant.

Dr Cory—Yes. It is very worthwhile not just for the TCF but for us too.

Mr Perkins—The TCF tendered it out to an organisation to do it for them. One organisation knows exactly what the outcomes are, so you do not have necessarily different accounting firms or different organisations doing auditing. You have one firm that is there, whatever the contractual arrangements between those two organisations are. But it is a consistent approach that they take all the way through. Potentially, you could go this joint cooperative stuff. If the state government is giving money out for the same project, why not say, 'We've actually done this report and it's available to both of you.' That reduces your administrative costs in that regard as well.

Mr Jaensch—I think that in the auditing process, whilst I agree with the important accountable management of public money, there should also be a level of monitoring and harvesting of experience on the projects themselves and what worked and what did not work that goes into that body of knowledge that we are talking about. Often I have found that funding programs commence with books and launches and a lot of rhetoric about helping regions help themselves and doing all this rebuilding and having a stronger, bigger, more sustainable pathway, blah, blah, blah. Once the announcement has been done, you are dealing with the contract minders. That is the only interest they have in the work until some poor local member has to come and sound totally up to speed on the whole thing to open it or close it. What we are doing is that sometimes we have a slightly adversarial thing. People are writing an application to get the money. The people who have given them the money are going to hold them to the contract and be tight and tough about that. That affects what goes into your milestone reporting and the level of spin or otherwise or nervousness that you go into it with.

We have had on a few occasions people who are genuinely interested, or at least come across as being so. They differ from the people who gave us money who are visiting who want to know how it works. They know other places where this could work too if it works here. You have a discussion with them about what is going on, why you might have to change something or would have to change something or do it slightly different next time. It creates a relationship whereby you actually both want a good result for the region. The money is important, but it is not the whole game. This is not a federal government inquiry into having the world's best funding program. It is actually about genuine regional economic development and those other results. So if there could be some performance monitoring and reporting and it is a two-way thing about the actual work being done, that at least builds a relationship with the applicant or the recipient that there is someone who gets what they are on about other than just demanding their reports.

Mrs GASH—Roger, you mentioned regional development. I have a bit of a concern about using the term 'regional' as opposed to all the local government areas. In those regions, you will have some poorer cousins in local government. It is usually the bigger local government that will come to the fore with projects. I understand it is a regional development program, but I am also very concerned that the smaller local government areas do not miss out because the term 'region' is used. How do you find that? What would you say to that?

Mr Jaensch—I think that there are distinctly local community specific needs and solutions. There are things which are, by their nature, bigger than a community which operate on a different scale. I support a lot of the discussion this morning about the need to ensure that the least able and most needy have full access and assistance to participate in these programs, that it is not just those who have a full-time grants writer that get up. There are issues that are not going to be able to be solved by a council or a community working on it themselves in isolation, because some things operate on bigger scales. Therefore, I support a bimodal structure, if you like, for this program, whereby there are things that are about communities and their councils and their local areas and others which are on a more structural, regional scale.

Mrs GASH—I still have a difficulty with how you are defining it because the area consultative committees were specific for areas. You could have your infrastructure fund or bigger funds for those particular things of a regional basis or a regional assessment. I am just thinking of my own local area, for example, which has 140 towns and villages in a particular shire, so to speak. I understand there is a smaller amount for community projects as opposed to larger projects. For example, if you have a south coast area, as I have, a toilet block might be for the benefit of one particular council. But is it really, because everybody is using it as well? You could say it is regional or you could say it is local. I just do not want to get bogged down with the fact that everything has to be on a regional basis. That is what I am trying to get at.

Mr Jaensch—I think that you have an opening here. The understanding of regional is schizophrenic. Regional could mean non-metropolitan or it could mean a particular region of Australia. I think that there is reasonable ability to determine the difference between a local and a regional project.

Mrs GASH—I think we need to define it.

Mr Jaensch—We do this a lot. I will give you an example with toilets, if you like. A council needs a toilet near the beach, where there are kids' playgrounds and things like that. One thing

we were successful in doing a while back was putting together all of those needs for visitor services and infrastructure for tourism—public infrastructure for tourism across nine councils. We put them all together and let some contracts to build toilets across half a dozen councils. We matched federal money and ran a program across them all. Yes, lots and lots of local projects together made our region more friendly for people who needed toilets as they travelled. There is a distinction when it comes down to regional and local. Then there are actual regions as well. Whereas we have here in Tasmania one area consultative committee, Tasmania behaves as three regions. Within the region that I service, there are nine councils but there are possibly 30 or 40 communities that are quite different from each other as well. Because Tasmania has built itself this way, I think it internally can tell the difference between a local thing and a regional thing. We are lucky in that our regions are built up of the local. So I think local communities, through their councils, have shown the ability to say, ‘Well, we need somewhere to refer on issues that are bigger than a municipality—a higher body.’

Mrs GASH—All I am saying is for the purpose of this inquiry to think about how you use your terminology with regard to area or region or regional or whatever you want to do. That is the point I am trying to get across.

Mr Jaensch—It is tricky.

Mr Ransom—That is a very good point. I congratulate you on it because I agree with you. One or more municipalities make a region. I reminded Jodie of a certain amount of money from the Commonwealth and the state that went to the Trail of the Tin Dragon. It was \$3 million. I am addressing the issue of how funding agreements be managed. There was an agreement with conditions on the process and the performance and the monitoring. This is normal stuff. You can negotiate that if you want to. I do not see a problem with any size municipality. I am thinking at that level. At your level, Roger, of course this would be a snap because you are so well-educated and have the bigger picture. So the bottom line was the audit. Every council in Tasmania is audited by Audit Tasmania. That was agreed to. So I think we paid, for what is a \$3 million project, an extra \$300 because it was audited twice. It was audited as a part of your total audit and then it was audited individually. Now that is a substantial organisation. It meets the requirements of the Tasmanian state government. It meets our requirements. It obviously in this case, which in the past would have been unusual, was just so simple. There were other reporting mechanisms which we went through which were a copy of a minutes, a flow chart of where the process was. But there is a standard for the management of projects. It was just too easy. Everyone was happy.

