



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

FINANCE AND PUBLIC ADMINISTRATION REFERENCES
COMMITTEE

Reference: Regional Partnerships Program

WEDNESDAY, 2 FEBRUARY 2005

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SENATE

FINANCE AND PUBLIC ADMINISTRATION REFERENCES COMMITTEE

Wednesday, 2 February 2005

Members: Senator Forshaw (*Chair*), Senator Watson (*Deputy Chair*), Senators George Campbell, Heffernan, Moore and Ridgeway

Substitute members: Senator Carr for Senator George Campbell, Senator O'Brien for Senator Moore, Senator Murray for Senator Ridgeway, Senator Barnett for Senator Watson and Senator Johnston for Senator Heffernan

Participating members: Senators Abetz, Boswell, Brandis, Brown, Carr, Chapman, Colbeck, Conroy, Coonan, Crossin, Eggleston, Chris Evans, Faulkner, Ferguson, Ferris, Fifield, Harradine, Knowles, Ludwig, Lundy, Sandy Macdonald, Mackay, Mason, McGauran, McLucas, Murray, O'Brien, Payne, Robert Ray, Sherry, Stephens, Tchen, Tierney and Webber

Senators in attendance: Senators Allison, Barnett, Brown, Carr, Forshaw, Johnston, McGauran, Murray, O'Brien and Stephens

Terms of reference for the inquiry:

To inquire into and report on:

- (1) The administration of the Regional Partnerships program and the Sustainable Regions program, with particular reference to the process by which projects are proposed, considered and approved for funding, including:
 - (a) decisions to fund or not to fund particular projects;
 - (b) the recommendations of area consultative committees;
 - (c) the recommendations of departmental officers and recommendations from any other sources including from other agencies or other levels of government;
 - (d) the nature and extent of the respective roles of the administering department, minister and parliamentary secretary, other ministers and parliamentary secretaries, other senators or members and their advisers and staff in the process of selection of successful applications;
 - (e) the criteria used to take the decision to fund projects;
 - (f) the transparency and accountability of the process and outcomes;
 - (g) the mechanism for authorising the funding of projects;
 - (h) the constitutionality, legality and propriety of any practices whereby any members of either House of Parliament are excluded from committees, boards or other bodies involved in the consideration of proposed projects, or coerced or threatened in an effort to prevent them from freely communicating with their constituents; and
 - (i) whether the operation of the program is consistent with the Auditor-General's 'Better Practice Guide for the Administration of Grants', and is subject to sufficient independent audit.
- (2) With respect to the future administration of similar programs, any safeguards or guidelines which might be put in place to ensure proper accountability for the expenditure of public money, particularly the appropriate arrangements for independent audit of the funding of projects.
- (3) Any related matters.

WITNESSES

DE JONG, Mr Bill, Acting Assistant Secretary, Regional Operations Branch, Department of Transport and Regional Services..... 1

PANTELIDIS, Mr Steve, Acting Assistant Secretary, Regional Communities Branch, Department of Transport and Regional Services..... 1

RIGGS, Ms Leslie, Acting Deputy Secretary, Department of Transport and Regional Services..... 1

YUILE, Mr Peter, Deputy Secretary, Department of Transport and Regional Services 1

Committee met at 9.18 a.m.

DE JONG, Mr Bill, Acting Assistant Secretary, Regional Operations Branch, Department of Transport and Regional Services

PANTELIDIS, Mr Steve, Acting Assistant Secretary, Regional Communities Branch, Department of Transport and Regional Services

RIGGS, Ms Leslie, Acting Deputy Secretary, Department of Transport and Regional Services

YUILE, Mr Peter, Deputy Secretary, Department of Transport and Regional Services

CHAIR—Good morning, ladies and gentlemen. I declare open this public meeting of the Senate Finance and Public Administration References Committee. Today's hearing is part of the committee's inquiry into the administration of the Regional Partnerships Program and the Sustainable Regions Program. The committee advertised its inquiry on the Internet and in a range of newspapers. In addition the committee contacted a number of organisations and stakeholders alerting them to the inquiry and inviting them to make a submission. This morning the committee has agreed to publish the department's submission as well as additional information provided by the department in response to a request from the committee. I understand that there are copies available from the secretariat in the room today. The submissions will shortly be on the committee's web site.

Today we will be taking evidence from officers of the Department of Transport and Regional Services. Evidence given to the committee is protected by parliamentary privilege. This means that witnesses are given broad protection from action arising from what they say and that the Senate has the power to protect them from any action which disadvantages them on account of the evidence given before the committee. I remind all witnesses that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. The committee prefers to conduct its hearings in public. However, if there are any matters that a witness wishes to discuss with the committee in private, we will consider such requests at that time.

I remind today's witnesses from the Department of Transport and Regional Services that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. I further remind witnesses that an officer of the department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given a reasonable opportunity to refer questions asked of the officer to superior officers or to a minister.

I welcome the officers from the department. As I said earlier, you have provided a submission, which was subsequently provided to us in an amended form, and other information and data in response to requests from the committee. Are there any errors, omissions or additions that you wish to address in relation to that material now?

Ms Riggs—We tried late yesterday, and I think finally succeeded early this morning, to send an amendment to some of the tables of information that we had previously provided, to include

an additional field in that information. In addition, Mr Chairman, I wrote to you late yesterday and indicated in that letter that there is yet another category of information which we are currently compiling and hope to provide to the committee by the end of this week.

CHAIR—Thank you. That material has just been provided to members of the committee but, unless they are speed readers, they will not have had a chance to absorb it all yet. However, we thank you for that.

Ms Riggs—I understand.

CHAIR—I now invite you to make an opening statement to the committee, and we will then proceed in the usual way to questions.

Mr Yuile—I have a few opening remarks rather than a formal statement. I will put them into three broad categories. First of all, in our submission, of which I think senators have copies, the department has given the committee a comprehensive outline of the detail of our rules and procedures that we apply to managing and administering Regional Partnerships and Sustainable Regions. In this body of information you have the guidelines for these programs and the very detailed internal procedures manuals which we have developed and which we are regularly updating and developing with our staff. We have also included in this package of information background on the area consultative committees and the handbook and contract which define the terms of their relationship with the department. We have also provided you with the findings of audits and evaluations of these programs and their predecessors, together with our assessment of how both those programs measure up to the Australian National Audit Office's best practice guide for the administration of grants, as well as the internal evaluation strategy that we have put in place for Regional Partnerships. You have all that information.

We have worked hard to develop these programs with rigour in their administration and with clarity for those who may think about seeking government support through the programs. We continue to examine our performance and try to improve it to better respond to the needs of the communities for which the programs are designed. I want to put on the record my tribute to the staff of the department in our national and our regional offices, for the work they have done to get us to this point in terms of the rigour of the administrative arrangements we have put in place, and my tribute to the efforts of the ACCs, who work so hard to serve their respective communities.

The second comment I want to make goes to that lateness of information. We are conscious that we were not able to meet in full the timetable that the committee sought in terms of information. I am sure that committee members will appreciate that the period since 13 December has coincided with the Christmas-New Year holiday period and that continuity of staffing and staff availability have been an issue, as people had pre-booked their holidays. We have done our best to compile the information that the committee wanted in the time frame. I think we got very close. As Ms Riggs has said, in addition we are seeking to gather further information which the committee requested, which we hope to have available by the end of this week.

The third thing that it is important for me to say is that, as we have developed and put together the submission and the information that you have sought, we have endeavoured to balance three

key elements. The first, of course, is responding respectfully and as fully as possible to the requests of the committee. The second element is recognising the established conventions accepted by successive governments—and which you mentioned again today—about departments not commenting on policy and not disclosing the nature of their advice to ministers. Finally, the third element is acknowledging the real sensitivities of applicants for government assistance who may be concerned that placing on the public record information for funding bids and non-approved applications may prejudice further attempts to refine or vary their proposals in order to gain financial support for projects. We have recognised and tried to balance those three considerations as we have developed our submission. With those remarks, and recognising those balances, we are happy to endeavour to assist the committee further with its inquiry today.

CHAIR—Thank you, Mr Yuile. If none of the other officers wish to make any additional comments, Senator O'Brien, would you like to open the batting?

Senator O'BRIEN—Thanks. I certainly would.

Senator BROWN—Chair, I just have one question. In the letter from you, Ms Riggs, to Senator Forshaw, the last sentence says that it is not in the public interest to release information—that is, advice given to ministers. Why is that not in the public interest?

Ms Riggs—The considerations that we might include in our advice to the minister might contain material which is sensitive in a commercial or other sense to applicants for government grants and, in the nature of that balance that Mr Yuile has just spoken about, we take the view that there are many circumstances in which it is therefore not in the public interest to release our advice to ministers.

Senator BROWN—But surely it would be preferable in that situation for the committee to consider that in camera, if there were a commercial consideration. Generally we are talking about public moneys being expended here and I would submit that it is the case that it is in the public interest to know how and why that money has been expended.

Ms Riggs—We would not for a minute wish not to disclose—and I believe we have disclosed to this committee—all decisions taken by the minister and the nature and amount of the funding decisions he has taken to expend public money. But the nature of our advice which gives rise to his or her decision is what we would not disclose, rather than the decision itself.

Senator O'BRIEN—Am I correct in saying that projects considered under Regional Partnerships generally and the SONA guidelines are managed through the Regional Communities branch of the department?

Ms Riggs—I think that our submission describes the process in rather more detail than that. Applications received are generally first considered in a regional office. Subsequently, there are some processes that are carried out within the national office. Those generally would be within the purview of the Regional Communities branch, yes.

Senator O'BRIEN—The branch head is Dr Gary Dolman, who was listed to appear today but is now not available.

Ms Riggs—Senator O'Brien, the committee asked that he appear today, but in fact he has never been going to be available today. He had arranged some several months ago to be on leave for an extended period well before this inquiry was called into being. He is on leave at the moment.

Senator O'BRIEN—So he will be available to the committee later?

Mr Yuile—I think he will return from his leave next week. We have estimates in a couple of weeks time—and he will be back in his position once he returns from leave. It is just a fact of life that he is away.

Senator O'BRIEN—So if the committee would like to have him appear before us later then he will be available?

Mr Yuile—He will certainly be on duty, yes.

Senator CARR—‘Will he be available?’ was the question—

Senator O'BRIEN—Is there any barrier, from the department's point of view, to him appearing when he is back on duty?

Mr Yuile—No, there are none that I can think of.

Senator O'BRIEN—I understand that two key sections in relation to this program are the Regional Partnerships operation—the section head being Mr Des Harris—and the Regional Partnerships applications, approvals and partnerships section, whose head is Mr Steve Pantelidis. Is that right?

Ms Riggs—Yes, that is correct.

Senator O'BRIEN—If we are to investigate how this program is administered, which is what we are intending to do, it is certainly my view that we would need those officers at the table. According to the SONA guidelines, the Regional Partnerships operation section is responsible for quality assurance and other issues that need to be managed by national office and standard applications will continue to be managed by the applications, approvals and contracts section. That would make Mr Harris a key witness, wouldn't it?

Mr Yuile—I think the secretary wrote to the committee—and this goes also to the question of Dr Dolman—that it is our usual practice to have a senior officer, a branch head or division head, appear at Senate estimates or Senate committee inquiries. They certainly can be supported by various staff from within those sections, but I think it is the responsibility of the SES officer involved. In the case of Mr Pantelidis, he is here because he is acting branch head. That is a question which obviously the secretary will take carefully into account in terms of your interests and making sure that there are officers here who can answer your questions.

Senator FORSHAW—Is Mr Harris present today in the room?

Mr Yuile—Yes.

Senator O'BRIEN—So any questions we ask which he can answer he will be available to answer?

Mr Yuile—I think we will wait until we hear the questions. We certainly would presume that we can answer those questions—the people at the table, that is.

Senator O'BRIEN—Let us see how we go with that when we come to them.

Mr Yuile—Apart from the person being in charge of that section, and they in turn report to a branch head and to a division head, are there any other particular reasons why you mentioned those individuals?

Senator O'BRIEN—I have given the reasons why I think their involvement in this inquiry is germane. I would hate to get to the situation where we have questions which you need to take on notice when they could be answered directly by having the person here to answer them. From the point of view of the conduct of the inquiry, it would be preferable if we had the information directly and expeditiously and not put the department, the committee secretary and the committee through the process of asking a question, having the question effectively asked from the table to those behind, an answer coming back to witnesses at the table and then that answer coming back to us. I think that affects the conduct of the inquiry. I think it would be preferable, if a responsible officer is here who has the confidence of the department, that the information be given directly.

