



The Secretary
 Standing Committee on Infrastructure, Transport,
 Regional Development and Local Government
 House of Representatives
 Parliament House
 CANBERRA ACT 2600
 Email: itrdlg.reps@aph.gov.au

Dear Mr. Crawford,

I am writing in response to your request of 23 May 2008 for comment into a range of issues associated with the “*Inquiry into a new regional development funding program*”.

Your letter highlighted four areas or terms of reference that you were seeking advice and information from relevant organisations to assist with the inquiry.

After careful consideration of the Terms of Reference I would like to advise that the Hunter ACC will comment on the following points:

- Produce advice on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects;
- Examine ways to minimise administrative costs and duplications for taxpayers.

The remaining two points of the terms of reference are better served to be reviewed by the ANAO as they are associated with aspects of the administration of the *Regional Partnerships Program* beyond the role of the Hunter ACC.

As well as providing a report on the two points listed above I have also included:

- information on the membership of the Hunter ACC (Attachment A), and
- a copy of a report that was prepared by the Hunter ACC (Attachment B) on targeting Regional Partnerships towards key regional priorities. In this instance the key regional issue was health. It is the view of the Hunter ACC that by identifying and focussing on health for the application of Regional Partnerships projects we were best able to assist in the regional development of the Hunter region.

I am available to further discuss the contents of this paper if required.

Yours sincerely,

Dr. John O’Brien
 Chairman
 Hunter ACC

INQUIRY INTO A NEW REGIONAL DEVELOPMENT FUNDING PROGRAM

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Executive Summary

A new regional grants program needs to be carefully developed so that it avoids many of the problems associated with the previous *Regional Partnerships Program*. Key points for consideration in the development of the program are as follows:

- Clear guidelines supported with definitions and support documents,
- Clear aims and objectives that reinforce that the program is primarily a program that is for the benefit of the region,
- Streamlined and transparent assessment processes within a specified process,
- Trained departmental staff to assist in project development and assessment,
- Funding rounds as opposed to the previous ongoing lodgement process under the *Regional Partnerships Program*,
- External advice from regional organisations such as Regional Development Australia that will be included within the departmental and ministerial assessment process,
- Clear advice as to appeal processes including specified timeframes for the appeal process,
- Applicants to have access to department staff and information to assist with their development of the application, and
- Creating RDA regional boundaries to reflect those of other relevant government departments, particularly state government.

The following table of *Regional Partnerships Program* (RPP) projects provides an overview of the range of projects that the Hunter ACC was involved in during the life of the program and the coverage across the Hunter ACC region by federal electorate.

List of Hunter Regional Partnerships Projects 2004-2007 *

Project name	RPP funds	Total	Electorate
Scone breast cancer centre	\$11,000	\$20,000 **	Gwydir
Cessnock Civic precinct	\$260,325	\$6,096,000	Hunter
Royal Blind Society	\$21,663	\$30,000	Newcastle
Port Stephens Coastal patrol	\$220,000	\$441,000	Paterson
Food and Agri Business trail	\$101,258	\$240,263	Paterson and Hunter
Dungog Chamber of Commerce	\$10,450	\$22,000	Paterson
The Wetlands Centre	\$89,680	\$436,550	Newcastle
Hunter Net Model for Action	\$71,500	\$198,000	Newcastle
Westlakes Senior Citizens Centre	\$3,530	\$4,531	Charlton
Indigenous Creative Enterprise centre	\$236,624	\$526,340	Newcastle
Karuah Community Hub	\$264,000	\$856,900	Paterson
Singleton Youth Centre	\$294,628	\$1,138,878	Hunter
Hunter Surf lifesaving Headquarters	\$311,300	\$731,500	Hunter
Newcastle Maritime Museum	\$770,000	\$1,387,650	Hunter
TMFF Aquaculture Expansion	\$594,000	\$1,984,030	Paterson
Port Stephens Woodworkers	\$65,866	\$136,232	Paterson
Brook Medical Centre	\$192,500	\$517,462	Hunter
Denman Community Centre	\$330,000	\$1,009,636	Hunter
Sailability Belmont	\$114,345	\$247,000	Shortland
Cessnock Uniclinic	\$220,000	\$1,430,000	Hunter
Kurri Mural Trail	\$33,490	\$101,702	Hunter
Fighter World	\$480,000	\$1,711,296	Newcastle
Fernleigh Bike Track	\$750,000	\$2,293,380	Shortland
Newcastle Rowing Club	\$180,000	\$616,912	Hunter
Gresford Showground	\$25,000	\$100,000**	Paterson
Total: 25 Projects	\$5,651,159	\$22,277,622	

* This list includes all RPP projects announced as approved, some projects (e.g. Fighter World had not been contracted as of the date of the submission, Fernleigh Track was submitted and approved prior to the last federal election but was also an "election commitment project" by the current federal government)

** Total of project is an estimate only due to changed status of the project during contract negotiations

Note: the Hunter ACC also worked on a number of other federal government grants programs during this period (Dept. Employment and Workplace Relations and Dept Agriculture, Forestry and Fisheries grants programs)

1) Overview

The purpose of this report is to identify those areas that the Hunter ACC believes are important issues that need to be addressed in the development and implementation of a new regional development funding program. They represent the views of the membership of the Board of the Hunter ACC and are based on the broad experience of the Board and the staff of the Hunter ACC in working with a varied number of grants program including the *Regional Partnerships Program* (RPP).