Mr Garcia—I must say with local government generally in terms of Commonwealth grants that it has usually been a prescription that you have to get something additional to the standard audit. So well done. But my recollection on certainly a lot of the funds that have come through the association is that it is a standalone, very detailed, very specific audit that is cumbersome. I tend to subscribe to this notion that you can have it in one place by an auditor who is well-equipped to undertake these types of almost specialist audits. They are not audits in the sense of getting someone’s books and having a look at them. It is a very specific, very specialist audit. It can be made simple by aggregation. I think a national tender process would be probably ridiculous, but if it was a state by state, it would be reasonable. Our Auditor-General got \$300. It cost me more than that. I reckon he charges a hell of a lot more than that. For the smaller entities that have a particular project, getting an audit done is cumbersome. It is difficult. That can be

facilitated, alleviated and streamlined in some way, where effectively what they are doing is saying, 'We've completed it. We've kept it all. Like the small business guy, we've got our box of receipts. You have a look at it and deal with it.' They are probably not doing a proper acquittal for a process. That would be a far, far better process.

Mr Perkins—And adding a value of project, not just the acquittal of funds.

Mr Garcia—Yes.

Mr Perkins—That then enables what Roger was talking about. You can actually start comparing, as best you can, like projects. One of the things that we were always very careful of is someone who says, 'I want to build a toilet block.' This is an example. We say, 'Let's have a look and see where else toilet blocks have been funded in Australia.' Well, there is probably a good reason. The reason that that toilet block is up there is probably completely different to why you need that toilet block there. So just because they are toilet blocks, you have to be careful you do not say, 'Well, we should be okay because I've done it before.' But if you actually get someone to talk about the outcomes of the project and local needs or whatever that might be, you might be able to get some consistent reporting between them.

Mr McCallum—But do not ever lose sight of the fact that we are dealing with public money and we have to make sure that it is acquitted properly on the audit.

Mr Ransom—Do not get bogged down.

Mr Wallace—I will not get bogged down. On the audit situation, I would like to come back to the question that Joanna asked earlier with regard to the definitions of region. The audit situation is something as an organisation where we receive state and federal funding for projects. We have to acquit them correctly. There is a big frustration at the end of a project, or even sometimes during the life of a three-year project, where annually it needs to be audited. Craig started to touch on it. For example, we had a three-year, \$600,000 federally funded project which needed one audit at the end, and it cost us \$5,000 or \$6,000. It had to be a standalone audit. Equally, we have a \$5,000 project which needed an audit to finish up and that cost \$1,500 to \$2,000. These are expensive wastes of money. It is not the big audit, but it is the smaller ones. So if there could be some sort of mechanism. Yes, there has to be accountability and the acquittal of public money. It is absolutely critical.

I will just come back to Joanna's question with regard to the definition of region. We apologise for the fog. We actually started our meeting with Tom giving us a definition of what region means. It is as broad as what your question was asking. I would just encourage your committee to actually come up with a definition at the end once you have decided so that we know what we are all talking about. It is a bit like I said at a meeting the other day. Someone needs a plumber. One person was thinking of someone with clay pipes. Someone else was thinking of plastic glued pipes and I was thinking of copper pipes. So please do that.

Mr Jaensch—In doing that with the definition, I think you can still have many definitions. One of the things that I think would be important would be that some effort is made to recognise the areas that identify themselves and are functioning as regions at various different scales around Australia. ABS regions, natural resource management regions and local government

regions et cetera are all different. In our region in north-west Tasmania, they are all the same—Mersey, Lyell et cetera. They all fit on top of each other. The cross-functionality you get from that is very, very useful.

On the auditing, yes, I agree with Ian that we definitely need to be able to demonstrate accountability and transparency. I support the idea of there being a centrally provided audit function that does the job that you need. I would imagine that any other organisation that exists outside the life of a project is doing its own auditing and will be picking up in its own internal processes how its transactions have been managed. It brings up the issue of hosting. Quite often, a group of people come together around a project and have no other legal entity to hang a project off. They cannot receive money. It is a costly thing for them to set up to be able to receive money as a once-off exercise. An example is the small group. The people who cannot conduct themselves through an audit process and have a box full of receipts are possibly not the sort of people you should be giving the money to in the first place. Without being unkind, I think there are other ways for those people to have their project hosted.

This also means that you may have a role for a local government body or a business or a community organisation or a regional body which has to be prepared to take that liability or that responsibility on. It is another de facto filter for you. We do this a lot for local community organisations. They are just not good enough. They are too risky. But it can place stresses on local governments, I would think in particular, when a council has politically supported a good idea. There is a group of well-meaning citizens who have been offered a grant but who cannot receive it formally. Somebody has to make sure that the paperwork is done. But there is not necessarily a heap of communication or anything to come with it. There is perhaps a suggestion that built into this should be a category for hosted projects or project funds which might require there to be some declaration from the hosting body that they will meet the requirements but also some undertaking from the project recipient or the applicant to the hosting body about what their obligations are so that the host is covered.

ACTING CHAIR—I notice that the media have turned up. I want to check with my colleagues that they are okay with that. Someone could move accordingly that we accept that.

Mr CLARE—So moved.