Mr Yuile—I understand that interest and I also acknowledge that, clearly, the secretary has a role here also in identifying those people he would like to represent the department. I am trying to balance those two.

Senator O'BRIEN—The secretary can select the person who represents the department on those matters which the department wishes to put to the committee, but I think the committee has an obligation to extract information which goes root and branch to the issues before it. That will probably require us to ask questions of witnesses beyond those who are at the table now, but we will come to that later. I turn now to the letter which I believe was received yesterday by Senator Forshaw signed by Ms Riggs. Should I ask you, Ms Riggs, about that letter or should I ask Mr Yuile?

Ms Riggs—Why don't you start with me, and we will see how we go.

CHAIR—Can we just be clear which letter you are referring to. There have been a few pieces of correspondence flowing back in the last couple of days.

Senator O'BRIEN—It is the letter addressed to you that has a date stamp which says 'Received 1 February', and it is dated 1 February. It is signed 'Leslie Riggs, Acting Deputy Secretary'.

CHAIR—It starts, 'Thank you for your letter of 28 January.'

Senator O'BRIEN—That is the one. In the fourth paragraph there is a proposition that information about certain applications might not be appropriate to be supplied to the committee

on the grounds of some public interest test—that is, particularly those applications not approved or applications from applicants who have withdrawn their applications. I want to know how that passage is justified against the passage which appears under the confidentiality clause of the Regional Partnerships application material on the department's web site. Let me read to you an extract of that, which appears on the web site as of today—and I think it has been there for some time. It says:

Confidentiality

In certain circumstances the Department will treat application and Funding Agreement information as confidential. These circumstances include those required under legislation and where the applicant has made a claim for confidentiality and the Department agrees to the request.

Could you let me know how many applicants in relation to their application applied for confidentiality and had that confidentiality request granted by the department?

Ms Riggs—I cannot let you know in advance of the test being applied. There is a small handful of applicants who have actually lodged applications with a request for confidentiality, but in most other circumstances applicants do not know whether they want to request confidentiality until a circumstance arises in which making such a request might be germane.

Senator O'BRIEN—But prior to application the web site has drawn to the attention of applicants that the information in their application is not necessarily confidential and that, if they want it to be confidential, they apply for it to be confidential and the department may grant that confidentiality. So clearly there is a specific provision drawn to the attention of applicants which says you should not consider your application confidential unless you so apply and unless the confidentiality is granted. That is what the web site says, doesn't it?

Ms Riggs—I think it is capable of that interpretation, but I believe it is also capable of the interpretation that I put on it, which is that at a time where such a request for confidentiality might become germane, it ought to be open to applicants to make such a request.

Senator O'BRIEN—So, after the application has been made and has been dealt with, a request can be made—that is what you are saying, isn't it?

Ms Riggs—I think that after the application has been made and while ever it is in progress such a request can be made.

Senator O'BRIEN—So where the application has been made and it is either withdrawn or refused, is it then an application in progress?

Ms Riggs—It is no longer an application, I would suggest.

Senator O'BRIEN—So it is a historical application. It is one which has been made and dealt with.

Mr Yuile—In some cases, in the case of withdrawn applications, clearly it has not been dealt with. The applicant has chosen for whatever reason to withdraw.

Ms Riggs—In effect, a withdrawn application would be as if it had never existed for those purposes.

Senator O'BRIEN—For the purpose of granting confidentiality?

Ms Riggs—In the context of this discussion that we are having, once an application is withdrawn we no longer process it: we are no longer in a position to process it and therefore it is not within the system, other than as a record of the fact that it was once received.

Senator O'BRIEN—So, as to the applications which historically have been received, very few have applied for confidentiality?

Ms Riggs—That is correct.

Senator O'BRIEN—Have any been granted confidentiality?

Ms Riggs—My recollection is that there has been correspondence in one or two cases.

Senator O'BRIEN—So how should we understand the passage in the letter talking about dealing with applications not approved or withdrawn, in the context of the note on the web site specifically about confidentiality? In relation to contracts and contract information, it does give certain cautionary notes about the rights of parliament and its committees. How should we understand your effective submission to this inquiry as a reason for not providing information, in the light of that passage?

Mr Yuile—I think this issue goes to the question of the balances that I mentioned in my opening remarks. Clearly we have taken the view that, if no public money has been appropriated or expended on those projects, then individuals, either because they have withdrawn a project or they have not been successful, may indeed want to refine, recalibrate or reapply. There may be issues in their projects that they would prefer to keep to themselves. So we have taken the view that they have some right to that, having applied but either having not been successful or, as I say, having withdrawn their application. We were trying to keep that sort of balance. You are right, there is a provision specifically for confidentiality being sought, but I think, as Ms Riggs has said, many applicants would not be considering that in the first instance. It would not be something that occurred to them. So with respect to putting something on the public record where they have been unsuccessful or where they have withdrawn it—where they may want to apply somewhere else, take a project elsewhere, either publicly or privately—we just considered that, on balance, since there was no expenditure of public money, there was some recognition of that sensitivity.

Senator O'BRIEN—Where a decision is made not to expend public money, or where an application has been refused, surely that is germane to the process of this inquiry—in inquiring into how this application process has been managed?

Mr Yuile—I think that one of the undertakings we have there is to get you the explanation for the decision, where those applications were not approved.

Senator O'BRIEN—Yes, but that is part of the information that we may well require for the purposes of conducting our own examination of the process of refusal. When stacking up against the application your reasons may be viewed in an entirely different light than when just seen alone.

Ms Riggs—They will not be our reasons, Senator; they will be the minister's reasons.

Senator O'BRIEN—Perhaps, if I can use that term, the government or the minister will reject an application or otherwise, but in those circumstances it is probably even more important that we see the application and judge the minister's decision against the application itself. I really think that the department must provide better reasons for not providing the information that it has chosen not to provide. Indeed, I intend to pursue further the provision of that information. It certainly would be information which would normally be available under freedom of information processes.

Ms Riggs—Each decision under the freedom of information legislation is taken on a case-by-case basis, and your assertion might or might not prove to be true, were these matters to be pursued through that legislation. I would not make any such presumption one way or another.

Senator O'BRIEN—I understand your answer. In terms of the use of information about applications which have been rejected, it is true, isn't it, that Minister Anderson has chosen to release information about a rejected application, justifying its non-approval, in the past? There was a very prominent and well-known project which was subsequently approved but in an earlier iteration was rejected—the equine centre in the seat of New England.

Ms Riggs—Yes, I think it is fair to say that the minister has chosen to release that information in the past.

Senator O'BRIEN—Yes. He was very clearly justifying the government's decision not to approve a particular case, so why should we accept that there should be a selective approach to the release of that information?

Mr Yuile—Again, we have given you an explanation of the considerations that we went through in responding to your questions. Clearly, if you want to pursue that further, it is something we can take up with the minister.

Senator O'BRIEN—Is there a ministerial direction that information should not be provided, or is this a decision of the department?

Mr Yuile—It was a consideration that we made in the department.

Senator O'BRIEN—So there has been no ministerial direction?

Mr Yuile—Not at this stage, no.

Senator O'BRIEN—So why do you need to refer to the minister?

Mr Yuile—The minister certainly was aware of the approach we were taking. If the committee is asking us for further information on the basis of the explanation we have already given you about how we have been thinking then it is something we will need to consider further.

Senator O'BRIEN—I think that, because of the actions of the minister in relation to a particular high profile project, we can demonstrate that there is a selective approach to this—and that is only one that I know of: there may well be, and probably are others. My problem then is this: why should this committee be denied information that the minister can choose to release selectively?

Ms Riggs—Perhaps our desire to consider this matter further, including our conversation with the minister, goes precisely to your question. You are making reference to a judgment that he has made in the past, and I think it would be wise for us in those circumstances to have a dialogue with him before we conclude our consideration of the matter that you are asking us to reconsider.

Senator O'BRIEN—How quickly can contact be made with the minister to have that dialogue?

Mr Yuile—We will be involved in this inquiry for the next two days and we will obviously seek to contact him as soon as possible thereafter.

CHAIR—What about contacting him during these hearings?

Ms Riggs—He is not in Canberra today but we can—

CHAIR—Under the new improved communication system this government has supposedly brought in I am sure you can contact him, unless he is out of range on his mobile.

Senator O'BRIEN—You had better ask Telstra.

Ms Riggs—We will make appropriate arrangements to contact him.

CHAIR—That would be appreciated, because this is very relevant to the information that was requested initially, some time ago. I appreciate the earlier points you made but the request for details was made late last year, wasn't it?

Senator O'BRIEN—That was made on 13 December.

CHAIR—The request for details was made in the middle of December, so this issue has not just arisen in the last day or so. I would like you to pursue that.

I obviously intend to try to give all senators the opportunity to ask questions. We have full members of the committee and participating members and, whilst all senators are equal, I should recognise that the full members of the committee may also have issues they want to pursue.

Senator BROWN—I have a question on the matter of that letter.

CHAIR—Are there any other senators who want to ask questions in regard to this particular aspect at this stage?

Senator JOHNSTON—No.

Senator BROWN—Ms Riggs, you said to Senator O'Brien, 'My recollection is that there has been correspondence in one or two cases.' That was regarding the matter of confidentiality being granted or not. Is that correspondence available to the committee, and what was the outcome of it? Senator O'Brien was specifically asking whether there had been cases in which confidentiality had been requested and granted. Can you cite any such case?

Ms Riggs—The nature of correspondence between the department and an applicant in circumstances where the outcome of the application is unknown, under the terms of discussion we have been having today, would not be something that I would be prepared to disclose. I do not have the details of those particular cases with me but I believe it is fair to say that I am not aware that we have concluded a decision to grant confidentiality in respect of any of the small number of cases where it has formally been requested.

Senator BROWN—So you are effectively saying to the committee that confidentiality has not been granted to any application today.

Ms Riggs—Under any formal request for that, that is right, but there is consideration outstanding in relation to a small number.

Senator BROWN—What about under any other circumstances?

Ms Riggs—We have already spent several minutes talking about circumstances in which we believe that the balance of the interest of applicants and their further pursuit of a revised application under this program or other programs or through other government or private sources warrants some consideration of our not disclosing the terms and nature of their applications so as not to prejudice their capacity to pursue discussions with others about whether there might be alternative funding.

Senator BROWN—Ms Riggs, it will make it much faster for us if you can just say to the committee what I am hearing, which is that there has been no granting of confidentiality to any applications thus far.

Ms Riggs—Senator, I will say again: there has been no final decision to grant confidentiality to any applicant who has explicitly sought it.

Senator BROWN—And how many did so?

Ms Riggs—I said a handful.

Senator BROWN—Could you please get the committee the number who have sought it—and tell us who they are?

Ms Riggs—No, I am not sure that I will be able to tell you who they are, but I will be happy to ask my staff to provide, as soon as they can, a number.

Senator BROWN—Thank you.

Senator CARR—Ms Riggs, why can't you tell us who is under consideration for confidentiality?

Ms Riggs—I would like to give that matter some consideration, and I would be grateful if I could have the courtesy of the committee for that consideration while the number is being sought.

Senator BROWN—Could you also tell the committee if there are any reasons why we should not hear in camera about those applications where confidentiality may arise?

Ms Riggs—I would like to consider that request.

Senator BROWN—Thank you. We would of course appreciate an answer to that during the course of the day. Mr Yuile, you said that the minister certainly was aware of the approach we were taking. I take it from that that the minister endorses the approach that is being taken by you at the table—that is, confidentiality prevents the committee from getting the information we want at the moment about applications that have been refused or turned down or otherwise been considered.

Mr Yuile—As I said at the beginning, what the minister certainly is aware of is the approach that we are suggesting—about balancing the interests both of the committee and of applicants, particularly for those where they have either been unsuccessful or withdrawn. Certainly he was aware of that and understood the reasoning which Ms Riggs and I have outlined to you.

Senator BROWN—I submit that the question of confidentiality is going to be an important one. The response to that question about confidentiality extending to preventing the committee from hearing information about the nature of applications under any circumstances, even in camera, is one that needs to be considered very seriously. I am sure that is an issue the committee will be pursuing very strongly.

CHAIR—Could I just indicate, Mr Yuile and Ms Riggs, that you said that you would endeavour to make contact with the minister if that were required. Could you please do that. We would certainly like a response, particularly to the issues that Senator O'Brien raised, as soon as possible and certainly before this hearing finishes—either later today or tomorrow. Thank you.

Senator O'BRIEN—Can I perhaps, in dealing with the matters raised in the correspondence, proceed?

CHAIR—Yes, you can. I just want to get an indication from other senators whether anybody wants to pursue any questions at this stage in the area that has been dealt with so far.

Senator JOHNSTON—No.