There are also a number of attachments to this report and they include the membership of the Hunter ACC Board and an example of a region wide initiative regarding access to GP and other health services, which the Board identified as one of the key issues affecting regional development in the Hunter.

The reasons behind our decision to include these attachments are as follow:

- *Board membership*

It is our view that the Board of the Hunter ACC represents key organisations and industries in the Hunter region and the Board consists of individuals who are recognised as regional leaders. It is our view that an effective regional development organisation requires that the organisation has members who can contribute effectively to the development of the region and assist in ensuring that grant funded projects meet regional needs. The Board also needs to be a non-political organisation.

- *Health Initiative*

This paper was prepared for federal Members of Parliament in the Hunter region to assist in delivering health services through the process of expanding GP surgeries in the Hunter region. This initiative is an example of how regional development grant funds can be targeted to deliver a series of projects across the region. By targeting funds to specific regional wide issues it will assist in ensuring that the region as a whole benefits from the delivery of funds to regional community infrastructure projects.

2. Clear Definitions

Issue:

The Regional Partnerships Program guidelines suggested that a wide range of projects could be funded under it. In reality the range of projects was relatively narrow. This was partly due to issues associated with perceived duplication with other funding programs but also was due to confusion over definitions of what could be funded.

Comments:

There is a need for clear definitions and explanations as to what can be funded to avoid confusion and misunderstanding in what the program's goals and objectives are. Immediate areas in need of a clear definition are as follows:

a) the new regional program which is suggested to be called “Community Infrastructure Program” and as such a clear definition of what is community infrastructure is needed. What constitutes economic development in regions and how it relates to “community infrastructure” also needs to be defined.

b) to expand on this point it is worth noting that the term “community infrastructure” varies significantly from one industry sector to the other. The welfare and services sector can regard “community infrastructure” as an “investment in human capital” whilst the private sector can see “community infrastructure” as investment in physical objects, i.e. “bricks and mortars”.

c) also, the term “economic development” needs to be defined. If the new program will not fund projects from the private sector, which is the sector primarily responsible for developing regional economies, then a clear definition and pathway or linkages between “community infrastructure” and “regional economic development” is required.

3. Clear and Transparent Process

Issue:

Under the Regional Partnerships Program there was confusion at times as to how projects were approved and this can lead to difficulties with developing projects that comply with the guidelines and assessment process.

Comments:

Applicants for grants funds require a clear and transparent description of the assessment and approval process. This will enable them to develop their application with confidence that their application will be assessed on its own merits. Although there are obvious benefits in having a discretionary grants program this also has problems as the approval process can be regarded as subjective and open to abuse.

An example of problems associated with discretionary grants programs is as follows. Under the *Regional Partnerships Program* (RPP) one of the key principles for the approval of a project was the extent to which the applicant was able to attract partnership funds from other sources including State and local governments. The partnership mix was, for most of the life of the program, a recommended 50% of funds from the federal Government and 50% from other sources. However, at some point in time it was decided that *Regional Partnerships* funds would only match the amount to be contributed by State governments. This revision in the assessment process was not formally advised to applicants and ACCs. Formal advice to the applicants of the new assessment “criteria” was only received after the project assessment had been finalised. The ramifications of this revision to the assessment process affected the viability of the projects and the affect on the project varied from moderate to severe. For example projects that had been developed in good faith over extensive time spans and within the “known assessment criteria” were now either not approved or required

a substantial modification as they had insufficient funds for the project to be completed to comply with the new requirements.

This is just one example of changes in direction of the assessment process that adversely affected projects. In some cases projects that had been worked on for many months and in some cases years were no longer viable as the assessment criteria had changed and the applicants were not advised of the changes.

The new program should ensure that the assessment process is consistent and advised to the applicant to ensure that there is a clear and transparent assessment and approval process.

4. Efficient Assessment and Advice Process

Issue:

A key problem with the administration of the Regional Partnerships Program was the lengthy and inefficient assessment of applications. Despite departmental benchmarks and assurances that projects would be assessed within a stated time (for example 8 weeks and 12 weeks) the actual timeline could stretch out to many months and years. These delays had a significant impact on the applicant's ability to deliver the project if it was eventually approved. This was especially relevant to projects that involved construction of buildings and other physical infrastructure. The applicants also need to be advised of the appeal process if they are unsuccessful and this appeal process timeline also needs to be advised of to the applicant and adhered to.

Comments:

The proposed regional grants funding program needs to ensure that project assessment and approval or non approval is undertaken in an efficient and timely manner. The applicant should be advised of the timeframe for the assessment process and the department will be required to adhere to this time frame. This may cause difficulties for the department but this can be minimised by allocating sufficient resources for the assessment process and structuring the program to remove barriers to efficient assessment.

5. Program Guidelines

Issue:

The guidelines of the Regional Partnerships Program were, at first glance, concise and simple to understand. However, from the experience of the Hunter ACC there was a need to go into considerable degree of explanation to applicants as they developed their applications. Given that the role of the RDA (ACC) network in the new program is likely to be considerably less than what it was under the RPP the department will need to put in place a system that will assist the applicant with the development of the application.

Comments:

Clear and simple guidelines are required to assist the applicants with developing their application and they should have access to:

- a “help desk hotline” staffed by trained staff,
- a website based “frequently asked questions”,
- a list of approved projects on the departmental website. This will assist applicants in the development of their application, and
- a application form or template that is clear and is user friendly needs to be developed especially if the application is most likely to be an “online form” of application.

Also within the guidelines it is necessary to clearly state what information, documents etc are required to be submitted by the applicant at the time that they lodge their application. This will assist in the assessment process and place the onus on the applicant to ensure that their application meets the program guidelines.