Mr Garcia—On that matter, I would be concerned, with due respect, that we would be getting such a minimum level of applicant that we actually had to go to hosting. I would have thought there would be a minimum level that you would even want to subscribe to or say, 'Here's some public money.' I do not know what the standard is, but it is usually—can someone help me here?—a body that we will give money to.

Mr Ransom—An association.

Mr Garcia—An incorporated body of some sort.

Mr Ransom—It can be anything.

Mr Garcia—It would concern me if we went below that threshold, acknowledging that there may be some incorporated bodies that might need some assistance from time to time in that

regard. If it was a matter of course that we were looking to give money or you were looking to give money to organisations that fundamentally needed that basic assistance, I think we have lost the point of this operation.

Mr CLARE—At the moment, we are auditing when the acquittal process happens through the department. Is that right?

Mr Perkins—The applicant provides the final reporting back to the department.

Mr CLARE—Do you have instances where certain organisations who have received small grants are incapable of doing that?

Mr Perkins—We have had no role in the contract management and the reporting.

Mr CLARE—So that is directly between the recipient and the department?

Mr Perkins—Once a project is lodged, apart from our final assessment and maybe turning up for the opening launch and the scone, we do not really have very much role in the project. Another point I will make is that in terms of project reporting and milestones, I guess what you want to see is whether it was a good investment in public money as well as whether they have spent the money the way they were going to. Sometimes those outcomes do not happen at the completion where they say, 'I've spent the last \$10. Here's my final report.' Sometimes it might be 12 months, two years or five years away before you actually see the outcome. Depending on what the project might be, you might want to build in. If you went down the track of actually engaging an organisation to do the reporting, you could say, 'We want you to do it now, but we also want you to go back in three years and benchmark against where you are at now and build that.' There might be a really good story to tell. There might not be, but there might be. You would be able to see whether that was a good use or whether you have actually got good outcomes and be able to see where things have gone.

Mr Doyle—I think that is a really good idea, but you have to be careful that the audit costs in those instances do not outweigh the value of the grant in the first place.

Mr Wallace—There is a real issue we are talking about here, and that is capacity. I thought Roger was going to step straight in, but he did not, so I will. Capacity costs dollars and money. Either regions or groups of people need to be able to have federal funding under this type of scheme to provide that capacity. Roger started to talk about hosting. I fully support him in that. There are small organisations that do not have the resources and/or the ongoing need after the project to be incorporated or to have an ABN number and these sorts of things. For our regional bodies, we provide that service to them, but it costs.

Currently there are two ways of getting the money. You either swallow it and do not get any and so it becomes a part of our core costing—most of us do not have those resources—or you try and build into the funding project cost that there is 10 per cent, 15 per cent or 20 per cent or whatever is required to actually host and manage, including paying the accounts. When you host, you actually take on the governance of that project, so you need to monitor it yourself. You have your accountants. You have those actual costs that need paying, including an audit fee at the end and those sorts of things. Perhaps in a model you may look at, particularly if it is the smaller

scale one that we were talking about earlier, if they are split, there could very well be funds separate from each individual grant. But a general fund could be given to a regional body to actually act as a host. You would sign an MOU for it. For that you would be expected to deliver this, this, this and this. It is a real cost. I will not continue.

Mr Ransom—I want to follow on with the Associations Incorporations Act, which is a piece of state legislation. Most organisations that I know of—I am talking from a remote rural area—some people could call them not sophisticated. I would not say that. Any group of any size—that means from five to 500—is incorporated under this act. Why? Because it limits the risk and liabilities of the members or the people in the association. So if something happens, people are not sued individually or collectively at that level. Going through that incorporation is quite easy because it is usually a group. Tim would have a number of people at George Town or groups who have been through the process and can assist everyone else, or the council can do it, or the local councillors can do it. They have to submit audited statements to the government at the end of the day. So there is a capacity there with whatever project they have to get a coverage there. If you want them to go outside that, it is going to cost them the dollars that my friend was talking about. That would be just within the normal running costs of the incorporated body. So it can make it harder. It can make it difficult.

Mr Perkins—Under Regional Partnerships, the organisation that made application had to be incorporated. If it was not, it had to be sponsored. Normally that fell back to the local government. That goes back to that point again that if the local government does not support the project or is concerned about the viability in taking up the cost, they do not have to become a sponsor. But they actually might see something coming out of that community or group of people that might have value, so they might want to take it on and sponsor it. Again, depending on the amount of money, it is the extent and the quality of the audit process that needs to be covered.

Mr Ransom—You are talking about one per cent.

Mr Perkins—We only had one or two, but they were really good community based projects. I will use an example. One came out of Wynyard. It came out of the school. One of the teachers wanted to put something together. It had been hosted by the local council at Wynyard because they saw benefit in it so they sponsored it. They handled the money and the funds. Then the Rotary Club and the Lions Club got involved and you got a really good outcome for a grant of \$12,000 or \$15,000, from memory. But it should not have had to mean a complicated audit process at the end on that. You would hopefully say, 'For the lesser amount, it would be much simpler.' It is a sponsored organisation but you see a really good community benefit. The council obviously identified that they would not be carrying the can at the end because the stuff was built on the state government school. The community had ownership from the project ongoing.

Mr Jaensch—Maybe there is a way to actually rule some lines under this. We sponsor or host a lot of projects, but we take an active role in anything that we take on. We need to have management involvement with something which we have management liability for. So we tend to in those cases put ourselves as a partner and as a lead partner for a group of partners who are doing something together. Whether we have initiated it or not, we have to be inside it. There is no passive posting like this. You just cannot afford for there to be. If you look at it from that perspective, this is no different from, say, bigger projects with a state government agency and a

regional body and big industry or something like that with three or four large incorporated, competent accountable bodies that all can be sued if they need to be. They are together on a project but they have not created a separate legal identity for the purpose of doing that. They have just nominated one of them as a lead partner. It is the same way that we approach a volunteer project group for a local area for a small project where they have come to us and said, 'How do we manage it?' If we decide to get into it, we get into it with a fair bit of management involvement. That way, we protect ourselves and hopefully they get a better managed project out of it than they could otherwise.