Senator O'BRIEN—As we are all aware, the Senate has asked this committee to examine the administration of the Regional Partnerships and Sustainable Regions programs, with particular reference to the process by which projects were proposed, considered and approved for funding. We will rely on the assistance of the Department of Transport and Regional Services to gain an understanding of the administrative arrangements that underpin these programs and an insight into the decision making concerning individual project proposals. We do of course expect to receive the full cooperation of the department. It is useful to recall this committee's inquiry into the administration of the Dairy Regional Assistance Program in 2003. The committee examined the program with particular reference to a grant made to a steel profiling plant at Moruya on the New South Wales South Coast. I am sure, Ms Riggs, you will recall it.

Ms Riggs—I remember vividly.

Senator O'BRIEN—I was not going to use the term 'vividly', but I am glad that you have.

CHAIR—So do I.

Senator O'BRIEN—That inquiry found inadequate administration by the department—or perhaps it is more accurate to say 'departments', because of the 'hot potato' nature of the passage of the administration of the program between departments. In the light of the government's response to the report claiming that that inquiry's recommendations have been incorporated into the administration of the Regional Partnerships program, I am certain that the committee will turn to aspects of its findings over the course of this inquiry. At the outset, I want to refer to a couple of those earlier findings. In relation to the assessment of the Dairy RAP project we examined, the committee noted:

... the paucity of assessment documentation and advice on decision-making made available to the Committee.

In relation to the administration of the grant, the committee noted:

... the related failure of DoTARS to address a number of the Committee's questions on the grounds relevant decision makers were unable to provide evidence because they were working for departments other than DoTARS or had left the service of the Commonwealth.

The committee made those remarks in June 2003. I would expect that the department took note of those remarks about its performance and acted to address the serious concerns expressed by this committee, and I will be very disappointed if our examination of Regional Partnerships and Sustainable Regions reveals poor record keeping, or if we hear excuses about why questions cannot be answered because all relevant officers are not present. We have dealt with that in part.

CHAIR—There is a question coming, Senator?

Senator O'BRIEN—I felt that it was important to put that on the record at the beginning, because it is important that, if the committee's findings were accepted by the government, we can accept that the failings observed then will not be revisited. Ms Riggs, on 13 December 2004 the committee contacted the department requesting the provision of certain information about Regional Partnerships and Sustainable Regions grants by 21 January. Information, at that stage incomplete, was not provided to the committee secretariat until the evening of Thursday, 27

January—six days after the deadline. On Friday, the committee secretariat was informed that information contained in a number of tables was incorrect and had to be revised. We received those revisions this morning and they apparently will be further revised. Does the department consider the content and timeliness of its response acceptable?

Mr Yuile—I did endeavour to address that issue at the outset. The department has tried extremely hard, given the period involved, given the number of questions both from this committee and separately from the estimates committee, with the preparation of a submission in a period when traditionally staff have booked to take and are taking extended summer leave. We do take committee requests seriously. I think there are already some 80 pages in response, and more to come, to the questions that the committee put to us on 13 December. So I think you would understand that we were not late for no reason. There were particular circumstances. We endeavoured to meet the deadline that the committee set in a situation when the continuity of staffing was an issue. Key people, having already booked leave, were away. We had to collect information from some 12 different regional offices as well as from Sustainable Regions advisory committees in order to develop the information for you. I am saying that we do take it seriously and we did endeavour to meet the deadline within a few working days. You are correct—we were late; but I think we did everything in our power to meet the deadline. I think we have, over the years, endeavoured to always respect this committee's requests.

Senator O'BRIEN—I understand that there was a Christmas break in between the request for the information and the date by which the information was requested, but it was requested much earlier in December. Which officer actioned the request from the committee made on 13 December?

Ms Riggs—I did. It was addressed to me, and I arranged for it to be actioned.

Senator O'BRIEN—When did the department submit the original non-revised response to Minister Anderson's office?

Ms Riggs—The advice to the minister about the terms of the submission and our proposals in respect of this committee's request for information was signed by me on 7 January.

Senator CARR—Is that the date on which the minister's office received it?

Ms Riggs—I do not actually personally walk a brief across. That was the date I signed it. I think we should assume for your purposes that it was sent to the minister's office either on that day or on the next working day after that.

Senator CARR—So, around that time, the seventh.

Senator O'BRIEN—Was the committee submission and response submitted to the minister for his information, for his approval or for some other purpose?

Ms Riggs—It is a long-held position in respect of the Department of Transport and Regional Services—and, I would have to say based on my personal experience, of each of the other departments I have worked in over the past several years—that no submission to a parliamentary

committee is made by a department unless the terms of that submission are at least broadly understood and agreed between the department and the minister's office.

Senator O'BRIEN—So this is not a special process; this is the process that is applied to each submission.

Ms Riggs—It is an absolutely normal process.

Senator BARNETT—The senator is fully aware of the usual process and he is delaying the committee. I draw to chairman's attention to the time.

CHAIR—It is five past 10. Carry on, Senator O'Brien.

Senator O'BRIEN—Do you know who in Mr Anderson's office would have been responsible for managing the documentation once it arrived there?

Ms Riggs—Submissions that arrive from the department are, in the first instance, generally handled by the relevant departmental liaison officer in the minister's office.

Senator O'BRIEN—Do you know which DLO was responsible in this case?

Ms Riggs—I cannot answer which of them handled it on the day that it arrived.

Senator O'BRIEN—Were the submission and the answers by the department also provided to the offices of Mr Lloyd and Mr Cobb?

Ms Riggs—My record shows me that an A4 information copy of that advice of 7 January should also have been provided to Mr Cobb's office.

Senator O'BRIEN—When did the department become aware that Mr Anderson was not in Canberra last week and that there would be a further delay in his consideration of the answers?

Ms Riggs—I do not understand the question. I do not believe I know where you are coming from.

Senator O'BRIEN—I was given an understanding that there was a delay in the final submission of the answers to the committee's questions because the minister was not available—he was not in Canberra.

Mr Yuile—I do not recall saying that.

Ms Riggs—One of the reasons why information has changed in the submission and in the tables is that, because we do try to do the right thing by parliamentary committees, these data have been the subject of many checks, and we are still not necessarily happy. Quite frankly, I would rather go on giving you revised data until we are confident that what we are telling you is right, than leave you standing with something which we had got to you on time, or very close to on time, that is not right. The reasons for the data being a few working days late have as much to do with departmental checking processes as anything else.

CHAIR—Ms Riggs, Senator O'Brien is referring to what is in the letter from Mr Leo Dobes that was sent to the secretary of the committee dated 27 January. I will read the second paragraph:

I regret that the Department was not in a position to provide the information within the timeframe set by the Committee. As you know, agencies generally seek ministerial clearance prior to the release of material. Due to the need to gather and reconcile a large amount of material over the Christmas period, the Department was only able to provide material to the Minister for his consideration late last week.

The letter is dated 27 January. Mr Dobes is saying it was late last week. You have said 7 January, which was a Friday, so maybe it was the 10th. We can think about the time span. The letter also states:

The Minister has also been travelling extensively this week, and has not been available until today.

So, on 27 January, the department was telling the committee that the delay was because of the minister's travel. That is why the question was asked.

Ms Riggs—I think the letter says that the delay was due to two factors: one, the absence of key staff and, two, the need to check data within the time span.

CHAIR—But that relates to the time taken by the department to assemble the information and get it to the minister's office. I am not canvassing that issue now. We have heard what you have said. I think we appreciate some of the issues you have raised in that regard, without wanting to make a definitive statement about it. We are now dealing with what transpired after it was given to the minister's office, which you signed off on on 7 January. As I said, give or take a few days, because 7 January was a Friday. Clearly the department here is telling the committee, 'The reason we can't get it to you by 21 January'—and they are telling us a week later—'is because the minister is travelling.'

Ms Riggs—Senator, what I said was—

CHAIR—That is the position, Ms Riggs.

Ms Riggs—Senator, can I—

CHAIR—You can, but that is the basis of the question.

Ms Riggs—Yes, I understand that.

Senator BARNETT—She is answering the question.

CHAIR—Senator Barnett, please stop interrupting.

Ms Riggs—My answer was about the timing of my advice to the minister in relation to the terms of the department's submission and our proposed approach to the information to be provided. That was signed on 7 January and would have gone to the minister's office within one working day. Like a lot of the staff involved, I also had a pre-arranged brief period of leave

during the period between 13 December and 28 January. It happened to be from 19 to 28 January inclusive. Dr Dobes was acting in my first assistant secretary position for that six-working-day period. He has provided this committee with advice, accurately based on the position that the department was in at that time.

I do not believe that those two pieces of information are at odds with each other—the fact that the minister had advice from the department in early January about the content of the submission and our approach to the provision of the information. But the final detailed tables—which, I have to acknowledge, were not even then final because we have continued to provide revised data to this committee—did not get to him until some time later than that.

Senator O'BRIEN—My questions were about the answers to the committee's questions rather than the submission. Indeed, Dr Dobes's letter to the committee states:

Due to the need to gather and reconcile a large amount of material over the Christmas period, the Department was only able to provide material to the Minister for his consideration late last week.

That would have been during the week commencing 17 January—obviously some time around 20 or 21 January. From your earlier answers, some material was supplied to the minister on about 10 December.

Mr Yuile—What we have said is that a brief went to the minister on 7 January, outlining the approach we were taking and reiterating the points that the committee was seeking in terms of information. So there is the question of the submission and the question of the gathering of the data. As I said, I think there are some 80 pages of data there. As Dr Dobes's letter indicates, we were not able to get that data to the minister until about the date that it was due here, which was on about 20 or 21 January. In the end we supplied it to the committee a few working days after that. Given the amount of data, I do not think that was an unreasonable position. I acknowledge that we did not meet the deadline but I do not think we are at odds here. One note was about the approach and preparation for the committee, both by way of submission and information. The second point that Dr Dobes was referring to was the actual data—a response to the information that you requested.

Senator O'BRIEN—Perhaps we can go beyond that for a moment and ask this question: when did the minister approve the approach suggested by the department or otherwise—the document that you sent on the 7th? Let us deal with that first.

Ms Riggs—His signature is dated 19 January.

Senator O'BRIEN—Did the updated charts about the various grants that were supplied to the committee, I think yesterday, require a sign-off by the minister, or were they the subject of an earlier approval of the approach by the department to the provision of information?

Ms Riggs—The information we have provided to this committee and our approach to the nature of that information have been the subject of a sign-off by the minister. The information we provided to you yesterday was a continuation of the dialogue between the minister and us and the subject of a conversation between me and the minister's office but not a detailed sign-off. I would not want to give you an inappropriate impression of the nature of the process.

Senator O'BRIEN—So there has not actually been a sign-off of the document but the principles underpinning the preparation of it have been approved by the minister?

Ms Riggs—That is right.

Senator O'BRIEN—Do I understand then that there is not a requirement for ongoing approval for the provision of the information that you have provided or have promised to provide?

Ms Riggs—Implicit in the conversation we have had this morning is the reality that were any of the matters that have already had sign-off or any discussion with the minister or his office about this inquiry to change in any substantial way then we would clearly want to renew that dialogue, whether that was in conversation or through a more formal process.

Senator O'BRIEN—Can you explain to me—because I still do not understand—the relevance of the reference in the letter of 27 January signed by Dr Dobes to the availability of the minister and the reference to his extensive travel arrangements?

Ms Riggs—I think it is appropriate that we acknowledge that the minister has a number of commitments, and in order to give proper consideration to advice from the department and to have discussion with his advisers within his office he needs to have time to do those. Dr Dobes's letter reflects the fact that the office was unable to let us, as the department, know that he had finished considering the advices we had given him and the nature of the further advice his advisers was proposing until that time, and so Dr Dobes did not feel able to sign off that information until then.

Senator O'BRIEN—Is it fair to say that the minister's office had your documentation from around the 10th and about the time of Mr Dobes's letter he was coming to the view as to whether or not he would sign off on that?

Ms Riggs—As I have already said to you, he signed off the broad approach on 19 January. Clearly, he wished to give further consideration to how that translated in detail, and that did not occur until around the time of Dr Dobes's signing off the letter to you on 27th.

CHAIR—We are going to adjourn at 10.30 a.m. for morning tea. Would any other senators like to ask questions at this stage, either on the issues that have been dealt with or on the submission proper?

Senator MURRAY—I have some process questions arising out of the main submission from the department. On page 17, at paragraph 4.1.4, the department says:

The decision to fund projects rests with the Minister or the Parliamentary Secretary.; The Minister for Transport and Regional Services makes the decision if projects are based in the Parliamentary Secretary's electorate.

... ..