6. Project Funding Models

Issue:

Under the Regional Partnerships Program a major issue was that of the need to ensure that duplication and cost shifting from one level of government to the other did not occur. The focus of the new program on “community infrastructure” will reduce the broad range of potential projects that could be funded under the RPP. One of the major delays in the assessment process was caused by the need to satisfy the department that no duplication or cost shifting was occurring.

Comments:

There are a number of funding models that could be considered that will go some way to streamlining the assessment process and reduce perceived duplication and cost shifting issues associated with RPP. Examples of these funding models are provided below.

a) Small grants and local government model

Projects requesting funds under a specified amount, for example \$50,000 could be delivered by alternative methods to that used under the RPP. For example, “small grants” could be administered by local government, either as individual councils or as regional groupings of councils. A comparable model is the previous government’s “Roads to Recovery” program whereby local government could apply directly to the Commonwealth Government for funds rather than through the various State governments. Local governments would have to comply with the program guidelines but as they know their locality or region they are in position to determine if the project is appropriate. As they are a government entity they will comply with the Commonwealth Government’s due diligence and accountability requirements. This splitting of the funding levels would assist in reducing project development, assessment and monitoring time and costs and go some way to reducing duplication of activities.

It is worth noting that the Australian National Audit Office reviewed the “Roads to Recovery” program and rated it highly as an efficient system of administering a Commonwealth Government grants program.

b) Larger grants and community group model

Funds above the designated “small grants” level would go through a separate development and administration process that reflected the higher level of risk associated with higher levels of funding. Applications would be made directly to the Department but would require that the local Regional Development Australia (RDA) committee and possibly the relevant local government organisation or state government regional development agency provide comment on the appropriateness of the project to the needs of the region.

A variation within this model is for the relevant regional agencies to identify and nominate one or more regional priorities that would fit within the program objectives. There may be a number of projects across the region that would fit within the identified regional priorities that require funding. The regional priorities and projects that fall under these priorities would be negotiated with the department and minister and parliamentary secretary. A condition of approval of the projects would be that they are also consistent with national priorities.

This variation has a number of benefits. Firstly, it is a clear recognition of regional needs and initiatives to address these needs. A number of related projects would be undertaken across the region and these could be undertaken concurrently so that substantial results can be achieved relatively quickly. Negotiations would be with one applicant as opposed to a number of applicants and this reduces duplication and assessment times. Contracts would be between one organisation and the Commonwealth Government rather than a plethora of organisations with differing levels of corporate governance skills. This variation also means that the emphasis on regional needs can be altered from one funding period to the next to meet the changing priorities of the region. This variation would also work with a regional development board or regional organisation of councils.

This variation would also reduce the “dissipation of energy” of a wide range of small, unrelated projects creates as it would be focussed on funding projects that had a substantial critical mass and thereby would have more regional as opposed to local impact.

c) “Soft loan” and local government model

Funds under this model would be made available to individual local government agencies or groupings of local government agencies across an identified region. Funds would be made available for a specific purpose that complied with the program guidelines and be administered as a “soft loan” with the funded agency paying the funds back over a specified period. This model gives the Commonwealth Government increased financial control over the project and offers a return on investment to the Commonwealth Government. The funded agency has a greater requirement to ensure that the funds are managed appropriately. This model also enables the Commonwealth Government to direct funds to regions where funds are most needed and in instances where the local

government agency has less capacity to find matching funding for grants based programs.

An extension of this model would be to encourage local councils to amalgamate into larger regional councils that would be able to apply directly to the Commonwealth Government for grants or “soft loans”.

d) Regional development agency model

Under this model a nominated regional development agency is provided with funds from the Commonwealth Government in the form of grants, “soft loans” or a combination of both to administer projects across the specified region. The regional development agency would be required to comply with the program guidelines and submit proposed projects to the department and minister for approval. This model gives the Commonwealth Government a high degree of control over the program without another level of government involved in the program and gives the region a greater degree of control over how and where the funds are to be spent.

An example of this model is the Hunter Development Corporation which under its previous roles, Honeysuckle Development Corporation and Regional Lands Management Corporation, was established during the Hawke Government by Minister Brian Howe under the “Better Cities Program”. This corporation is still operating effectively as a regional development agency and can serve as a possible model for the delivery of regional grants program.

As well as the various models suggested above there are a number of relevant regional development agencies who can endorse the projects as being regional priorities. By involving a number of relevant and independent agencies in the process of endorsing the project it will enhance the “checks and balances” associated with project assessment.

These agencies include:

a) Regional Development Australia: Local Committee.

The local RDA committee will not be as heavily involved with project development as was the case with the role of ACCs in the *Regional Partnership Program* but RDA could have a role in project concept discussions, advice to the government of the value of the project to the region and to assist in monitoring the delivery of the project. The independence of the local RDA committee would provide a neutral body to assist in ensuring that the project met the Government and the region’s goals and priorities.

b) State Government Regional Development Board

A further level of “protection” for the Commonwealth Government is to also have the relevant state government regional development board endorse the projects. Their involvement would also ensure that the project was consistent with state government local and strategic plans.

7. Assessor Training

Issue:

A major issue in the administration of the Regional Partnership Program was the quality of the departmental assessment staff. There was constant turnover of staff, they displayed little understanding of the needs of regional Australia and knowledge of the program that they were assessing projects under. The department appeared to be more concerned about the “contractual” issues associated with the administration of the program rather than the aims of the program. This staffing problem was a cause of significant delays in assessing applications and it appeared that there was a culture of trying to “second guess” what the next person up the chain wanted to be assessed in the application.