Dr Cory—I am from the school of thought that says that audits actually help. Some folk do not. I do. But you have to be very careful. The project that I was involved in had funding from the feds, the state, local government, the TCF and the community in general. We had four audits of the same project. So we were almost audited to death. One audit did not respect the audit done by another party. I think you just have to be careful. When you prescribe what type of auditing you are going to do, it should take into account the validity of other audits. For example, the audit done by Deloitte was thorough. It was thorough. We would have liked the feds to have respected that and not go through that one. It was the same with the state. I think you can control a project to death.

ACTING CHAIR—There is an area that I want to go back and revisit. I think of a conversation we were having before the break. It stems from the questions Jason asked in relation to open and closed funding rounds. It is about two tiers of funding and two tiers of audits. If we go back to it, does anyone have anything that they would like to add in relation to that? I found it to be a really useful conversation.

Mr Perkins—I know that from the projects we are involved in you get projects of different levels of complexity. There are those where you can be very comfortable, as an administrator of public money, that the application is a no-brainer and it can be easily ticked off. You can save all the extra administrative work and cost in doing that assessment. It is similar with the follow-up reporting. That is because they are simple projects. You could easily monitor and manage the funding on that. Similarly, you have the other ones with a lot more complexity that need the ongoing support and review and that it is appropriate to do that with.

In terms of prescribing them, is it a dollar amount or is it the type of project amount? I suspect you could have a \$50,000 project that could be quite complex. But then you say, 'Well, it's only \$50,000.' In this whole scheme of things, sometimes only \$50,000 is only \$50,000. You might have a \$200,000 project, which is obviously four times as much, but it is not a complex process and it is really just a matter of getting on and doing it. So I think there is a complexity issue between them. But at the same point, you draw that line and say, 'We're happy to carry the risk and encourage community innovation and participation in terms of developing or seeking funding and running with the project because we understand that the cost of it in terms of measuring and monitoring and assessing and all that sort of stuff is going to far outweigh the cost of the grant itself. But let's not suppress community engagement and their desire to innovate themselves and involve themselves through a complex process. Let's take the risk on that. If it fails, it fails. If it does not, we know we have given it a good shot.'

I think most projects, if you look at them, are successful. You might not get the outcomes you want but, going through the process itself, you actually get community outcome. You might

actually get people starting to talk to each other or things happening from that as a result of it. So you might not get the picture that you started with, but you will actually get a picture and some learnings from it. So that is my thought on that, yes. I am not sure where the threshold is between \$50,000, \$70,000 or \$100,000 or whatever. I cannot give you that advice.

Mr CLARE—It is fairly arbitrary, but it is a figure that we have heard around the country. Without limiting it to the amount of money, I am just interested in what people around the room might think a system for small grants might operate like. We spoke before the break. Tim, you expressed some concern about a closed round type of model. I am anticipating that a small grants program would focus on community infrastructure, as we have defined it earlier in our session. It is the sort of thing that can help tackle some of those things Joanna has been concerned about with small communities that are sometimes overlooked or what has been described in other hearings around the country as remote communities. But I am interested in particularly local government's view about this because this could be the sort of gap filling program, without cost shifting, or the sort of thing you are seeing in terms of backlog. How would a small grants program operate?

Mr Garcia—I differ with Tim. I have no problem with a closed grants system. I think it gets people in a flurry. I expect on a small grants program you are not having massive lead times. You still need some aggregation of community support or some parties getting together. But if it is a small grant, having a timetable to work to gives a degree of discipline to line those things up. If we are talking about 12-week runs, effectively, you are only missing for three months. If the grant is small, I expect it is not going to have mass revolutionary outcomes. So you would anticipate that if you miss one run, you are in line for the next. You do your communication, get your guys together and your ducks in a row. Thanks, you put your application in. I am for that. I think it provides a certain sort of discipline. On the larger ones, it may be somewhat different. It may very well be that there are certain things that you have to wait on. You may not want to last another three months. In fact, with the large ones, you might just do two six-month ones. But with the smaller ones I would have thought that if you were doing them 12-weekly, closed arrangements provide a degree of discipline both in terms of the application and in terms of the approval regime. If you are going to get that slab there, you can knock them over quickly and work on the 12-week turnaround. I think it provides a whole bunch of discipline around that process.

Mr Donaldson—I want to talk about the two tiers. Perhaps you might want a situation where there is another government funding program—in this case, say, the national health rural infrastructure fund directed at health care—that might have something to do with this program that is under design now. You might have small grant applications that have been run through this regional development program that are designed to be mutually supportive of the higher tier, which might be providing, say, bricks and mortar for new health infrastructure. So I think that in terms of avoiding duplication, there is also the opportunity to provide some leverage from one particular funding program into another part of government, be it state or federal.

Mr Wallace—I return to Jason's question about the size of the projects and the different grants. One thing we need to be very careful of—I have not got it clear in my mind from this morning's discussion; hopefully it might come out at the end of your inquiry—is how the funds are allocated. We have been using the term 'regionally'. How are they allocated across the country? I agree with Allan. I think there needs to be discipline in small business. If you miss a

12-week period, so what; roll into the next. But there needs to be an expectation and an understanding and appreciation of what pool of money is available. The program may come out and say, 'Well, there's \$300 million nationally for the year.' They could do it several ways. It could be either by region and/or by preference by area. I mean the type of projects, where you are trying as a government to build capacity or infrastructure or whatever. Ideally, if we could know this—again, I know you are here asking us and I am asking you a question—it gives us a clear guideline as to how we can actually work with the communities. In a nutshell, is there a national figure for a particular project and, therefore, there are priorities at each round, and/or are they state based or by population per head? I am trying to be flexible as opposed to prescriptive. But unless we know that, there is going to be this clamber. If there is only X dollars available for a certain period, we are all going to clamber in to try to get our dollars worth for the region.