In accordance with Australian Government procedures, the approval of the Minister for Finance and Administration is required for any grants involving multi-year funding.

My first question is: what proportion—roughly speaking; I do not want to know the exact numbers—of grants involve multiyear funding?

Ms Riggs—In a typical package of advice going to the parliamentary secretary there would normally be between 10 and 20 projects and, of those, none, one or two might be multiyear grants. So in the order of one in 10, on average, is a multiyear grant.

Senator MURRAY—Let me get the steps right: for those one or two in that package in any quarter, does the department go directly to the Minister for Finance and Administration, or does the parliamentary secretary or minister go to them?

Ms Riggs—The approval of multiyear grants is not, in effect, an approval of the project per se; that is still a function of the minister or parliamentary secretary. The approval of multiyear grants is an additional layer of forward budget estimates protection that this government has chosen to put in place and so it is the actual multiyear nature of the grant, rather than the approval of a grant for the project. That, therefore, is not done until after the parliamentary secretary has approved the project per se. Indeed, the formality of the process is that that request for approval goes from the parliamentary secretary's office to the Parliamentary Secretary to the Minister for Finance and Administration, who is the responsible minister.

Senator MURRAY—So the Minister for Finance and Administration really just carries out an administrative function, not an approval function?

Ms Riggs—That is correct, yes.

Senator MURRAY—The first paragraph says the decision to fund projects rests with the minister or the parliamentary secretary. That seems remarkably unclear. It is either the minister or the parliamentary secretary—or do they pick and choose?

Ms Riggs—I will try and make it clearer. All three ministers within the portfolio—the Minister for Transport and Regional Services, the Minister for Local Government, Territories and Roads and the Parliamentary Secretary to the Minister for Transport and Regional Services—have authority, under the terms of their appointments, to exercise the decision-making function in respect of any activities in the portfolio. The charter from the portfolio minister to the parliamentary secretary defines the normal areas of administration that each will adopt. The normal process is that the parliamentary secretary is the decision maker for grants under the Regional Partnerships program. There are, however, circumstances in which the grant is in his electorate—or her electorate; during the period, Mrs Kelly was the parliamentary secretary. In those circumstances, the normal procedure we followed was to put those applications to the portfolio minister for decision. There were, however, a small number of cases in which the portfolio minister felt that both he and the parliamentary secretary had good reason not to be involved in the decision making about a particular project or small group of projects. The way in which we manage the procedures within the portfolio is that those go to the Minister for Local Government, Territories and Roads.

Senator MURRAY—So the bulk of approvals were by the parliamentary secretary?

Ms Riggs—That is right.

Senator MURRAY—In your revised material, or in any of your material—I do not recall seeing it—have you indicated, against the projects approved, whether it was the parliamentary secretary, the minister or both?

Mr Yuile—Senator Murray, could I refer you to the information supplied to the committee.

Senator MURRAY—Bear in mind that I only got this information today.

Mr Yuile—There is a set of tables that was passed to the committee last week, I think. You will see there, across the top—

Senator BARNETT—Is that the one behind page 18 in your submission?

Ms Riggs—This is not within the submission; this is additional information that was requested by the committee. Each of those tables has a column headed ‘approved by’ in the case of approved projects—

Senator JOHNSTON—Sustainable reasons for the decision maker.

Ms Riggs—That is right.

Senator JOHNSTON—These are the documents that arrived this morning.

Ms Riggs—Only some of those tables have been revised; the bulk of the tables were provided to the committee on the 27th.

Senator MURRAY—Okay. I have two documents here. The first runs to 50 or 60 pages, and at the top it says ‘approved by’ and then it says ‘De-Anne Kelly’ and then ‘John Cobb’ et cetera.

Ms Riggs—That is right, and that is the table of approved projects as at 31 December under Regional Partnerships.

Senator MURRAY—So that is the person who authorised and finally approved the project.

Ms Riggs—It is the person who made the decision to approve a grant.

Senator MURRAY—The other table I have says ‘decision maker’, which was John Anderson, and then it says ‘Wilson Tuckey’ in parts but mostly it is John Anderson. What does that mean?

Ms Riggs—Senator, could I ask you to refer to the very top line on the table. I think you will find that it says ‘Finance and Public Administration Reference Committee Requested Information on Sustainable Regions’.

Senator MURRAY—The question I was asking is: why is one called ‘decision maker’ and one called ‘approved by’?

Ms Riggs—We happen to run the two different programs in two different branches. While we tried for consistency, we clearly did not achieve it.

Senator MURRAY—Let me try the question another way: do they mean the same thing?

Ms Riggs—Yes, they do.

Senator MURRAY—Thank you. Now that we have got that out of the way, do you have the same schedule for projects that are rejected? Is it you who rejects them or is it the parliamentary secretary?

Ms Riggs—All decisions to approve or not approve any application under either of these two programs are made by a ministerial decision maker—a minister or a parliamentary secretary.

Senator MURRAY—In case I have missed it: have you provided the committee with the same documents which show projects which are not approved?

Ms Riggs—There are very similar documents which show ‘not approved’ for Regional Partnerships, ‘withdrawn’ for Regional Partnerships, and equivalent categories for Sustainable Regions.

Senator MURRAY—Is there any circumstance to your knowledge where two or three ministers would confer, on perhaps some marginal cases, to decide a project, or is it entirely in the hands of one person at one time?

Ms Riggs—At the end of the day, I believe that the decision maker is the person who puts their signature on the formal document from the department.

Senator MURRAY—But you might not know if they have conferred, would you?

Ms Riggs—That is precisely right.

Senator MURRAY—The reason I ask these questions in this way would be apparent to you at once. It goes to the nub of this issue. The allegation is that there is bias in the way in which these decisions are made, and therefore the final approval process is critical. I clearly understand how it works but just for the record: you as the department review the material, you make your recommendation to the authorising minister or parliamentary secretary, they have the final decision, and you accept that that is correct.

Ms Riggs—That is right.

Proceedings suspended from 10.29 a.m. to 10.49 a.m.

CHAIR—Welcome back.

Senator MURRAY—I will continue with the line of questioning on process which I was involved with. I understand from your submission that the department considers that its

processes are without political bias; in other words, they are independent and objective on the basis of the facts as supplied to you.

Mr Yuile—That is correct.

Senator MURRAY—Do you feel that there are any ways in which the perception or the allegation or the fear of bias in the decision on projects like this could be allayed? Is there any additional process you think may be regarded as a protection? You would be aware that in the earlier questioning there was perhaps a view being taken that one course was the avoidance of confidentiality or the avoidance of any suppression, so that the matters are dealt with as publicly and transparently as possible. With respect to those applications which are rejected, before they are rejected is there any final check back with applicants or with the members of parliament who might have been involved in their application?

Mr Yuile—Perhaps I could start and Ms Riggs could continue. We have tried to construct fairly carefully the process whereby not only the applicant but also the area consultative committees—which provide assistance to applicants should they seek it and which also comment in regard to the local circumstance and the local strategic regional priorities that are established—provide information. That information comes forward, together with the assessment that the department undertakes in order to prepare advice for the minister and the parliamentary secretary. I think that is a very comprehensive process. It seeks to garner all relevant information in the advice and recommendation that we then put to the minister or the parliamentary secretary. As the submission indicates, we do some internal processes in terms of consistency across our different regional offices and so on. We have tried to take all those things into account in developing a thorough and fair process. We have documented that quite comprehensively for our staff.

The question of an appeal for someone who has been unsuccessful is one that perhaps I can ask Ms Riggs to talk about, because that is built into the processes as well. It does not immediately come to mind what additional steps you might take and still try and keep it effective.

Senator MURRAY—Let me be a little more specific to assist you in answering the question. It is a little unfair to you, because you would not have seen the other submissions, which we have seen, because they have not yet been published by the committee. For instance, one ACC submission made this remark:

This also leads to perceptions in the community that the decision to approve or not approve a project may not be fully transparent and has due consideration of the respective ACC's advice and recommendation been taken.

Later on, that same submission refers to the fact that the funding of Regional Partnerships is discretionary—and they have italicised the word 'discretionary'—and that the minister or parliamentary secretary makes the approval. Right at the heart there is that which draws some people to an inference of bias. I know it is not open to the department to make recommendations if they do not have the approval of the minister. But it would seem to me that you would need to address—even if you did not agree with it as a department—those perceptions that in discretion comes the danger of bias and patronage and, if it is not fully transparent—which is the point of

the earlier questions about confidentiality—again that might apply. It is obvious that some ACCs think that.

Ms Riggs—Well, at least one does. Can I make a couple of comments in relation to that section from that submission that you have read out. The first thing that is worth noting is that an applicant whose application is rejected is sent a letter by the department which sets out the reasons for nonacceptance of the application. We do that, amongst other things—and not just because the ANAO says that is good practice—in order to point to those areas that the applicant might consider making changes to or reformatting the nature of the project in order to have another go. The nature of the decision is transparent to the applicant.

The question about openness in that decision comes back to the same issue of treating fairly people who apply for but do not get government money—not wanting to put them at a disadvantage if they want to have another go or want to approach other potential sources of funding. There is a question about whether it is appropriate for the department or the government to advertise an organisation's reasons for failure. I think there is a very real sensitivity around that issue. So the transparency is there. There is a very fine question to be asked about whether you want to put people in a position of having their weaknesses exposed. The judgment that the department has taken to date is that that is not appropriate, that we ought not to make that more publicly available.

Mr Yuile—That is the subject of the question that Senator Forshaw and Senator O'Brien have asked us to follow up. That is the nub of the issue, I think.

Ms Riggs—The second issue that I heard in there was a suggestion that due consideration was not given to the advice of the ACC. I cannot, of course, answer in any way for what goes on inside any of the minister's minds when they read a piece of advice from the department, but I can assure this committee that, quite apart from any use that the department makes in formulating its assessment and therefore advice to the minister about a project, which has regard for the ACC's comments, we relay the ACC's recommendations and summary comments to the minister as part of the package that goes to the minister. So ACCs should be in no doubt that their advice about a project is directly in the hands of the decision maker—it is not hidden or obscured from them.

Senator MURRAY—Ministerial or parliamentary secretary discretion means that the minister or parliamentary secretary is able to turn over the departmental recommendation. So you might recommend to approve and they could say that they do not or you might recommend that they do not approve and they might decide to approve.

Ms Riggs—Discretion means that the minister makes the decision. The consequence of exercising the discretion may give rise to the two circumstances you have just described.

Senator MURRAY—Stay with me. You do not go to the minister with an open-ended proposition—you have appraised the information as a department and you go with a recommendation to approve or not approve; is that correct?

Ms Riggs—Yes.

Mr Yuile—We give the minister a recommendation around the proposal that has been put. We do give a clear recommendation in relation to that project.

Senator MURRAY—That is right—which is your duty. The minister or parliamentary secretary can ignore your recommendation and either approve or not approve something for which you have said they should approve or not approve. How often, without going to particular cases, does the minister or the parliamentary secretary not agree with the department's recommendations?

Ms Riggs—Between 1 July 2003 and 31 December 2004 there were 17 cases where the decision taken by the minister was different from the recommendation given by the department.

Senator MURRAY—Out of how many?

Ms Riggs—Some 500 approvals and over a hundred non-approvals, so a very small proportion.

Senator MURRAY—About three per cent, if my maths is right. Are those spread across the regions or did they have a geographical focus?

Ms Riggs—No, they are spread across Australia.

Senator MURRAY—I will leave it there for the moment.

CHAIR—Could I just clarify that. Are there 17 cases where the minister decided not to approve?

Ms Riggs—There are 17 cases where the decision taken by the minister or the parliamentary secretary was different from the terms of the advice from the department.

CHAIR—That is what I understood you to say. So that includes that the advice might have been not to approve and he may have approved, and the advice might have been to approve and he did not approve. Can you break the 17 cases up?

Ms Riggs—I will have to consult, if you will bear with me. Could I ask my staff to do a summary of it, saying perhaps that 13 go this way, three go that way and in one case the money amount was different but it was otherwise in line with the department? Could we come back to that after they have quickly summarised the information here?

CHAIR—That would be good. You may want to include in that answer—or you might be able to tell me now—how many were approved without a recommendation at all.

Ms Riggs—I am not aware that any projects approved up to 31 December were approved without some form of advice from the department.

CHAIR—That is not quite what I asked.

Mr Yuile—Was your question: is there any advice where we do not include a recommendation?

CHAIR—I am trying to understand if there—

Mr Yuile—It is our practice to make a recommendation.

CHAIR—So in all cases there would have been either an approval or a non-approval.

Mr Yuile—Or a variation.