Comments:

Departmental staff assessing projects should be provided with a specified training course that covers a range of topics including understanding financial reports, guidelines, best practice, project sustainability and the other key assessment points. Training will ensure consistency in the assessment process and given that there is an ongoing high level of staff turnover and especially at the more junior levels in the department then the need for training is even more important.

One of the issues associated with the assessment process of the *Regional Partnerships Program* was high turnover in the Canberra based assessment staff. This was manifested in many ways including a clear lack of understanding of regions and regional development and in some cases an inability to read the supporting documents that were required as part of the application. Inconsistency was also demonstrated in the various regional offices which displayed different interpretations of the guidelines and the role of the regional DOTARS office in project development. This last factor can be very important in providing the applicant with contemporary departmental views of the program guidelines and assessment process and thereby providing direction to the applicant and advice to the assessing teams as to the project’s value to the region.

Consideration should be given to establishing teams of assessors based on regional groupings, for example a northern NSW assessing team. This would have the benefit of the assessors developing expertise in the issues affecting the region allocated to their team and of regions within a broader geographical grouping. The assessing teams do not necessarily need to be based in the region that they are assessing.

8. Application Rounds

Issue:

Under the Regional Partnerships Program there were no “rounds” in which applications were required to be lodged by a certain date. In some respects this was a very flexible process that gave the applicant considerable time and leeway to develop their application. But there are some benefits to be found with setting application “rounds” and deadlines for lodging applications.

Comments:

Consideration should be given to implementing project funding rounds. This implementation will have several benefits.

- a) Firstly, it will focus the applicant to work to a deadline and timeline rather than the current opened process which does not have the “discipline” of deadlines.
- b) Secondly, it will enable the department to allocate resources to meet the anticipated workload and thereby make it a more efficient process. The “regional team” concept outlined above would also be appropriate to the funding rounds model. A ‘core regional assessment team’ could be expanded as the date for the applications to be lodged approaches. The new staff would receive training as required prior to the lodgement date and then commence assessing once the applications are lodged. As the workload peaks and then declines staff numbers are adjusted accordingly. Retaining a “core team” goes some way to ensuring that “corporate memory” is not lost between funding rounds.

Applicants who are unsuccessful will be provided with advice as to why they were unsuccessful and invited to apply for subsequent rounds. If a new program also requires partnerships funds then it will also enable greater coordination between funding rounds of potential partners.

9. Regional Development Priorities

Issue:

Under the Regional Partnerships Program the initial intent was that a diverse range of regional programs were amalgamated under the one program. Applicants could apply for funds and the department would decide under which “stream” of the RPP the project would fit into. As laudable as this intent may have been the actual working of the RPP was that the program tended to fund primarily “access to services” through the provision of funds for community infrastructure. There was a diverse range of projects that could be funded from this “stream” ranging from an upgrade of community hall kitchens to playgrounds to state of the art museums and these would meet regional needs. However, although those projects may have had a positive impact for the applicant in the majority of cases these projects were primarily of a localised benefit rather than of assisting in the development of the region.

Comments:

Consideration should also be given to targeting projects of a similar objective that are of benefit across the region and across regions. Targeting the funds to specific projects in key sectors such as health, environment, sporting facilities etc across the region can have a stronger impact across the region in providing these community facilities. An example of this can be found in the Hunter region where the Hunter ACC identified that a major regional need for the Hunter was to assist doctors expand their premises to assist them provide an increased range of services. By doing so under the RPP it would be possible to provide assistance across the region. Attached to this submission is a copy of a paper prepared by the Hunter ACC that outlines aspects of its approach to using RPP funds in a targeted approach to assist the region.

10. Commercial Projects*Issue:*

Under the Regional Partnerships Program the private sector was eligible to apply for funds for projects of regional benefit. The implementation of this RPP goal was extremely difficult and, led eventually to very few private sector applications being approved. The reasons varied from competitive neutrality issues, the Commonwealth not “wanting to be the financier of last resort nor the financier of first resort”, excessively long periods for assessment which meant that projects no longer were financially viable and as stated above uncertainty of what were the latest “assessment” criteria. There was also an “overflow” of private sector assessment criteria into projects from the not for profit sector that also had a commercial element and this also adversely affected the development of these projects as they were being assessed as “commercial projects”.

Comments:

On current information it appears that the new program will not be open to applicants from the private sector and only from the not for profit sector. There are a number of issues associated with this requirement. Firstly, economic development primarily comes from decisions by the private sector to invest in a new process or in a region or to take on additional staff. Government has a role in providing the infrastructure to support the private sector in informing their decision to invest in economic development. As the new program links economic development to community infrastructure consideration should be given to providing definitions as to how the linkages will work. A possible solution to linking economic development in regions with community infrastructure is to make “soft” loans available to the private sector from projects that have a clear benefit to developing the region. This may mitigate some of the adverse results associated with RPP private sector projects that did not meet the competitive neutrality test.

The second issue associated with the decision not to fund projects that are commercial in nature is that many not for profit projects require some part of the

project to have a commercial component. For example a museum or community owned business and training centre will be required to work in a commercial environment to ensure that they are viable and sustainable. This issue is likely to be a key issue for many projects and the program guidelines will need to reflect the department's view on how this issue will be addressed.