ACTING CHAIR—At the moment it is just one bucket of money. Everyone is trying to get that. So it is a really good point to put forward.

Mr Ransom—Some people might say it is equity. If you base a decision on the population of Australia and then cut it between the states on the basis of a figure that is used in the discussion paper, which is \$176 million, Tasmania would get \$4 million. But there will be competition between regions and states. That follows on from the question that has already been put.

Mr Perkins—I will speak for the states and say I would not want a national allocation split up on a state-by-state basis. We were very successful, and we continue to grow and get our bigger share of the pie. If you were to break it up in terms of population base and other kind of indicators, I would be concerned that if you say, 'Here it is. All you regions get your bits of money', we would be potentially limiting ourselves. As a state, we are very good at being innovative, in developing ideas and projects and moving forward. I would be arguing that it should be needs based and we just work with our communities to develop a needs based project. Another point is that if it was split up, however that might be, like the point I made earlier about the sewerage, today this region might need this amount of money and tomorrow it will not. So what happens to the region that does not need as much as they have been given? Do they just spend it on projects that are not relevant? I am sure they would find some worthwhile money. Or do they actually take it away from some other region that at the time potentially may need those resources? So no notional allocation has actually worked well for us in the last few years.

Mr Wallace—With due respect, I keep using the term 'prescriptive'. I think this inquiry is very much about gathering a broad amount of information. Earlier I mentioned a population basis. That may be, for example, for the right to have clean tap water that you do not have to boil. That could be across Australia. That may be one area. Another area could be something which is purely localised for that community, be it in central Australia, south-west Tasmania, south-east Tasmania or wherever. So I do not think there is one pattern to be cut to fit everyone. I think a successful regional development program that is using federal money should be able to deliver the correct outcomes. That needs to be flexible.

Mr Hawkins—I will finally chip in.

Mr Perkins—We have been waiting.

Mr Hawkins—I have been absorbing like a sponge. I propose that we actually have a regional research fund up front. If there is a major project that they are proposing of \$600,000 or a million dollars, it might be worth that \$25,000 at the start to actually initially research the issue. There may be an issue at the start, but what might actually be the underlying issues that sit under that? We have been describing regions here today. There has been a bit of a focus on local government boundaries. But that is just the political region. There are also cultural regions, economic regions and recreational regions. They cross boundaries. By bringing the parties together, can we actually work out whether there are better common interests? Could we actually make a better project by doing some initial research, adding and testing our outcomes, bringing more, say, demographics and looking at better best practice before we actually launch into a major project? I am not trying to advocate, but there are bodies like the Institute for Regional Development right around Australia. There is the AIRC and various bodies that would certainly have the expertise to do this up-front.

Mr Donaldson—It is probably consistent with the new guidelines for the Rural Medical Infrastructure Fund. It is the national rural health infrastructure program. In its newly designed form, they are actually looking to put a quantum of money into service planning. This is why the RMIF did not achieve what it was designed to do. There needs to be that upfront investment tapping into the right expertise to make sure that when it comes time to do the spend on bricks and mortar, you actually get it right and in the right spot. So that would be money well spent.

Mr Jaensch—That takes so much decision-making for departments and for ministers because there is just pedigree to the proposal that is there.

Mr Donaldson—Yes.

Mr Ransom—From my view, which is just a simple country boy's—we have had plenty of academic approaches in the past—the people on the ground are pretty much au fait with what they need and what is missing. I have seen a spiral, particularly on planning; anyone in Tasmania would know. We have had 1,000 academic reports and other reports and bits and pieces and it has been a downward spiral.

Mr Donaldson—I might just comment on that.

Mr Ransom—I am not criticising you. I am worried that we have all been through researching ourselves to death and nothing happening.

Mr Donaldson—In terms of our learnings about trying to help rural communities deal with the looming GP shortage, what is required is a mix of technical expertise that actually runs parallel with public engagement.

Mr Ransom—What you require is lots of money.

Mr Donaldson—It is also the community buy-in, particularly around controversial issues. We have assembled an expert group and we have come in with the demographic data to try to engage the communities about the need for change. Invariably we have been shown the door. So we know that there is an evidence base out there that needs to be brought to bear to the problem.

What we advocating into the future is that, particularly where there is controversial issues, be they about where to put the new landfill or how to restructure health—

Mr Ransom—Or close the hospital. Yes, go on.

Mr Donaldson—Which hospital to close, for example, and what might take its place, there needs to be both expertise and a robust public engagement strategy that is actually goal focused and leads to a decision that means a change at the end of it. Probably what we have experienced is that we analyse things to death but there is no actual lever that means things are going to be different at the end of it. We end up on a very vicious feedback loop that has electoral consequences and has major issues in terms of sustainability. To some extent, there is a big elephant in the room that I detect. I talk with our counterpart organisations. We have 70 communities in Queensland that are on what they call watch in terms of the likelihood of their medical services falling over. There are dozens in New South Wales, Victoria and here. What we are seeing is the fundamentals of regional sustainability about to remove one key plank. I am concerned that all the good money that might otherwise be spent in terms of small grant applications and regional development may be misspent unless we get that fundamental right. It is probably an issue bigger than this room, bigger than the state. But certainly our learnings are that if we are to make the change, we really need to engage the community in a respectful and meaningful way.