CHAIR—If the recommendation was to not approve, it would be pretty much not approved. If there were to be a variation, wouldn't it be, 'Approve this but with a variation'? You would not vary it and then not approve it.

Ms Riggs—No. There are broadly four sets of circumstances: do not approve; approve as proposed; approve with fewer dollars; or approve with some form of conditionality, which has to be achieved either before we enter into a funding agreement or as the first element of entering into a funding agreement. In a very small number of cases we might say, 'Minister, there are some different positions you could adopt here. If you were to do this we would recommend that you do it with these conditions, and if you were to do that we would recommend that you do it like this.' Broadly, there are five types of recommendations that we would make.

Senator BROWN—Could I suggest that it would expedite matters greatly if the 17 projects were listed indicating the nominator, the original source of the nomination of the project in each case, and to whom it went.

Ms Riggs—What I have said to the chairman is that I am prepared to ask my staff today to summarise how many of these fall into the category of 'We recommended in one way,' and simply give the numbers. That is what I have agreed to do.

Senator BROWN—Yes, but I am now requesting that you specify in each case what the project was, who nominated it and to whom that nomination initially went.

Ms Riggs—The detailed tables we have given this committee contain all the projects for which decisions have been made between 1 July 2003 and 31 December 2004. The projects we are talking about are already listed in these tables.

CHAIR—Does that information list whether they were approved with or without—

Ms Riggs—You would be aware that we would not be prepared to disclose to you the nature of our advice and then whether an outcome was or was not different.

CHAIR—I am not necessarily aware of that at all.

Senator BROWN—It will expedite the committee's procedure—and you have been kind enough to suggest that we do keep moving on—if you indicate for each of the 17 projects the information I am requesting.

Ms Riggs—I will need to consider your request because it is getting very close to the matters about which we agreed, before the morning tea break, that we would want to take some further consideration of, and which the chairman has given us until the end of this hearing to come back to the committee on. It falls into that same category.

CHAIR—Senator Brown, we can come back to it when we hear the other information. Senator Brown has made his request and I suggest it is a reasonable request. I draw your attention to the earlier report of this committee, to which Senator O'Brien referred at the outset. In that case a very detailed explanation was given to the committee. Some of it had to be extracted, I must say, with some degree of work, but with regard to a particular project, which ultimately was approved, its whole history from application to second and third applications to approval was before the committee in public hearing and it included information along the lines that has just be requested. For instance, what problems did that application have in its initial form that led to it being submitted in a different form? Information of that type has already been put on the public record. But let us move on.

Senator CARR—I have a question on the processes that were undertaken by the department. You are saying that on all the occasions projects were approved the department provided advice—which I would expect. In all the occasions that money was approved did the ACC also provide advice?

Ms Riggs—If an application is received under Regional Partnerships one of the very early steps that the department takes, apart from acknowledging the receipt of the application, is to refer it to the relevant ACC for them to compile advice in the terms that the detailed documentation we have given you describes.

Senator CARR—You also say in your submission to this committee:

For the purposes of this inquiry, “advice to Ministers” is deemed to include recommendations made by Area Consultative Committees (ACCs) or Sustainable Regions Advisory Committees (SRACs) and DOTARS’ assessment of projects. These recommendations are formative steps in preparing the final advice and disclosure of them would disclose the content of the advice to a Minister.

Have I accurately presented that?

Ms Riggs—Yes, Senator.

Senator CARR—Who made the decision not to provide the committee with that advice? Who made the decision on that formulation of advice to the committee?

Ms Riggs—I think it is fair to say that there is a well-established notion that the terms of departmental advice to ministers are not disclosed to parliamentary committees. What constitutes the advice and the formative steps of preparing that advice are matters about which we have had extensive internal consultation, and we have talked with others about the application of that principle. We have also discussed this with the minister’s office and it is through that process that we came to the view that the nature of assessment and advice that underpinned recommendations made to the minister would not be disclosed to this committee.

Senator CARR—I see. However, ministers may choose to reveal advice of the area consultative committees and that is all right.

Ms Riggs—That is entirely a matter for a minister to decide.

Senator CARR—I see. You would agree that the ministers have done that on numerous occasions?

Ms Riggs—I do not know that I could agree with the term ‘numerous’.

Senator CARR—For instance, I note that in question time on 30 November last year, Mr Lloyd twice referred to recommendations of the New England north-west ACC in relation to the \$1.2 million grant for an ethanol plant in Mr Anderson’s electorate. Is that right?

Ms Riggs—Senator, you have the reference in front of you. I assume you are reporting it accurately.

Senator CARR—You would recall that, wouldn’t you?

Mr Yuile—I think we were just recognising that you are correct: ministers may choose to mention ACC recommendations. I think we were responding to the word ‘numerous’.

Senator CARR—Was any special status associated with that ethanol project that would distinguish it from other projects, therefore providing circumstances where Mr Lloyd could provide advice to the parliament about advice from the department?

Mr Yuile—It was advice from the ACC, I think, wasn’t it?

Senator CARR—Yes, it was. You are saying that is part of the advice process, and presumably you would have provided the minister with advice on what the ACCs had recommended, wouldn’t you?

Mr Yuile—Certainly our advice to the minister includes the comments and ratings of the relevant area consultative committee.

Senator CARR—That is right. And you would have prepared the ministerial PPQ brief, wouldn’t you? You would have provided that brief and the information within that brief.

Ms Riggs—Senator, what a minister chooses to say in parliament fundamentally is a matter for that minister to make a judgment about.

Senator CARR—Absolutely right. But you would have been monitoring question time on that day, wouldn’t you?

Ms Riggs—I regret to say, Senator, that there were all too many days in that particular sitting period when I had to monitor question time, yes.

Senator CARR—So you would confirm that you were aware that the minister had made the statement and the department was aware immediately he made the statement? You were monitoring question time.

Ms Riggs—I have said we monitored question time during that two-week period.

Senator CARR—You would also recall that on 1 December Mr Lloyd answered a question in the House concerning the New England north-west ACC and said that the chair of that committee, Mr Kevin Humphries, had recommended the ethanol project. You would recall that as well, wouldn't you?

Ms Riggs—Senator, I am happy that you remind me of the details of some of those exchanges.

Senator CARR—What I am having trouble following is that on the one hand you are saying that you cannot provide the committee with information, but the minister obviously feels at liberty to refer to recommendations made by the ACCs. You have been telling this committee that on every occasion a grant of money was made there was an ACC recommendation in that regard. Is that right?

Ms Riggs—Yes.

Senator CARR—I just want to be clear that that is the normal process.

Ms Riggs—It would be made by an ACC, a group of ACCs or a representative ACC.

Senator CARR—Even when a submission is turned around within 24 hours, an ACC recommendation is provided.

Ms Riggs—There is one exception.

Senator CARR—One exception. Which one is that?

Ms Riggs—It is a grant in respect of a telecommunication system on Christmas Island. There is no ACC which covers Christmas Island.

Senator CARR—That would probably account for that. You are saying that the normal process is that you automatically refer it to the ACC once an application is received.

Ms Riggs—Yes.

Senator CARR—And you would be able to do that and turn around a decision within 24 hours.

Ms Riggs—Is there a particular case that you are aware of?

Senator CARR—I am just asking the question: is it possible that this could have happened?

Ms Riggs—I have to say that I do not know whether we could do that and turn it around within 24 hours. There are two quite different propositions in your question. The first is: do we always refer it the ACC? Answer: yes. The second is: can we turn an application around within 24 hours? Senator, that would depend entirely on the circumstances of the application.

Senator CARR—But you are not at liberty to advise this committee on the nature of that advice. All you can tell us is that on each and every occasion advice was sought and provided—presumably to support the grants of moneys.

Ms Riggs—The ACC advice is not always in support of an application.

Senator CARR—So on how many occasions was it not in support?

Ms Riggs—I do not know. Would you like me to arrange for my staff all around Australia to add up those numbers?

Senator CARR—I would appreciate it if you could. I advise you that I have not got excited yet. I trust that perhaps you could slow down a bit; we are taking our time here. I do not intend to provoke you, but I find it strange that you are being so defensive. I asked a simple question: on how many occasions did the ACC not support an application for moneys?

Ms Riggs—I will arrange for that question to be answered.

Senator CARR—Thank you very much. I take it you will not be able to tell me which ones they did not support.

Ms Riggs—I do not believe so.

Senator CARR—But you can assure the committee that on each and every occasion the ACC's advice was sought?

Ms Riggs—With the exception that I have already identified.

Senator CARR—Except for Christmas Island, where there was no ACC. Is that the thrust of it?

Mr Yuile—I just want to confirm that that is our normal process.

Senator CARR—I am asking: was it followed? That is all I want to know. Was it followed even where there was a very rapid turnaround in the receipt of applications and the decision to actually grant moneys?

Mr Yuile—I am not aware of any circumstance such as the one you are describing.

Senator BROWN—You mentioned that you are considering information about 17 projects where ministerial overrule—

Ms Riggs—No, Senator, not an overrule. The ministerial decision was different from the department's recommendation, but the minister is the decision maker.

Senator BROWN—Thank you. That is regarding Regional Partnerships, but what about the Sustainable Regions Program? Do the 17 include any differences between ministerial decisions and recommendations?

Ms Riggs—No, I was referring only to the Regional Partnerships program.

Senator BROWN—What about the Sustainable Regions Program?

Ms Riggs—After brief consultation, Mr De Jong and I conclude that there are no cases where the minister's decision is at odds with the department's advice.

Senator CARR—On this issue of the role of the ACCs in the grant making processes, I would like to have it clarified for me if it has been the advice of the department to this committee in its estimates form that advice of the ACCs is independent.

Ms Riggs—That is the term we use, yes.

Senator CARR—I am wondering, therefore, how it fits with the claim now that the ACC's advice is advice to the minister—part of the department's processes.

Ms Riggs—The ACC's advice is to both the department and to the minister. It is considered by my officers in formulating their assessment of the project. It is also conveyed directly to the minister in addition, but contained within the same formal advising to the minister about a project.

Senator CARR—Last year, was this committee told that the information of the ACCs was not related, was independent of the work of the department?

Ms Riggs—In respect of the fact that their advice is conveyed to the minister—although in a departmentally produced document—it is independent to the minister and independent of the work of the department. To the extent that my officers also take consideration of it in considering whether or not the application matches the Regional Partnerships guidelines by, for example, meeting the strategic regional priorities determined by the ACC, it is also part of the formative process of the department in formulating its advice for the minister—it is both.

Senator CARR—Okay. What I am troubled by is that if the work of the ACCs is supposed to be independent and not related to the processes of the department, that is, it is supposed to reflect the views of the local communities, we need to be able to establish what the role of the ACC is—if it is, in fact, independent of the department. We cannot do that unless we see the recommendations of the ACCs. That is the difficulty we face and that is why I am asking this series of questions. I detect from what I see before me that there has been a change in the status of the ACCs insofar as the department is now taking their advice as part and parcel of advice to the minister, and therefore not able to be disclosed, whereas last year it was seen that they were a group of people who were there to actually represent the views of a local community.

Ms Riggs—Senator, they have both those functions in relation to different aspects of what the government charges ACCs with. They have dual functions in relation to Regional Partnerships, which I believe I have just tried to describe, both of direct advice to the minister—although through a departmentally produced advising—and assistance to the department in formulating its assessment of an application. But in addition to that they have functions that go beyond their contribution to Regional Partnerships as a program, that go to the broader terms of the charter of ACCs, and those they carry out independently of the department except under the terms of the handbook and the contract which we have given this committee copies of.

Senator O'BRIEN—But their recommendations are not independent of the department.

Ms Riggs—Senator, I have tried very hard to describe the fact that they are both of assistance to departmental officers formulating their assessment and are conveyed separately, within that advice but without change, to the minister. Therefore in that regard, we regard them as independent and direct advice to the minister.

Senator CARR—How long does it normally take for a project to be assessed by the ACC?

Ms Riggs—That varies considerably.

Senator CARR—What is the average?

Ms Riggs—I do not know.

Senator CARR—How long does it normally take for you to assess the project, as a department?

Ms Riggs—Senator, this is quite a difficult question to answer and I would like to explain why I make that claim. The reality is that many applications arrive within the department some six to eight months in advance of the minister making a decision—that is, they are lodged six to eight months in advance of it. But the actual time it takes a departmental officer to formulate their assessment might only constitute a relatively small portion of that time, and the reason for that is that, to date, we have allowed the community groups and local governments that make applications to the department to take a considerable period of time to respond to any requests from our officers for additional information that they need in order to be able to make their assessment. That makes it look like a long process but, in fact, the actual time within that elapsed time for the assessment is often considerably shorter than that. So I guess, Senator, my response to your question is: is it that six to eight month period that you want to know about, or is it the actual processing time it takes within the department within that time?