11. Project Partnerships

Issue:

A key feature of the Regional Partnerships Program was the involvement of other partners who contributed funds towards the project. This feature had many desirable characteristics including spreading the financial risk amongst a number of organisations, ensuring that there was additional due diligence checks undertaken and the ability to leverage additional funds to further develop the project to increase its impact and outcomes.

Comments:

However, the requirement for funding partners did lead to many project development and administration problems.

Firstly, it was not always possible to find and secure funds from other partners and many potential sources of funds such as from state government agencies were approved by the funding round process. This meant that projects could be delayed for several months or longer before a decision by the funding partner was made. Conversely, approval from the funding partners could be made relatively quickly and as the RPP assessment process was generally very lengthy then the funding partners may have either decide to no longer fund the project or to delay funding the project until a much later date. The effect was to make the project redundant.

Also there was inconsistency across Australia in how RPP was assessed and how the appropriate level of funds from partners was calculated. There was an ongoing need to ensure that the project did not fail the "duplication" test from other funding sources and in many regions it was extremely difficult to find partners who could fund the project. Examples of this are in locations where the local government agency had limited or minimal funds available to contribute to a project and although this project may have substantial benefits for the region it would be very difficult to gain approval. Conversely, a project from a local government agency with strong financial reserves could secure a project approval on the basis of a strong funding partner's contribution. The result could be that the location most in need of funds for community infrastructure fails to get the funding whilst the wealthier location gains approval.

The requirement for funding partners is also exacerbated by the varying approaches and attitudes of State governments towards regional development. Whereas some State governments value their regions highly others do not and do not fund regional development to the same extent as their counterparts.

The new program should encourage funding partnerships but not place such high value on it as shown under the RPP. If a key requirement of the new program is to include funding partners then the process of assessing projects including taking consideration the ability of the region or applicant to attract funding partners needs to be transparent.

A clear definition of what is meant by “community infrastructure” and what can be funded may also reduce some of the duplication from other funding sources considerations and thereby reduce the need for funding partners.

12. Regional Development Australia Committees

Issue:

The role Regional Development Australia (RDA) Committees can play in the new program needs to be thoroughly considered as they have substantial experience, knowledge and expertise in delivering a wide range of regional grants programs. A key requirement of the RDA committees is that they need to be apolitical organisations:

Comments:

The RDA (previously ACC) Committees and their support staff have acquired over many years a strong background in regional development and delivery of Commonwealth Government programs and services to their regions.

Examples of these programs include Regional Assistance Program, Dairy Regional Assistance Program, Small Business Assistance Programs, GST Signpost Officers Programs, Indigenous Employment Programs and numerous other programs relevant to their respective regions.

RDA Committees have strong networks and expertise in many disciplines and this enables them to be effective in determining the importance of potential Community Infrastructure Program projects to their regions. RDA Committees should be included within the scope of the new regional grants program because of their expertise and experience. However, it is essential that they remain apolitical organisations that can objectively advise the government on the regional benefits of the project applications.

Attachment A

Membership of Hunter ACC

Dr. John O'Brien Chairman

Dr John O'Brien (B.V.Sc), a qualified veterinary scientist, has a strong background in private enterprise and community engagement. Dr. O'Brien is:

- part owner and Managing Director of Jurox Pty Ltd. Dr O'Brien has many years of experience in the veterinary pharmaceutical and animal health industries. He was Director of Hawthorn Park Research Laboratories, which and owner and Managing Director of Kemcon Pty Ltd which manufactured pesticides and agricultural chemicals.
- Dr. John O'Brien was Chairman of the Hunter Valley Grammar School Board between 1991 and 1997.
- Board member of Hunter Founder's Forum and Newcastle Innovation

Mr. Michael Johns LL.M. F.A.I.C.D Deputy Chairman

Michael Johns has been an active member of the Hunter region in many capacities for the length of his working life. His roles include:

- Master of Laws, University of Sydney,
- Solicitor and Company Director,
- Fellow Australian Institute of Company Directors,
- Member of The University of Newcastle Council, Chair of its Audit Committee,
- Chair of Board of 2NUR FM,
- Member of the university's Resources and Administration Committee ,Remuneration Committee, Disciplinary Appeals Committee and Promotions Appeal Committee,
- Director of Board of Newcastle University Sport and Member of its Audit Committee,
- Committee Member of Newcastle Agricultural and Industrial Association,
- Director of Steel River Pty. Ltd,
- Former Board Member of Hunter Area Health Service,
- Hunter Area Pathology Service Pacific Linen Service and Hunter Corporate Catering,
- Former Director of Newcastle Grammar School Limited,
- Former Director of University of Newcastle Union Limited,
- Retired from Legal Practice as Senior Partner with Rankin and Nathan.

Mr. Geoff Connell Public Officer

Geoff Connell is the Australian Associate of Reinventures of the USA, providers of the Market-Centric Executive Education and Implementation practice to worldwide clients. He also works as a Business and Management Consultant based on his extensive experience in Port Management, organisational change and the implementation of business efficiency programs.