ACTING CHAIR—I am conscious of the time. I have Tim, Joanna and Roger.

Dr Cory—I will take a few seconds. I do not think anything put on the table today has been wrong at all. It is just different. I think what is quite clear, coming out of the fog, is that we are going to need two levels. We are going to need the smaller grants system, whatever that is, and a larger grants system, where you can study, you can propose and you can take more time. There is a local toilet and the need is now.

Mrs GASH—Stop talking about toilets.

Dr Cory—So I think everybody is quite clear. Everybody would recognise the quick hits—local community, whatever that is—and the bigger hits, which is infrastructure and what have you. To my simple way of looking at it, I think it is quite clear.

Mrs GASH—I would just like to confirm what Clayton had to say. The hardest thing for governments—I come from a different political party to Jodie, and we did it wrong—is knocking back feasibility studies. Feasibility studies lead into the big picture. I was really upset that some of the ACCs could not get their feasibility studies. So I fully concur with what you are saying. I hope that the government of today will look again at feasibility studies because they do lead on. Departments just cannot understand that job generating programs come from feasibility studies, because you have to know what is in your own local area. I have two very quick general questions to ask. Do you have difficulty getting good projects as an ACC?

Mr Perkins—No.

Mrs GASH—Fantastic. How do they come to you? Do they come from community? Do they come from a local member? Do they come from a mix? I will just ask a third question. I am

looking directly at the chamber of commerce representative, Louise. Does the chamber of commerce get very involved in projects for the ACC or the RDAs? I have not heard from you yet, so I am just wondering.

Ms Clark—In the recent past, the answer would be no, it has not necessarily. But Ian can answer because I am new.

Mr Abernethy—On behalf of Lou, let me say that we are actually sitting in a facility that was facilitated by the chamber of commerce. It is a great case for your feasibility study because I think it was \$50,000 from a combination of federal and state governments. This is nine years ago. It was under some distant program that everybody has forgotten. It was a feasibility study done into convention centres in Launceston with a view to the possible funding of public money to go into a facility. I think that document was then taken by obviously the private sector. They invested in it themselves. What a great investment for \$50,000.

Mr Jaensch—This is another money related question. It is closer to Canberra than the other end. We have seen sometimes in the past a program announced. Let us say it is \$30 million over three years. The way that someone has done the numbers at the beginning is they have said, 'That's \$10 million each year in the breakdown.' In the first year you have been oversubscribed but underspent. In the second year, you are getting towards the spending. The real money and the wind-up occurs in the third year. It is not \$10 million and \$10 million and \$10 million. It has this bulge which sits somewhere past midway. But what happens sometimes is that an agency that is involved in delivering that gets very, very fizzy in March each year. They say, 'If we don't spend this, we lose it back into the pool and we're going to have to seek reappropriation of that money.' I do not know how Treasury works at the federal level or any level really. I think you can really distort a lot of longer term programs and projects by applying an artificial constraint to them which drives spending and compromises timeframes sometimes. If there is a way, I understand that all the money is not handed over in cash—\$30 million for the whole program on the first day to the delivery agency—but there must be an accounting mechanism that can absorb the differential spend over the period of time so that it does not come back to affect people who are running projects on the ground with a range of other pressures as well. That is something for you to consider. You have the opportunity at the beginning of doing this to get it right. It has not been fixed before. It has been a major source of angst.

ACTING CHAIR—Glenn, do you have something? I will then have to cut it off.

Mr Doyle—I am sorry to go back, but I think there is an important point. I support the idea of having the two-tiered funding round. I support Allan in saying that the lower amount could have a finite date, but I think it is very important that the caveat on that is that we get the approval process shortened. If we have 12-week funding rounds, there is nothing worse than people not knowing whether they have been successful before the next round comes around. I think it is a really important caveat to put on that consideration.

Mr Perkins—I want to answer some questions. There are two of them. One of them was: did we get good projects? Bloody oath we did. Where did they come from? They came from referrals from local government, state government, community forums and word of mouth through the networks.

Mrs GASH—Some from the local member?

Mr Perkins—Yes.

Mrs GASH—Some.

Mr Perkins—Some were better than others. Yes, that is right. So there was. But it was not generally. Sometimes state local members were actually more active.

Mrs GASH—I meant members literally.

Mr Perkins—Yes. There was. You asked a third question. I cannot remember what it was.

Mrs GASH—Did the chamber get involved? That is fine.

Mr Garcia—I will jump in on the issue of distribution. I know you are going to close this. That is why I have jumped in. On the distribution factor, I do not know whether it is necessarily worthwhile that you get down to state by state. Perhaps there is an element of state by state and then there is a broader pool. So everyone gets a bit, but then there is a broader pool that is successful and open. So there is some certainty that you will get something, but if you have something really special, there is this broader pool. That way, everyone understands that they are going to get something. It gives local members or the government kudos in their various areas. But the reality is there is something guaranteed and if you have something really good, you actually get access there.

Mr CLARE—You get a plug.

Mr Garcia—Yes. Absolutely right.

Mr Jaensch—The acquittals are monitored. You let the market play. Every six months or so, you monitor how it is going across the board. If there is an area that is unrepresented, they are either having trouble accessing the program or they are going so well that they do not need anything. You can investigate that and apply help to them. I think that is a way of doing it. You look at the last six to 12 months at various stages through the cycle.

ACTING CHAIR—I propose that, starting with Tim, we go around. If anyone has a closing statement or a remark that they would like to make, it is a good chance for you to make it.