Senator CARR—What I see with all of the documents that you have presented to us is a clearly stated date on which an application is received, and the date a decision is made.

Ms Riggs—Yes.

Senator CARR—I can see that it takes some months. I can understand in that circumstance you would involve the ACC in the arrangements. What troubles me is where you say that, 'the ACC is always involved, yet we can get a turnaround on a decision very quickly in some

particular occasions'. How do you reconcile being able to do both of those things? Are you able to ring up the chair of the ACC overnight and say, 'Look, we want a decision tomorrow; we will have a meeting and determine an outcome' or is there a formal process the ACC will go through to assess a project?

Senator JOHNSTON—I have a point of order, Mr Chairman. Over 600 applications have been approved; if the senator has specific examples he should put them to the witness rather than dance around the issue, because we will be here all day—

Senator O'BRIEN—We will be here all day.

Senator JOHNSTON—on this one point.

CHAIR—There is no point of order, Senator.

Ms Riggs—Mr Chairman, would you allow me to ask Senator Carr to repeat his question because I have been distracted by a piece of information coming to me from behind and it has just taken me away from it.

Senator CARR—I am interested to know how the ACCs work. Since you rely on them on all occasions except Christmas Island, I am interested to know how it is that they find out about a project. What length of time are they given to assess a project?

Ms Riggs—I think it is fair to reflect on the fact that the vast majority of projects are known to ACCs before they are lodged as applications. We ask prospective applicants to make their intentions known to ACCs, to talk about them with ACCs and to let ACCs help them make the application as good as it possibly can be, because, after all, the objective here is to make access to this program available to a lot of groups that are worthy of support under the terms of the program. Formally, an application is lodged in our system. We make provision for four different ways for an application to be lodged. The first is by filling in a fully electronic application form which directly populates our database. The second is to fill in a Word copy of an application form, which we can then translate into our database. The third is to lodge it in paper and we will arrange for it to be data entered into our database. The fourth, more recently, is to lodge a short form application for small projects. Irrespective of which of those happens, at some point it populates our database—the right fields in a database for an application are completed. When that button is pushed it is lodged, and we then open access to that application to an ACC. That is done by a team within the national office, generally within 24 hours of it arriving in the TRAX inbox. The normal process is that we would release it to our regional office to begin their process and to the ACC, on the same day, to begin theirs. The procedures manual, which is part of the submission, I believe sets a working day's time frame for the return of the ACC comments, but, in some cases, a project is time critical. Most commonly time criticality is identified by the applicant, because we ask them to do that, and then we would talk to the ACC and ask them whether it is possible for them to formulate their views in less than the time provided in the standard process.

Senator CARR—So they can do it in less than 24 hours.

Ms Riggs—I do not know whether any ACC can do it in less than 24 hours.

Senator CARR—Have you had an occasion when an ACC has done it within 24 hours?

Ms Riggs—I do not know, but I have a sneaking suspicion that you believe you might.

Senator CARR—Was there an area committee meeting on the granting of nearly \$5 million to the University of New England for the SONA project?

Ms Riggs—Could you be a little more explicit about the project you are talking about?

Senator CARR—I am referring to the University of New England SONA project listed on page 9 of your documents under Regional Partnerships—\$5 million. There is a three-day turnaround there.

Ms Riggs—Between the receipt of the application and the approval?

Senator CARR—Yes. When did the ACC meet?

Ms Riggs—I do not know if that ACC met, but I do know that the ACC provided commentary on that project.

Senator CARR—I am interested to know—

Ms Riggs—ACCs use many different processes, and I do not know what process that ACC used in respect of this particular project.

Senator CARR—Can you provide us with the advice the ACC tendered to you?

Ms Riggs—No. I am not prepared to give you that advice.

Senator CARR—You cannot tell me the date of the meeting. Can you tell me the form of the consultation process that was undertaken with the ACC?

Mr Yuile—Unless we have got it handy we would need to confirm with the ACC how that took place—whether it was a telephone hook-up or—

Senator CARR—It is just as well we have got the federal member here. I intend to ask him about it tomorrow. What was the process by which the ACC was involved in making a recommendation for the expenditure of \$5 million for an education project in a marginal seat in the middle of June last year?

Senator BROWN—Can I just ask why—

CHAIR—Excuse me, Senator Brown. A question has been asked. What is the answer?

Senator CARR—How long would it take you to be able to advise the committee? Mr Chair, would that be a reasonable question to ask the officers?

Ms Riggs—If I may, I would like to seek Senator Carr’s absolute clarity about what the question is that he is asking.

Senator CARR—I would like to know when the ACC met and, if it did not meet, what was the form of consultation to give you a recommendation on the expenditure of \$5 million for an education project at the University of New England in June 2004.

Ms Riggs—We will certainly ask the ACC if they are prepared to provide that information and, if they are prepared to, to answer the question.

Senator BROWN—And to provide the recommendation.

Ms Riggs—No, Senator.

Senator CARR—They have already said they are not going to provide that information, but we can find that out from other sources, presumably. We will have a witness tomorrow who will presumably know something about these matters as well.

CHAIR—Let us deal with the matters before us today, and we can pursue them again tomorrow if we need to.

Senator BROWN—Can I ask: why not give that information?

Mr Yuile—Senator, it takes us back to the conversations we have had from the outset that, in developing our assessments and our advice for the minister, the views of the ACC and their recommendations—or at least the priorities that they allocate to that—are part of the formative process of our advising the minister. Indeed, the ACC’s rating of the project against strategic regional plans is formally part of the advice to the minister. As we said earlier, we have continued to respect the tradition whereby advice from the department to the minister is confidential.

Senator BROWN—But we are in a different situation here. There are regional committees selected from communities, with a chair selected by the minister, who are assessing competing requests from regions and passing that assessment on to government to make deliberations about expenditure of taxpayers’ money.

Either we have some special secretive provision for these regional community consultation committees or they are transparent, open and properly accountable to both the parliament and the community. I submit that it is the latter. I do not accept that you can extend advice coming from those committees representing their regional communities into the cover of secrecy because that advice happens to go to the minister. It is advice that ought to be available to the community. I ask you to think about that, because I will be urging that this committee seek and get that advice. It ought to be available. This ought to be a transparent process. I ask you to reconsider refusing to give the committee this information, because it is central and germane to the inquiry we are undertaking.

Senator CARR—And I would make another submission, if I might. The issue goes not to the question of advice to ministers. From the opposition’s point of view, we do not argue the toss

about departments being able to provide confidential advice to ministers. That is the fundamental principle of our administrative system. So I am not disputing that issue; what I am disputing is the changed status of the ACCs from what appears to have been the situation last year to that which has now been provided in the submission of this department concerning the confidential nature of ACC deliberations. That is what I am disputing—not the role of the department in providing confidential advice to the minister.

CHAIR—Senator Barnett?

Senator BARNETT—Firstly, I thank the department for the work they have done over the Christmas period. It is obviously extensive and comprehensive. Many of us on this side of the table have been on holidays and have appreciated that opportunity, but we appreciate the work that has been done. I want to look at two areas of your submission and draw down on them. The first relates to chapter 5 and the analysis of the Regional Partnerships projects on pages 17 and 18 and the table on the following page. Then I want to go to the evaluation and audit arrangements that you have put in place since the program started in July 2003.

At the top of page 18 you state that, between July 2003 and 31 December 2004, 504 projects have been approved under Regional Partnerships to a total value of \$123.3 million. That is obviously consistent with the objectives of injecting jobs and services into rural and regional Australia. Can you advise the budget allocation post 31 December 2004 and give the total amount that has been allocated into the forthcoming years—to 2007-08, I understand. Do you have the figure for that?

Ms Riggs—The total Regional Partnerships allocation for 2004-05 is \$90.8 million. Were you interested in the out years as well?

Senator BARNETT—If you have them.

Ms Riggs—It was close to \$91 million for 2004-05—I am afraid that data is not accurate. My recollection is that it drops to some \$78 million and then to about \$72 million for the last two of the out years.

Senator BARNETT—I want to look at an analysis of these Regional Partnerships applications and the charts on page 19. Starting at the top, in terms of the applications, of the 150 electorates in Australia you have 64 held by the ALP, 82 held by the coalition and four held by others. Can you run us through that chart, in particular the last two where you have project approvals, because it seems to me that the approval percentages are consistent—in fact, almost the same—in terms of the project approval success rate, whether it be coming from an ALP electorate or a coalition electorate.

Ms Riggs—The electorate that a grant application comes from is actually not part of our decision-making process. We only record the electorate in our management system because it is part of preparing the package of material that goes with each recommendation to the minister, so that appropriate members of parliament receive advice about applications from within their electorates. Nonetheless, given the interest of the parliament in the last sitting period of 2004 and the calling of this inquiry, it seemed to us reasonable to undertake an analysis for this committee of the distribution of grants.

We chose to do that by using both the categories of remoteness, which are commonly used when looking at government administration in a whole host of areas—metropolitan, rural and regional, and remote—and we also added electorate information into that as another overlay. The conclusion that we have drawn from this information is that neither on the remoteness category nor on the category of party of sitting member is there much variation between the rate of approval of applications across the country. But I have to say that, if you look at the remoteness categorisation, you would conclude that in fact we receive a greater share of applications under Regional Partnerships from non-metropolitan Australia.

Senator BARNETT—It is a Regional Partnerships program, and I presume that is one of the reasons for that result.

Ms Riggs—Yes. Metropolitan areas are covered by ACCs and applicants from metropolitan Australia are not precluded from Regional Partnerships. If you look at the Regional Partnerships guidelines, which are about things like access to services, they are the sorts of things that by their nature tend to be less of an issue in metropolitan Australia and therefore it is less likely we get applications from them.

Senator BARNETT—Looking at the top chart on this page, the project approvals by party and the funding approvals by party, what is the difference between those two columns?

Ms Riggs—The first column, project approvals, simply measures the number of projects approved as compared to applications. The second column or the final column in this top element of the chart compares the dollars approved as compared to the total dollars applied for. They are too slightly different measures.

Senator BARNETT—If we trawl down there, of the ALP applications from ALP electorates, of which there are 64, 78 per cent of the projects were approved. Is that right?

Ms Riggs—Yes, that is right.

Senator BARNETT—And of the coalition, 77 per cent were approved; and of the other, the four independent electorates, 78 per cent. So in fact on a percentage basis under project approvals, the Labor electorates had a slightly higher—very slightly—percentage approval rate.

Ms Riggs—I am a statistician by training. I say there is no difference.

Senator BARNETT—One per cent.

CHAIR—We can all read. I understand the rules of evidence do not strictly apply in Senate committee hearings and we tolerate some degree of leading of the witnesses, but I do not think you necessarily have to trawl through that sort of line of questioning to prove something that is clearly already on the page.

Senator BARNETT—Mr Chairman, I think you have given many senators—

CHAIR—If you want to make political—

Senator BARNETT—a great deal of latitude in the last three hours so—

CHAIR—The questions have been questions.

Senator BARNETT—I think I am entitled to ask whatever questions I believe are appropriate.

CHAIR—You are not entitled. Excuse me, Senator Barnett, if you want to ask these witnesses to draw conclusions that you may wish to put into your report, then I do not think you are entitled to do that.

Senator BARNETT—We will continue. Thanks for that response. So in terms of the metro, rural and regional, remote, again the percentages indicate a similar or the same response in application approvals and funding approvals, but the remote is a little bit higher because of the objectives of the program as you indicated earlier.

Ms Riggs—The rural, regional and remote.

Senator BARNETT—In terms of the actual partners that are involved—this is Australian government funding—can you—

Senator MURRAY—Are you moving off that table, Senator Barnett?

Senator BARNETT—Yes.

Senator MURRAY—Before you do, I have a question on that table. I take the point made by Senator Barnett on approvals and their percentages. However, I thought the difference in applications was very marked. The table says that the ALP have 64 electorates, the coalition have 82 electorates and there are four other electorates. Applications are markedly lower in the ALP electorates, with 205 applications from 64 electorates, as opposed to coalition electorates, where there were 800 applications from 82 electorates. I do not have a hand-held calculator, but we could do a ratio which shows that difference. I thought that might be because the ALP are much better represented in metro electorates, so I went to the disaggregation table below. Looking at the regional and rural section, which is of particular interest in the situation, there are 14 ALP electorates and 29 coalition electorates—so there are about half as many ALP electorates as coalition electorates. However, there were only 59 applications from these ALP electorates but 506 applications from coalition electorates. So ALP electorates only made about 10 per cent of the applications that coalition electorates did.