Mr. Connell has a:

- degree in Commerce from Newcastle University and a Diploma in Education, and is a graduate of the Monash Mt. Eliza Business School's Executive Directors Program. He has practiced and taught effective negotiation processes and is a commercial mediator trained under the Australian Commercial Disputes Centre.
- Mr. Connell's business and commercial experience gained over the past twenty five years includes operating and managing a manufacturing and export business in Indonesia, managing and facilitating economic development of the Hunter Region and the commercialisation and reform of the Port of Newcastle. His roles include:
 - Research Economist, Hunter Valley Research Foundation: 1977-79
 - General Manager, Hunter Development Board: 1980-86
 - Business Manager, Port of Newcastle: 1986-89
 - Managing Director, Hunter Ports Authority: 1989-95
 - Director - Reinventures Pty Ltd 1995 – present
 - Director - Newcastle Airport Limited - present

Mr. John Drayton Executive

John Drayton is General Manager and Director of Drayton's Family Wines. Drayton's Family Wines are pioneers of the Hunter Valley Wine country since 1853. Today the company is fifth generation owned and managed and has been General Manager since 1989.

Mr. Drayton holds a number of positions including:

- Drayton's Family Wines - Principal and General Manager
- Hunter Valley Wine Country Tourism - President
- Hunter Valley Wine Country Development and Employment Task Force - Member
- Pokolbin Community Hall - President
- Mount View High School P & C - President
- Hunter Wine Country Private Irrigation District - Secretary
- Pokolbin Rural Fire Service - Captain
- Hunter Wine Country Signs Committee – Member
- Hunter Wine Country Private Irrigation District - Vice President

Mr. Mike Almond F.C.I.T.L

Mike Almond has a strong background in private sector in transport and logistics and was previously an officer in the Australian Army.

Mr. Almond is:

- Managing Director of Mountain Industries Pty Ltd a leading Hunter based company providing bulk haulage and intermodal transport services,
- previous National Chairman's position on the Australian Trucking Association,
- currently Chairman of the national the trucking industry's national safety accreditation programme, Trucksafe Pty Ltd .

- He also had a previous career as an officer in the Australian Army, being a graduate from RMC Duntroon.

Mr. Peter Gesling

Mr. Gesling is the General Manager of Port Stephens Shire Council. Peter has spent 24 years of his career working in the Local Government industry. He held senior positions in engineering and town planning at

- Walgett, Wellington and Port Stephens before becoming
- General Manager at Port Stephens Council in 1998.

Peter's recent achievements include:

- leading the Port Stephens Council team to develop an integrated waste strategy, which incorporates Bedminster bioconversion technology and the first Alternative Waste Technology in Australia.
- leading the Business Excellence Journey at Port Stephens Local Council, which is the application of the Business Excellence Framework in the organisation.
- chairing the Australian Local Government Business Excellence Network, which is an improvement and support process for councils that utilise the Business Excellence Framework.

Peter's current journey is to develop 'foresight' skills to assist Port Stephens community to develop its preferred future.

His interests are community partnerships, networking, sustainable technology and the National Trust.

Ms. Susan Ivens

Susan Ivens has a strong background in the health industry and in education. Her background includes:

- Prior Managing Director of Toronto Private and Maitland Private Hospitals.
- University of Newcastle with a Bachelor of Arts degree and and Diploma in Teaching.
- Master of Business Degree at the University of Newcastle in 1999 while continuing to run the business. She was awarded the Louis and Marjorie Karpin Memorial Prize for best performance in Business Policy in 2000.
- 2005 graduated from Macquarie University having undertaken a Bachelor of Laws degree via distance learning
- In 2006 Susan received the prestigious Hunter Businessperson of the Year award. This award is conferred by the Hunter Business Chamber and recognises achievements in business. Susan is the first woman to be named Businessperson of the Year.

Ms. Janette Jackson

Janette Jackson has a long history of community involvement in the Cessnock District, including:

- President: Cessnock Chamber of Commerce
- Member: Hunter Valley Wine Country Development and Employment Taskforce
- Board Member: Lower Hunter Vocational Education Programme
- Workplace Trainer: Category 1 – Vocational Education and Training Accreditation Board

Ms. Jackson has also had extensive involvement with the NSW Rural Fire Service including:

- Hunter Representative: State Training Committee
- Member: Cessnock Rural Fire Service Training Committee
- Group Captain: Cessnock District Rural Fire Service –Operations Support

Professor Nicholas Saunders

Professor Saunders, Nicholas Saunders MD, FRACP, has a strong background in health, education and management. His background is as follows:

- Vice-Chancellor and President of the University of Newcastle since October 2004

Professor Saunders previous appointments include:

- advisor to the Vice-Chancellor, Monash University
- Dean of the Faculty of Medicine, Nursing and Health Sciences at Monash University,
- Head of the Faculty of Health Sciences and Dean of the School of Medicine at Flinders University of South Australia.
- Member of the senior university executive for eleven years at Flinders and Monash Universities. During that time he successfully developed and managed large, complex multidisciplinary faculties and contributed to university-wide strategic and operational planning.

Over the years he has served on national committees and councils relevant to higher education, including:

- Chair of the National Health and Medical Research Council (2000 - 2003),
- served on the Higher Education Council, the Prime Minister's Science Engineering and Innovation Council, the Australian Research Council, the Aboriginal and Torres Strait Islander Health Council, and the Committee of Deans of Australian Medical Schools (Chair 2000 - 2002), and
- He has also served on many State Government bodies including the Premier's Council for Knowledge, Innovation, Science and Engineering, Victoria, The Postgraduate Medical Council of NSW, and on the Review of Governance of South Australian Universities.

Professor Saunders was awarded the Centenary Medal from the Commonwealth Government for his contribution to academic medicine in 2002.