Dr Cory—I come unprepared. My concern is forgetting inadvertently in the local community the one or two men who really do not have the network that larger organisations have. They do not have the ability to put together projects by themselves. My concern is that they are going to lose out. Certainly here in Tassie there are lots of tiny little communities all over the place that really need little things. We can make quite a difference, I think.

Mr Perkins—I guess, in summary, some of the key points that we know from our stakeholders and we also know from some recent workshops that we have done for the future of Regional Development Australia is that the project facilitation and networking role that we play for community groups is extremely valuable. The feedback we are getting is that they want us to

continue to be part of the new program. Private enterprise should not be discounted, because they play an important role. Decision-making is so important and timeliness and delegating it back. Everyone talks about delegating it back. I think that is a frustration about getting local decisions quickly. Funnily enough, we have a view of no rounds. With the partnership base, we did not talk much about partnerships. I will quickly say that our view is that it should not be prescribed at 40 per cent, 30 per cent or 70 per cent. Different communities have a capacity to attract different resources. Sometimes the partner is the service delivery. Sometimes the partner is the community involvement in a project. Sometimes they do have the capacity to go out and seek additional funding. So there should not be any prescription around that. Infrastructure, in my view, includes all that stuff—the social as well as hard, tangible stuff.

Mr Garcia—If I did not get in the point that we are the closest government to the community, I would be going wrong. In whatever process we go through, I think this funding regime needs to take account of the fact that local government probably more closely is working with its community and has a fair idea about what is going on. So in the context of projects, programs or whatever delivery mechanism, it is useful to get that linkage and to get an understanding and perspective from councils. I did hear before, and I was going to jump in, about the personality factor in councils. I would hate to think that we are knocking back projects in local government on the basis of personalities. I would hope that we are far more professional than that. It may happen from time to time, but just for the record I would expect that in any relationship we have with this program going forward it would be evidence based and not personality based.

Mr Jaensch—Thanks for the opportunity today. I think you have a unique opportunity here with a new government having a new look at this regional development stuff, which has been done in a lot of different ways. I think this is a little bit like the closing the gap stuff. If we are serious about it, there must be some objectives whereby the federal government, through funding regional development, is trying to improve the economies and the circumstances and the lives of people outside metropolitan area. If you are going to do that and achieve your general, genuine economic development and liveability and sustainability, you are going to have to fundamentally ensure that there are very good, real projects addressing real issues in the right ways that will generate those results. Therefore, there should be as much or more work going into working out how to make regional development occur as there is about how to administer grants more appropriately. I think that is absolutely fundamental. Thank you.

Mr McCallum—Very simply, I would like to see a process that is not too onerous, particularly for the smaller groups, because I think that is a very important part of what has been happening in the past. Onerous means from the point of view of not too complicated as far as applications and not too much expectation necessarily for matching funding. I would like to see some timeliness in the process and some ability to make some decisions within our local regions. Thank you.

Mr Ransom—There are three spheres of government. We can talk about the Westminster system, which is not really a model. Local government suffers from a lack of constitutional recognition. In the past, everything has been passed back through the states. I guess that is where the original cost shifting system first came from at great cost to us. Someone said we were political. We are certainly not party political like I have seen on the mainland and other places, such as France and Britain and whatever. I believe generally that there are two things that drive us as councillors or councils. They are good governance and the greater good. It is as simple as

that. We have had enough conspiracy theorists who believe otherwise. If you do not believe that, read the paper. I welcome the opportunity to be with you today. It is not often that we get such an open opportunity to comment on what is happening around us. From your questions, I believe that we will get a good result. Thank you very much.

Mr Wallace—Thanks, Jodie. Thank you for the opportunity to be able to share in this. I agree with Tom that it is great that we have this ability to be able to do so. Thank you for travelling down from that other great land in the north. There are two or three very quick things. I will use one word—flexibility. I think the program needs flexibility so it can deliver outcomes that can be measured directly to the community. From a political perspective, be it local government or state or federal government and even the organisation that we represent sitting around this table politically, as in the small ‘p’, we need to be able to stand in front of the people who have paid the taxes and say, ‘This is what has been delivered for you.’ We get so wound up with governance. It is important when we are dealing with public money. But we need to be able to cut that to a fine point and reduce costs from within the projects so that we can actually deliver outcomes. I will just use the last word, and that is grounded. We need to be grounded when we decide what sort of projects we want to deliver to the community. Yes, there are small ones which are easy to fit. Then there are the bigger ones, such as infrastructure. But we need to be grounded and we need to take into account the whole community—that is, the business community, the social community and all those aspects. So it is flexibility and being grounded. Thank you.

Ms Clark—Thanks, Jodie. Obviously, from a business point of view—Roger and Craig and I have all touched on this—private enterprise should still be able to access this program or whatever the program might be simply because projects supported by private enterprise can provide positive economic, social and employment outcomes for communities. I agree with Robert that the program needs to be flexible. Certainly the decision-making process needs to be timely.

Mr Doyle—Jodie, again, thank you for the chance to participate. It strikes me that this program, which is trying to be all things to all people, could be its greatest strength but also its greatest challenge. What I would hate to see is further duplication. So money that could be available in other programs is being sought in this program and the other goes begging. How that is dealt with I am not quite sure because regional development is of such a scope, yet there could be a multiplicity of other programs that could also offer that funding. I agree with what has been said about keeping it simple. I am also conscious that ACC, as they were, and RDA, as they are now, are doing some consultation to work out what their life should be post this process. I have a firm view that without a grant funding program, they should not exist because we have regional authorities. Again, having an authority for the sake of having an authority leads us into further duplication. But it has been a good session. Thank you.