I am very interested as to whether the department has found out why fewer applications are coming through from the ALP. I shall give you a hint as to my reason for asking: Senator Macdonald was accused, I suppose would be the word—and I will paraphrase the accusation—of having said that unless you were a government electorate and were responding to government people appropriately, your chances of getting an application through were much worse. So in my mind the question is: are people in ALP electorates saying, ‘Well, we are not in government electorates, we have less chance of getting through, therefore we are not putting applications up’? I do not know, and I would like you to tell the committee, whilst we are on this table, why it

is that ALP electorates in regional and rural Australia make so many fewer applications than coalition electorates do.

Ms Riggs—We too can look at this table, which is an after the event table—it is not something that is dictated by activities of the department—and say, ‘There is a clear difference here.’

Senator MURRAY—You have not surveyed the parliamentarians or ACCs concerned?

Ms Riggs—No, we have not.

Senator MURRAY—Might you?

Ms Riggs—We might need to talk with the minister about how parliamentarians might be approached. In terms of ACCs, we have not undertaken any formal survey of this. There are two reasons for that. One reason is that we have constructed this in the context of providing information since 13 December, so there has not necessarily been time to do that. The other reason is that, while we acknowledge that there is a significant difference between the way in which ACCs do their marketing, there is not an obvious pattern to us about what that difference might be or how it produces different effects. Your question highlights that there might be a fruitful area there for us to investigate.

Senator MURRAY—Even if it were not true that there was any bias in the process at all, either at your level or at the ministerial level, if there were a perception that because you are in an opposition electorate you have less chance and therefore you should not bother, that would be a dreadful outcome. It is dreadful for any application of a government scheme which is for all Australians, as that is the purpose of it. I would have thought that this is an area of great concern. I know this is short notice, but I would like you to look at the specific issue and think about whether you have some means of giving us some information or could do a quick sample survey asking some questions to get us on this track. Chair, I would expect the committee to address this disparity in our report, and we need it to be guided as to what the reasons are. Ms Riggs, from your submission and answers, it is plain that you do not know.

Mr Yuile—Chair, could I take that further?

Senator MURRAY—Could I just get the answer first?

CHAIR—Let the officer respond first.

Mr Yuile—Senator Murray, you have obviously highlighted something which we too have noticed as we have gathered this data for this committee. You have also highlighted that, whilst the project approvals are virtually identical, the question of the number of applications is not. As Ms Riggs has already said, the question of surveying members is an issue about which we would obviously need to consult ministers. The question of the role and processes of the ACCs is, as Ms Riggs has also indicated, clearly something that we could well see value from. I do not think it is reasonable that we do anything in these two days, but the committee’s inquiry goes until July. But we have picked up your point, and I think we now need to consider how we can sensibly address it and provide information to the committee.

CHAIR—I would like to ask a question to clarify something in these tables. In the column headed ‘All applications’, you have listed 205 applications—that is, projects—for ALP electorates and 800 for the coalition. Then you show the figures for ‘Approved’ and ‘Not approved’, which, when added together, are substantially fewer than the total number of applications lodged. What has happened to the applications about which there is no comment?

Ms Riggs—The balance of them would be either withdrawn or still in process. The applications are not only all applications about which there has been a decision or which the applicant has withdrawn; they are all applications received in that 18-month period. Only some of them have got through to an end point.

CHAIR—I assumed that was going to be the case. I was trying to think of an explanation for what happened to the other 400-odd applications. Could you, on notice, extend this table of information to give us some idea of the breakdown of the remaining applications.

Ms Riggs—You can do it by subtraction.

CHAIR—No, I cannot. There are 504 applications approved and 150 not approved—that is 654—and there were 1,069 project applications. But you have just said the difference includes those that may be in train and those that have been withdrawn. I would like to have an explanation of what has happened to the other applications in each category.

Ms Riggs—If we add a column that shows withdrawn applications, the balance would be those that are still under consideration.

CHAIR—I think it would be appropriate. You have provided a table. Generally, if you provide the information at the outset of the total number of applications, in the description that you then provide of categories you should end up with an indication as to where they are all at.

Ms Riggs—I appreciate that. The objective of this table was not to describe the fate of each and every application but, rather, to get to its end two columns, which were about approval rates. Those which were withdrawn or are not yet decided cannot contribute to those. That is why they were not included in the table.

CHAIR—Anyway, I have asked you for them because it is useful information for us to have.

Mr Yuile—As we have already indicated, if we add a ‘Withdrawn’ column then the balance is clearly those still under consideration.

CHAIR—Or you could add two columns!

Senator JOHNSTON—Ms Riggs, when we look at these electorates, do we look at how many government and opposition electorates are rural/regional? I see a big disparity in that figure alone which would account for some of the intensity of application on the government side.

Ms Riggs—Maybe I am misunderstanding your question. The second half of the page uses those three categories rather than splitting them into the five that some use. It still has the party

of the sitting member. We do not go any further than that. We have not looked at it any further than that.

Senator JOHNSTON—When you get an application from an ACC, is it common for the local federal member or a senator to involve themselves in supporting an application?

Ms Riggs—Please do not ask me to go and do the counts on this, but often the supporting documentation with an application includes letters from partners and letters from other organisations or individuals that support the application. It is certainly not uncommon for letters of support from local members or senators from that state to be included in that. I cannot answer about the extent to which local members engage themselves in the discussions about projects with ACCs any more than I can talk about what happens inside this building.

Senator JOHNSTON—How do you gauge or benchmark the knowledge out in the wider community about the availability of the Regional Partnerships funding and Sustainable Regions funding, if at all?

Ms Riggs—This will be the subject of the evaluations we undertake of both of the programs, but each of them is at too early a stage for us to have results from those evaluations. Regional Partnerships is even newer than Sustainable Regions in that regard. I think that it is probably fair to say that Sustainable Regions is reasonably well known in those eight existing sustainable regions. The potential availability of funding is reasonably well known in those. The number of expressions of interest and the amount of money that has already been approved would suggest that that is the case. The Regional Partnerships program is 18 months old. It builds on and draws together some nine former programs, or more or fewer than that depending on how you describe individual programs. There were varying degrees of knowledge about them and different styles of communication and operation. I think it is probably still fair to say that Regional Partnerships is not a household term in Australia.

Senator CARR—It will be by tomorrow night!

Mr Yuile—Perhaps we need to keep our survey until after tomorrow night.

Ms Riggs—It is also fair to say that my observation of ACCs is that in the majority of them, at least—and I do not want to demean those that I am not including because I am not including or excluding any particular one of them—the members and the executive officers work hard at, among their other more community focused functions, letting people know that there is a prospective source of government grant there and the terms and conditions under which it might be available. Many of those ACCs and their executive officers know about an array of other government, Commonwealth and state, programs. We run the GrantsLINK web site. We run the Commonwealth Regional Information Service through both its web site and its call centre. All of those sorts of sources are well-equipped to help people who are looking for grant funding find Regional Partnerships as one of the prospective sources. No, it is not a household name.

Senator JOHNSTON—The point I make, following on from what Senator Murray, is that I have had experience with a number of people who would benefit from Regional Partnerships funding. In asking them whether they knew about it or how they came to be aware of it, knowledge of it among local members was not as good as it should have been. A lot of coalition

government members know of it and the opposition now know of it because of this inquiry to some extent. The lack of knowledge was because I do not think the knowledge of that funding or the mechanism of going to the ACC with a group of people to put forward a project has been in the forefront of members' minds. That is a very significant thing. If you were to poll, and I ask you to consider this, members of parliament as to their awareness of the functions of their local ACC and who they are, you would find that a lot of ignorance prevails out there among members—and, I must sadly say, most predominantly among the opposition.

CHAIR—Excuse me. You might go back and check your history as to who actually established the ACCs.

Senator JOHNSTON—That was my next question.

CHAIR—I think it was a Labor government. Anyway, carry on. I will not have any rewriting of it today.

Senator McGAURAN—You are correct on that. It might well be not ignorance but a political tactic to deny their electorate. That is also a possibility.

CHAIR—Do you have a question?

Senator McGAURAN—Perhaps you could enlighten us as to how many ALP sitting members actually supported the applications. You can take that on notice. Are you able to give us that?

Ms Riggs—That is a huge job. I am most reluctant to take it on. It means trawling through paper files for all of those 1,069 applications. That would be a very big burden on my staff while they continue to try and do their day-to-day work. Please do not ask me to do it.

Senator McGAURAN—You have been given many burdens. In fact, I would say that the whole morning has been wasted on frivolous questions where we have reached the absurd. Senator Carr has said that he is not—

CHAIR—Do you have a question rather than a comment?

Senator McGAURAN—Yes, I do—on this matter. Given that I have just placed a burden on the department, an equal burden has been us spending the whole morning talking about releasing the department's recommendations to the minister. The final word from Senator Carr was that he is not interested in that at all.

Senator CARR—You always have this problem: you cannot hear. That is your problem.

Senator McGAURAN—So who is interested? Perhaps one or two members on the committee.

Senator CARR—I was talking about the ACC recommendations.

CHAIR—Order! Let us not have a running commentary on what questions have been asked and your interpretations of them. I have to say that was not Senator Carr's line of questioning at all. It was about the recommendations—

Senator McGAURAN—That is it: he is not interested. Why were—

CHAIR—Excuse me!

Senator McGAURAN—Why are—

CHAIR—Let me finish! Senator Carr's questions were specifically directed to recommendations of the area consultative committees, not recommendations of the department or the minister. If you had listened you would have known that. Do you have a question? Please ask a question.

Senator McGAURAN—My question is this: that is exactly right about Senator Carr. So who is interested in getting the department's recommendations to the minister? We all know that this is normal practice in a government. We have wasted the whole morning pursuing that point. Not even Senator Carr wants to know. That is the point I was trying to make.

CHAIR—Okay. Thank you.

Senator BARNETT—Do you have another question?

CHAIR—He has not got a first one.

Senator BARNETT—Are you right? I will go while you are thinking.

Senator McGAURAN—I do have several other questions.

CHAIR—They have not been given to you yet.

Senator BARNETT—I want to finish on this chart, and I have one other question about the bottom part of the chart. My analysis of the rural and regional areas is that your figures are: ALP 40 and coalition 29. That is about half. In terms of the projects, the applications put in, the numbers are 59 to 506. So you have half the representatives and they are getting nearly nine times the applications from the coalition. If you look at it in stark terms, if you do a short analysis, you can see that those coalition electorates have been five times more active in terms of the constituents, the ACCs and the community groups in putting applications in. The figures for the remote section are pretty much the same: the ALP has seven representatives and the coalition has eight. Then you have 66 to 177. That is nearly three times the number of applications. I just make a point about the awareness in those electorates by the ACCs, by the local members, who are doing their job extremely well in terms of encouraging community involvement and community applications from various community groups or businesses. That has obviously succeeded. On the other side, whether the Labor members have been dilatory, I do not know, but that is a possible analysis.

CHAIR—Have you got a question?

Senator BARNETT—The question is: how do you make the community aware of Regional Partnerships? What programs are in place? You obviously have a web site. What programs do you have in place to encourage the community and to make available this information to them?

Mr Yuile—I might start and Ms Riggs might continue. Each of the ACCs has its own processes of advertising and publishing the availability of this program and indeed other government programs in which they might be involved. I think we have already mentioned that there is the GrantsLINK web site. There is the rural information booklet and web site on government programs across the board—not just Regional Partnerships but all government programs. Then of course there may well be activities which members undertake separately. There are a range of activities that the department and the ACCs undertake in order to make known the program, the guidelines and the manner in which proponents could apply. There may well be others.

Ms Riggs—I think it is quite a conscious decision on our part that it is predominantly through the work of ACCs that the availability of Regional Partnerships is spread. That is not to say that we hide it on our web site or on GrantsLINK, which is a web site we sponsor but which contains details of some 160 programs available from this government, across 14 or 16 different departments, or in our Commonwealth Regional Information Service, which provides access to all sorts of government departments, government assistance and government programs.

But the predominant work is at the local level, because of the very strong emphasis in Regional Partnerships on there being partnership, on it being tied to the local community and on it meeting the needs of the local community. I think the sorts of activities of the ACCs that are incredibly effective in spreading the word include the fact that most ACCs do not just meet in one place; they travel around the communities within their regions. Their executive officers in many cases, for example, run grants-writing workshops. They are not just focused on Regional Partnerships, although they do use the Regional Partnerships application form as a predominant example. Their focus is on what sorts of things governments want to know about your project and your organisation and what are the sorts of demands for accountability that you are likely to encounter if you apply for and are successful in getting money from government.