Mr. Neville Sawyer AM

Neville Sawyer grew up Newcastle where he graduated from Newcastle Technical College in electrical and electronic engineering. He completed an electrical apprenticeship with BHP, Newcastle Steelworks where he was NSW Apprentice of the Year, and he worked with Noyes Bros/Compton Parkinson and Siemens in trainee electrical engineering positions. Additional study was completed at University of New England and Ballarat University

In 1968 he established his own Electrical Engineering Sales and Distribution business, with a partner, in Newcastle. Over the following 38 years the company, Ampcontrol P/L, grew to encompass electrical and electronic control/power design and manufacturing, plus service-repair and overhaul of own design products/equipment for the mining, minerals processing/refining, manufacturing, power generation plus distribution and heavy industries as well as oil, gas and petrochemical sectors. It became a leading national electrical engineering services company for heavy industry. Exporting of “in house design products/equipment systems and services” began in 1976 and expanded to SE Asia, China, India, and South Africa.

Neville retired from Ampcontrol in 2005 and is now involved as a Director & Chairman of innovation SME companies and Industry related bodies, plus Hunter Region community/business and education-training initiatives. His involvement includes the following:

- member of the previous Prime Minister’s Science, Engineering & Innovation Council from 2003 to 2008;
- President of the Australian Chamber of Commerce and Industry from 2003 to 2005;
- President of NSW Chamber of Manufacturers (now NSW Business Chamber) from 2000 to 2002 and now a Life Governor;
- currently a director of the Hunter Medical Research Institute;
- Chairman of Smart Digital Optics/Hunter Founders Forum and Hunter Means Innovation Festival.
- member of the Engineers Australia, a Fellow of the Australian Institute of Company Directors and the Australian Institute of Management.
- He received an AM for services to industry in 2006.

Mr John Tate

Cr. John Tate has a strong background in private enterprise and community involvement. His background is as follows:

- Lord Mayor of Newcastle and has been a Councillor since 1980.
- In 2003 he was appointed Chair of the Hunter Economic Development Corporation and is also a Board Member of Honeysuckle Development Corporation, Regional Land Management Corporation, Hunter Region Tourism Organisation .
- Chair of the Newcastle Tourism Advisory Committee

Attachment B



**HUNTER ACC
HEALTH AND WELL BEING
DISCUSSION PAPER**

BACKGROUND

REGIONAL OVERVIEW OF GP SERVICES

COMMONWEALTH GOVERNMENT INITIATIVES

HUNTER ACC REGIONAL PARTNERSHIPS GP PROJECTS

SUMMARY

NEXT STEP

BACKGROUND

In 2005 the Board of the Hunter ACC identified that one of the major issues affecting the Hunter region was the effective provision of primary health services in the region. The Board considered two key aspects to this issue. These are:

- did the Hunter region have access to sufficient primary health services in the region? and
- are they distributed equitably across the region?

The Board of the Hunter ACC focussed primarily on ways to assist in improving access to General Practitioner (GP) services in the region. The underlying rationale is that by enhancing existing community based GP practices the region would more rapidly and more sustainably achieve the goal of adequate primary health care. This decision by the Board became one of the priorities of the Hunter ACC and is reflected in the Hunter ACC's 2007/2010 Strategic Regional Plan.

To facilitate the implementation of this priority a series of meetings were held with the regional stakeholders in providing GP services. These stakeholders included the:

- Urban Division of GPs,
- Rural Division of GPs,
- Hunter New England Area Health Service,
- Rural Doctor's Network, and
- Other relevant government agencies and a number of GPs.

The dialogue with these stakeholders has been ongoing. These meetings culminated in a Health Symposium in June 2007 that was conducted by the Hunter ACC, in association with the Hunter Valley Research Foundation, and included the region's key health agencies. The symposium identified a number of key actions that were required to be taken to assist in addressing the shortage of GPs and community based medical services in the Hunter region. These actions included workforce planning, training, practice systems and investment in infrastructure to support GPs in practice.

Many of these actions are beyond the scope of the Hunter ACC to assist with directly. However, the Hunter ACC through the Regional Partnerships Programme or the Rural Medical Infrastructure Fund can assist with applications for capital infrastructure that will enable GPs to expand their premises and thus extend their reach into their communities. With expanded premises GPs will be able to accommodate additional GPs, provide training for student GPs and registrars, allied health professionals including Registered Nurses and meet the demands for integrated and holistic health services in their communities.

An additional issue identified is that the region has an aging GP workforce. In 2007, 54% were over the age of 50 (excluding registrars). There are now 15 less GP's in the region than in 2005 and with rising populations across the region this will become an increasingly critical issue over the next decade. Careful planning will be needed by GP practices to permit staged 'gracious exits' and ensure that townships and suburbs do not experience a sudden loss of GP services.

A major goal of strengthening GP practices is to alleviate pressure on emergency departments and hospitals by providing adequate frontline care for management of

increasingly chronic conditions and preventable life threatening diseases such as obesity, diabetes, heart disease and asthma. These conditions place great strain on already overburdened hospitals. The number of patients prematurely presenting at hospitals has reached a critical level in the Hunter and will continue to rise unless long term localised management and prevention through education can be delivered by GP's.

By providing GP's with assistance to expand their existing community based facilities the Hunter ACC is able assist in the aim of improving access to primary health services for the Hunter region.

REGIONAL OVERVIEW OF GP SERVICES

The Hunter region has a population of over 600,000 and in the lower Hunter it is expected that the population will grow by an additional 160,000 people in the next 25 years.

The Hunter region is characterised by a higher aged population than the rest of NSW and with several key health and well being indicators highlighting that the region has higher than the state average in many illnesses and diseases. These include obesity, diabetes, cardio-vascular and dementia. In addition, the region is experiencing a substantial population growth in several regional centres such as Maitland, Singleton, Muswellbrook, Lake Macquarie and Port Stephens.

