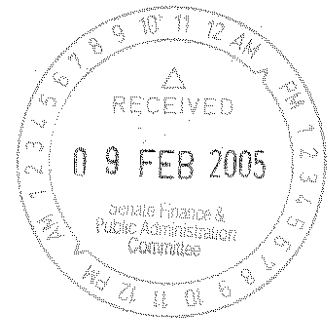




Tasmania

PREMIER

7 FEB 2005



Senator Michael Forshaw  
Chair of the Australian Senate References Committee Inquiry into the Regional Partnerships program and Sustainable Regions program  
Parliament House  
CANBERRA ACT 2600

Dear Senator Forshaw

Thank you for your letter of 14 December 2004 inviting the Tasmanian Government to make a submission to the Finance and Public Administration References Committee Inquiry into the Regional Partnerships program and the Sustainable Regions program.

I would like to thank you for the opportunity to comment on these programs. The programs have attracted interest in local Tasmanian communities and several projects of various sizes are currently being undertaken in this State.

The Tasmanian Government submission addresses Terms of Reference 1A, 1B, 1C and 1D. The submission includes input from the Department of Economic Development, the Local Government Association of Tasmania and the Tasmanian Employment Advisory Council. I enclose the Tasmanian submission for your perusal.

If you have any queries regarding Tasmania's response, please contact Mr Tim Bullard on (03) 6233 6452 or at [Tim.Bullard@dpac.tas.gov.au](mailto:Tim.Bullard@dpac.tas.gov.au).

Yours sincerely

Paul Lennon  
Premier

**Tasmanian Government Response to the Finance and Public Administration  
References Committee Inquiry into the Regional Partnerships program and  
Sustainable Regions program**

**Term of Reference 1A: Decisions to fund or not to fund projects**

In respect of funding decision, the length of the decision making process and the effect of recent election promises on the decisions being made, are noted as two areas of concern.

With respect to timing, State Agencies have expressed concern that the timeframe for the Canberra Office of the Department of Transport and Regional Services (DOTARS) deciding whether or not to fund projects is frustratingly lengthy and this appears to be irrespective of the size of proposed projects. Extended timeframes have been counterproductive to progressing the partnership programs.

The Department of Economic Development suggests that the Commonwealth should consider devolving the authority to make funding and high-level administrative decisions for small to medium sized projects to the Area Consultative Committees (ACC).

The way in which the decision making process has been affected by the recent Federal election is also of particular concern to State stakeholders.

In the recent Federal election, the Commonwealth Government undertook an extensive expansion of the program. This has eventuated in a proposal to undertake 15 new projects in various regions of Tasmania worth \$2,765,000. The projects will be totally funded by the Commonwealth Government.

The Federal Government has also promised a raft of other projects in Tasmania amounting to \$14,220,000. The funding will be provided on the proviso that the State Government matches the funding. This raises a number of issues, in particular:

- (a) The capacity to deliver additional projects;
- (b) "Matched funding" requirements being imposed on the State Government;
- (c) Duplication between the program's projects, and those that are State funded; and
- (d) The consideration given to the local context when deciding funding.

**(a) Capacity**

The Tasmanian Employment Advisory Council (TEAC), Tasmania's Area Consultative Committee (ACC), has expressed concern that the State Government and other community organisations have limited capacity to deliver additional projects at the present time.

It is also noted that, once underway, there is limited local capacity to ensure that projects are sustainable once the Commonwealth start-up funding ceases.

### **(b) Matched Funding**

The proviso that the State Government matches Commonwealth Government funding puts considerable pressure on the State by:

- Committing the State to programs that raise community expectations;
- Challenging the relationships that the State and TEAC have built with local communities; and
- Failing to deliver programs to communities that are of local priority or that will be most effective.

The projects promised during the election have involved minimal consultation with TEAC and the State, and undermine the systematic processes of the partnership program that was established by the Commonwealth.

### **(c) Duplication**

A significant proportion of the projects promised involve developing recreational infrastructure. This fails to take account of State programs and has the potential to duplicate projects the State is already undertaking, for example as part of the Sport and Recreation Tasmania Facilities Grants program which allocates funds of up to \$100,000 per project with a total pool of available funds of \$1,200,000 per annum.

### **(d) Local Context**

The State Government has placed a priority on strengthening relationships with local governments and has taken the innovative step of developing bipartisan partnership agreements with a suite of local councils. The purpose of the partnership agreements is to enable the State Government to work closely with local councils to rigorously progress regional development, including the identification of local priorities and specific needs, and ways in which these may be addressed.

While some of the projects proposed as part of the Federal Government's election campaign might benefit Tasmanian communities, it is noted that very few of the projects address the priority issues identified as part of the local government partnership process.

Any expansion of the Regional Partnerships program would benefit from consultation with local stakeholders, and from taking account of existing State and local government programs and priorities.

## **Term of Reference 1B: Recommendations of Area Consultative Committees**

Regional stakeholders including Department of Economic Development (DED) and other government Agencies, community organisations, Members of Parliament, and the local DOTARS Office, consider that they have a constructive working relationship with TEAC.

State agencies note, however, that TEAC's lack of autonomy in decision-making regarding program funding can be counterproductive.

TEAC considers its interaction with other stakeholders to be effective. TEAC acknowledges that the working relationship with the local DOTARS office has been important in establishing partnership programs in Tasmania and valuable when liaising with the DOTARS Office in Canberra.

Overall, TEAC evaluates its experience of administering the partnership programs as excellent, and its liaisons with DOTARS and other Agencies and organisations to be productive.

It has raised concerns with the 2004 election campaign and identified bureaucratic aspects of the approval process to be problematic and at times counterproductive to administering the partnership programs.

### **Term of Reference 1C: Recommendations of departmental officers and other relevant sources**

DED is the State Government Department primarily involved in administering the Regional Partnerships and Sustainable Partnerships programs. Input is also regularly received from the Local Government Association of Tasmania, Department of Primary Industries, Water and Environment, the Department of Tourism, Heritage, Parks and the Arts, and the Department of Education.

DED and TEAC consider their working relationship with each other and the local DOTARS Office to be timely, constructive and efficient.

DED and TEAC acknowledged that the program guidelines are clear and accessible. However, both parties are concerned that the administrative and bureaucratic processes of the Canberra DOTARS office consistently involve long delays in decision-making, irrespective of the size of the proposed project.

The Department has made decisions with little reference to TEAC and, as a consequence, the Canberra DOTARS Office has had a limited understanding of any particular project as a whole.

### **Term of Reference 1D: Roles of administering Agencies**

DED Regional Offices have a strong working relationship with TEAC. TEAC staff meet regularly to develop strategies for attracting interest in the programs and are efficient in providing feedback on the likely outcome of proposals. This has been particularly important in most private sector development applications.

Regionally, DED believes both programs are soundly administered. TEAC has created considerable public awareness of the programs and provide detailed support to possible applicants.

As outlined above, stakeholders have expressed concern at the lack of autonomy for TEAC to make decisions. It is considered appropriate for TEAC (and other ACC's) to

have increased decision-making powers to increase efficiency and better achieve the objectives of the partnership programs.