Mr Abernethy—Thanks, Jodie. Sitting here, I am trying to not focus on the negative things. We have gone around the room a lot. There are some negative comments that have come up about the previous program. I actually think there are some really good outcomes and some really good elements of the previous program that should not be lost. In fact, I want to suggest that those elements do not get changed. Really what we are looking at doing is trying to improve, to tinker, with the bits that maybe do need a little work. We have covered lots of those points today. One call I would make, though, is that we do need something in place fairly

quickly. I am sort of getting personal with the program here. We have a project that is sort of stuck in the gap. It would at least be great to know whether it is going to get up or not so that we can bring closure to not only the council but also the numerous community groups who have lent support to this program. So our call is for something to be put in place fairly quickly.

Mr Donaldson—I do not have any further comments.

Mr Hawkins—I will be quick. From an academic's point of view, I think we have thrown around what region means, but I think we still have not decided what is regional development and what a region does mean. Especially for the applicant, they really need to know what regional development is so they know what outcomes they need to achieve. I want to back up a point that Roger made and one that I made earlier. I am a little bit worried that some major projects will not be fully informed or be able to meet their full opportunity. Joanna mentioned feasibility studies. They are terrific. I am also thinking of the opportunity to go back even a step further. We have an issue, say, or an opportunity. What information can actually inform us better right from the start? So rather than coming up with a solution straight away, can we take a step back and look at all the opportunities before we go forward?

ACTING CHAIR—On behalf of my parliamentary colleagues here, I thank everyone for your participation today. I certainly take on board, Ian, those comments about wanting to get a program in place fairly soon. Our mandate for this inquiry is the end of November. It is the end of November so that we can then start feeding some recommendations through into the budget process, which begins in December this year. They are the timelines that we are working with at the moment. Again, I thank everyone. As Tom said, it is a rare opportunity. We do not get this opportunity that often for us to sit around a table like this and have a really open and frank discussion about having positive outcomes for a new funding model. I thank everyone here today. The secretariat may need some additional information from you, so they will contact you. I think you will be sent out a copy of today's transcript, so if there is anything that you are not sure about and if there are any discrepancies, if you contact us, that would be great. Once again, thank you very much. I know quite a few of you have travelled a distance to get here. I thank Jason and Joanna and Michael and everyone who has certainly helped out today for making that wonderful journey over to what we call the best place in Australia—Tasmania. Once again, safe travels and thank you very much. I really appreciate it. Thank you. The roundtable discussion stands adjourned.

[12.58 pm]

FROST, Mr Robert (Bob), Private capacity

GRADY, Miss Kathleen, Private capacity

ACTING CHAIR—The committee has set aside some time for members of the public to make brief statements to the committee. I remind presenters that the committee is not able to investigate individual cases. Statements should focus on one or more aspects of the committee's terms of reference. Although the committee does not require witnesses to give evidence under oath, I should advise that the hearings are legal proceedings of the parliament and warrant the same respect as proceedings of the House itself. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. I welcome you here. I invite you to make a brief statement.

Miss Grady—Thank you for the opportunity. I am a project officer with Area Consultative Committee Tasmania but I am not wearing that hat when I make this statement. But I should be very clear that that is my job. Prior to being a project officer with the area consultative committee, I was a special projects officer with a very small and remote council, so I guess I am coming at it from that point of view.

I would like to talk specifically about the delivery of a new project. I was not going to say anything until about 15 minutes ago, because I thought that the ACC reps and local government reps had covered just about everything. But then at the end I reflected on what had been said today. Some of the things I wrote down is that people around this table want a program with flexibility, a program with potentially two tiers, a program with no rounds or rounds, a program for small and large and medium projects and a program that does not have duplication. To me, that is a complex way of creating a clear and transparent program. I do not think there is any way around that except in the delivery. I think now more than ever before is a real opportunity and a necessity to provide support for the delivery of that program to work through projects, identify projects and build projects. The tip of it is the application. But it is the project work. It does not have to be through the RDA. Having heard all this today, I think that now is the opportunity and necessity to make sure that someone—an organisation—or something is there to assist people, not just the one- and two-man projects that we have been talking about, and not just the local government projects. I have been in local government and I have needed assistance through the previous program. With all this flexibility—two tiers, rounds, no rounds, small, large, without duplication talk—someone needs to guide applicants through, and it does not have to be the RDA. It just needs to be someone. Thank you.

ACTING CHAIR—Excellent. Thanks for that. I really appreciate that. The secretariat will send you a copy of the transcript from today. If there are any corrections that need to be made, you will be able to contact us.

Mr Frost—I am a committee member of ACCT-RDA. I sit on that committee as a representative of the Huon Valley and for the channel. It is primarily a rural area. I am here as a visitor today. So thank you for giving me the opportunity of speaking.

I am addressing a specific issue which I just want to leave with you. I am obviously not asking for any confirmation. I address the concern for the potential and considerably sized Canberra based structure which may attempt to be approving grants in the future within the necessary timescales. The reality will be that some 80 per cent of the grants that may well be put forward may well only represent 20 per cent of the funds involved. On the other side of that coin, some 20 per cent of the grants being put forward will represent possibly as much as 80 per cent of the amounts of money involved. Ideally, therefore, some form of decentralised system and timings of approvals would seem practical and pragmatic in the light of these figures. The challenge and the resulting success of the program, as I see it, will be to dramatically increase the stock turn of grant decision-making at each decided level. Therein I believe will lie the credibility of the program for the future. Thank you.

ACTING CHAIR—Thank you, Mr Frost. I really appreciate your attending the hearing today. As I have just said to Kate, the secretariat will send you a copy of the transcript from today. If you do need to make any corrections, please let us know. Thank you very much. I declare the meeting closed. I thank everyone very much for their appearance.

Resolved (on motion by **Mrs Gash**):

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 1.04 pm