The Hunter region also has a large Indigenous population that presents health services with a number of service delivery issues to address the health requirements associated with Indigenous populations.

At the same time as demand for primary health services is increasing the region is already characterised by high to very high GP to population ratios. The national recommended rate for GPs to population is 1:1200. Examples in the Hunter region of GP to population ratios are as follows:

- Cessnock: 1:2700
- Port Stephens: 1:1580
- Merriwa: 1:2900
- West Wallsend: 1:2066
- Denman: 1:1800
- Maitland: 1:1900

The above situation is common across the Hunter region and includes similar problems in the Newcastle and Lake Macquarie region as shown by the following examples:

- West Newcastle: 1:1820
- East Lake Macquarie: (South) 1:2020
- West Lake Macquarie: 1:1990

The situation will worsen in coming years as more GPs are continuing to reach retirement age and is in fact already evidenced by GP practices closing thereby placing more pressure on existing practices. Many GPs have "closed their books"

(except to residents in their area) and it is not unusual for patients to wait 2 – 6 weeks or more for non-emergency appointments with their GP or to have to travel long distances to gain earlier access. This is assuming that they can get another practice to see them.

The expansion of medical places offered through the Joint Medical program between Newcastle University and the University of New England has seen the number of students increase from 104 in 2007 to 187 in 2008. This substantial increase in new medical students will require GPs to have adequate space and facilities to mentor these new graduates and hopefully retain a proportion of them to work in the upgraded and multi-discipline practices.

COMMONWEALTH GOVERNMENT INITIATIVES

“Super Clinics”

The Commonwealth Government has announced that it will fund 2 “super clinics” in the Hunter region. One will be located on the western side of Lake Macquarie and the other will be located in the Port Stephens region. Both “super clinics” will provide access to primary health services in areas that have a very high demand for health services. At this point in time there are no further details available on these 2 “super clinics” that has been made available to the Hunter ACC. It maybe anticipated that there could be significant time lags between the announcement of the “super clinics” and the actual delivery of health services from the “super clinics”.

Regional Partnerships Program (RPP)

The RPP is a major funding program for regional Australia and has developed into a major funding program for providing capital infrastructure across regional Australia. The scope of projects that it has funded and can fund is wide and diverse and includes projects from both the private sector and from the not for profit sector. RPP projects are dependent upon funding from other sources and the program develops the concept of partnerships between the government and the community to achieve substantial and beneficial outcomes for the community.

In addition to the RPP the Commonwealth Government’s Rural Medical Infrastructure Fund (RMIF) provides funding for capital infrastructure for primary health services in regional Australia. At this point the RMIF will cease as of 30 June 2008.

RPP has the capacity to provide funding for capital infrastructure for primary health services within the existing program guidelines and to meet regional needs for improved access to primary health services.

HUNTER ACC REGIONAL PARTNERSHIPS GP PROJECTS

The Hunter ACC, as stated above, has been actively working with key health service agencies in the Hunter since 2005 to develop projects that will improve access to community based primary health services:

Successful projects to date include:

- | | | |
|-------------------------|----------------|--------------------|
| • Brook Medical Centre: | RPP: \$192,500 | Total: \$517,462 |
| • Cessnock Uni-Clinic: | RPP: \$220,000 | Total: \$1,430,000 |

Projects ready for Submission include:

- | | | |
|--------------------------|---------------|-------------------|
| • Denman Medical Centre: | RPP: \$350,00 | Total: \$1,030,00 |
| • West Wallsend Medical: | RPP: \$750,00 | Total: \$2,500,00 |

(The figures quoted in the above 2 projects are estimates only at this stage)

Projects under development are from the following locations:

- Merriwa,
- Aberdeen,
- East Gresford,
- Murrurundi,
- Cessnock,
- Medowie
- Nelson Bay, and
- Thornton.

It is expected that additional projects will develop due to the close liaison between the Hunter ACC and the key health agencies and stakeholder bodies in the Hunter.

SUMMARY

The Health and Well being initiative developed by the Hunter ACC, in working with key health agencies and regional organisations such as the Hunter Valley Research Foundation, has identified that there is a sound model for enhancing and extending the delivery of community based health care. This can be achieved through the provision of capital infrastructure assistance to existing GP practices in the Hunter region.

The key points of this model include:

- Commonwealth Government partnerships with existing GPs to expand their practices to increase the services they provide,
- Strengthening existing GP practices in line with contemporary workforce requirements i.e. multi disciplinary medical centres, modern premises etc,
- Consultation with relevant local and State Government agencies to ensure that planning requirements and relevant resources are available if required,
- Assisting GP practices expand their services in key locations near locations of high population demands,
- Expanded services can be provided in a relatively short lead times, for example 12 months, and while the existing primary care is not interrupted,
- Relatively minor outlays from the Commonwealth Government per facility,
- Expansion of the capacity of GP practices to provide training for the increased intake of medical students at universities. The need for facilities for student training by GP practices and for registrar placements is expected to peak in 2012 based on the current number of 187 first year students and be maintained at this level or potentially higher numbers over the medium term, and

- Due to high workloads facing GPs there will need to be assistance provided to GPs to facilitate preparation of grant applications and business plans.

NEXT STEP

The Board of the Hunter ACC is available to meet with the representatives of the relevant Commonwealth Government agencies to discuss the details raised in this Discussion Paper and to determine an appropriate approach to assist in providing primary health services to the community.