Most of the ACCs run those through non-metropolitan Australia in particular. They are highly successful in equipping communities and community organisations with the skills to apply for government funding and in raising the awareness of regional partnerships. So it is mostly through those sorts of targeted activities that the message about regional partnerships actually gets to the people who might benefit from them.

Senator BARNETT—My analysis of this page in your submission is that it refutes and kills off entirely the allegation that there is pork-barrelling in coalition seats throughout Australia, and in rural and regional parts of Australia in particular, because the success rates are exactly the same in terms of whether applications are made from a Labor seat or a coalition seat.

Ms Riggs—I think I have to leave the politics of your conclusion to you, but, yes, we included this analysis because for us it does demonstrate the fact that the rate of approval of applications is not dependent on either location within Australia or location in terms of the party affiliation of the sitting member for an electorate.

Senator JOHNSTON—I have one further question along these lines. Have we had any complaints? Is there a mechanism for someone who is unhappy about the program in terms of them not getting the right funding or the ACC not being proactive? Have you received any complaints about the system from people who would be users of the system, people who would be applicants, and do you have any basis to accommodate such complaints?

Ms Riggs—There are three vehicles that I might mention. The first is that on the department's web site there is a 'contact us' facility. It is a generally available mechanism for anyone who wants to contact the department. They can have a go at us about anything they like—and they can send us bouquets as well as brickbats. Occasionally something comes to us through that route in relation to regional partnerships or ACCs. Another form of direct contact is through my email address, Peter's email address and the addresses of some of my colleagues. These are not exactly private and we do get emails and phone calls occasionally from unhappy customers. We follow those through generally to some form of resolution.

Senator JOHNSTON—Is there any common thread in the sort of complaints that you get?

Ms Riggs—I will just mention the other two avenues first. The second avenue would be a direct comment from someone of 'I think the ACC is misbehaving'. Again, that can come to us in a number of ways. We maintain under our internal audit program a capacity to have our contracted internal audit provider investigate allegations against ACCs under our internal audit and review processes. We have done about half a dozen of those over the last two or three years—in part at least selected because there had been some form of question raised by people outside the department about the actions or activities of an ACC. So out of the nine or 10 done in the last two to four years about half of them in part resulted from our wanting to investigate them because there had been some complaint.

The third kind of broad avenue for disgruntled or unhappy applicants is through our review mechanism. We do, as most good programs do, provide a review mechanism within Regional Partnerships. It is a fairly constrained review mechanism because, as I have already said in response to other questions, we also provide quite detailed information on why an applicant's application was knocked back with a view to the applicant then being able to reformulate the application and apply again. But there is a formal review mechanism if an applicant believes that we have either not properly or not fully taken account of the information they have provided or that we have misconstrued or misunderstood that information. We have had about a dozen applications for review under that mechanism. So we think there are a reasonable array of complaint and review type mechanisms available for someone who is not happy about the process.

Senator JOHNSTON—Is there any common thread in the complaints? Can you draw a broad-brush picture as to what complaints usually relate to?

Ms Riggs—I have to be pretty frank and say that the complaint fundamentally usually comes down to a person saying, 'I asked for a gift from the government, and I didn't get it.' It is not actually about the actions or behaviours of any one of the parties who contributes to the advice that goes to the minister, on the basis of which he or she makes the decision. It is usually an aggrieved party.

Senator JOHNSTON—So there is no challenge to the integrity of the process as such; it is just the outcome?

Ms Riggs—Yes. I agree with that. But I have to say that, as we are the controllers of the process, we are likely to be the last place that a complainant would come to if they believed that we were managing an inherently biased process.

CHAIR—Senator Stephens has some questions on this table that I have in my hand, which we will come to in a moment. Just in case the request was not clear, could the information I requested in order to complete the table on those applications that are not covered by ‘approved’ or ‘not approved’ be provided in the same format—in other words, those applicable to ALP, coalition and other electorates?

Ms Riggs—I have read those terms and I have asked if it can be done as quickly as possible.

CHAIR—Thank you. I have my understanding of what a metropolitan region is and of what rural and remote electorates are, but could you identify the break-up of electorates in each of those categories for us.

Ms Riggs—I am sure we can.

Mr Yuile—Just to be doubly clear, I am sure we can, but there is a question of timing. We will obviously try as quickly as possible to get the ‘withdrawn’ and therefore the ‘still under consideration’ categories. I am not sure how quickly we can get the other as well. We should be able to do it quickly, but whether it is today or tomorrow, I am not sure.

CHAIR—Do your best, Mr Yuile.

Mr Yuile—I just wanted to be sure.

Senator MURRAY—Earlier we asked the department to think about the reasons why applications are not as forthcoming from some electorates as from others. I assume that you will throw the ACCs into that, because ACCs do not automatically coincide with electorates, as I understand it.

Mr Yuile—That is correct.

Senator MURRAY—So we need to look at that as well. The other thing I ask you to look at is what I suspect is a paucity of applications concerning specifically Indigenous projects. Because I got the document today, I have not gone through all the Regional Partnerships ones. From a quick reading, on the Sustainable Regions table of approved projects I can only identify two that concern Indigenous people. One—and please excuse my pronunciation—is the Djabugay Tribal Aboriginal Corporation tourism guide, and the other is the Wunan Foundation, the Kimberley Aboriginal Tourism Project. On the face of it, it seems to me that two out of all those shows too few applications coming from directly Indigenous concerns—that might be the case here. Could you take that into your thoughts in coming back to us at a later stage.

Ms Riggs—There are a few others other than those two. For example, there is the Redclaw aquaculture project in the Kimberley sustainable region, and the black tiger prawn project in the Kimberley region is from one of the Kimberley based Indigenous organisations. They may not be immediately obvious. But I think your conclusion is a fair conclusion to draw. While, again, it will not be obvious to you from the RP approvals, there are a very small number of Indigenous organisations that are applicants under both these programs. I note your remark. We might add it as part of our approach, however we make the approach.

Senator MURRAY—And you will make it part of the information you give back to the committee before our July deadline?

Ms Riggs—Yes.

Senator JOHNSTON—Chair, can I ask a question?

CHAIR—No, Senator Stephens has been waiting very patiently.

Senator JOHNSTON—It was on Aboriginal matters.

CHAIR—I did say I would give the call to Senator Stephens.

Senator McGAURAN—I have another question, Chair.

CHAIR—I know you have a question, Senator McGauran. Senator Stephens has the call.

Senator STEPHENS—I have a question in relation to the same table, and then we can move off that table. The first table has two projects under ‘various’, which I understand would be the allocation of \$144,000 to the Department of Health and Ageing for funding of Crocfest and \$12.734 million to the sugar package. Under the ALP electorates, does the \$36 million include funding of \$2.7 million for the Christmas Island project with Telstra?

Ms Riggs—Yes, it does. That is a really good question. Where they clearly belonged to electorates we did in fact put them in the electorate, although I can see where your reasoning might be going. These two clearly could not be assigned to any one electorate.

Senator STEPHENS—The sugar package could, couldn’t it?

Ms Riggs—No. It was not for any particular one of the subelements of the adjusting region.

Senator McGAURAN—You mentioned in your submission that support for the Regional Partnerships program has attracted great support from state governments, such has been the success of the program. To further enhance the integrity of the program, which we are trying to prove today, are you able to show us, in a similar but certainly not as detailed chart—perhaps just in percentage terms—the electorates, with the same break-up of coalition and ALP electorates as you have here, in which the state governments have given support for the partnerships program?

Ms Riggs—Let me just be clear, Senator. This would be for those elements of contribution to the projects that the \$123 million of Commonwealth government assistance has been allocated to? What is the equivalent state government money and how does it distribute across the federal electorates?

Senator McGAURAN—Yes. If that is a big project, I am happy to just get your view. I would not only assume, I would venture to say, that it would show support across electorates, just as this chart does. I think we would get the same result. Such is the integrity, support, success and credibility of this program that the state governments got on board and have been happy with the transparency of it. We would get the same result.

CHAIR—Senator McGauran, that is not a question. Are you asking for the information or not?

Senator McGAURAN—Are you able to produce it, Ms Riggs?

Ms Riggs—Chairman, I would like to give my staff an opportunity to consider the amount of work that would be involved in compiling that particular set of information in that way. I can be really confident that we cannot do it in the space of these two days of hearing. I would like the opportunity to advise the committee beyond that session what might be possible and what time frame we could do it in. Would that be okay?

CHAIR—Certainly it would. I draw Senator McGauran's attention to the fact that in many of those electorates, I would venture to say, the state members would be of a different political complexion from the federal members. So we can go down that road forever and a day. And an electorate—

Senator McGAURAN—Then you are saying—

CHAIR—Excuse me!

Senator McGAURAN—the state government have acted politically—

CHAIR—No—

Senator McGAURAN—if they look at what state members are there.

CHAIR—No, what I am saying is that, if you are trying to draw an analogy out about how much money was put into a particular electorate by a state government and then relate it to the state government's funding to federal electorates which are held by the ALP, the coalition et cetera, you are going to be using information in a way that is different from the break-up of the state electorates right across the country. That is the point I am drawing attention to. This information has been compiled on the basis of federal funding going to federal electorates. Ms Riggs, you have taken—

Ms Riggs—We will see what is possible.

CHAIR—the question and issue on notice, and you can let us know what is possible.

Senator BARNETT—Just to back up Senator McGauran, I think that is vitally important. I asked a question earlier about partners. One of the key partners in many instances is the state government of the day. The issue that Senator McGauran was coming to and the one that I am interested in is this: a good proportion of these applications—or these projects that are approved—have state government support. Can you tell us now what the percentage of that support is? Is it a high or a low percentage? Do you know that now? In any event, we look forward to receiving that information, because it will be very helpful to the committee.

Ms Riggs—Across the board I have in my mind numbers that go like this: for every dollar of Commonwealth money that goes to these projects about \$3 comes from other sources. That is the average across the board. Clearly, there are projects where Commonwealth money is the vast bulk of it and, equally, there are projects where it is a relatively small share. But it is about a three to one attraction rate—or supporting rate, if you like. Of those three, the two other significant contributors are the proponent themselves, as I think we would all expect, and local government. Local government is the second biggest—again, generic—collective contributor, on average. The state governments, in terms of direct support, are relatively modest contributors to projects that are supported under Regional Partnerships. Their support is not non-existent and they are often very strongly involved in the project in some other way, either through some form of approval mechanism or in-kind support—or their departments are involved in the management and steering of a project—but the actual cash contribution from state governments is not necessarily particularly large. That does not mean there are not some individual projects where they are a very substantial partner in the project.

Senator BARNETT—Thank you for that.

Mr Yuile—We would also say that in relation to Sustainable Regions you would see a different outcome again, because you would certainly see more state government funding than federal funding.

Ms Riggs—No.

Mr Yuile—You don't think so?

Ms Riggs—They are still a relatively modest cash contributor, but they are often very important in approvals and, indeed, in the management of the non-private-sector projects.

Senator BARNETT—Ms Riggs, you also mention on page 22 of your submission this three to one ratio, or \$3 from the other partners—state government, local government and the private sector. So for every Australian government dollar that we inject about \$3 comes from those other entities. You say:

In addition, for every \$50,000 Regional Partnerships invests in communities, an average of three jobs is generated ... rising to over four jobs in the longer term.

How did you do that analysis? It seems a very good result for government investment. In terms of the longer term, can you help us there: is that two, five or 10 years? Can you help us a little bit in terms of the background there?

Ms Riggs—Yes, but I cannot drill it down and break it out geographically or by type of project. You have to do this at whole-of-program level. The three to one I think is pretty self-evident. We get an application, and it has other funding partners including the applicant in it. Clearly, the relative share that the Commonwealth grant comprises of the total grant is one of the indicators of the extent of partnership, community and consolidation around a project.

Senator CARR—So if it is 100 per cent Commonwealth, it does not have much partnership in it.

Ms Riggs—That is right, and I do not think there are many of them.

Senator CARR—There are some, though, aren't there?

Ms Riggs—Off the top of my head, I would be reluctant to agree with you, but I would not deny it absolutely. The three to one is an across-the-board average, and it takes account of both cash and estimated in-kind contributions. The estimate that, for every \$50,000 that Regional Partnerships contributes, three jobs are generated and four in the longer term is based on the claimed outcomes of the project. In the application, there are claims that the project will produce this many jobs or that it will create something for that community park. Not all of them generate jobs, of course, and certainly not directly. Of course, to the extent that we can, those claims are confirmed when we do the project monitoring and the sign-off of the project.

In addition, we have information from the evaluations of two of the predecessor programs, Dairy RAP and the Regional Assistance Program, that tell us that, for those projects that do generate roughly three jobs for every \$50,000 of Commonwealth investment, remembering that that means about \$150,000 worth of other parties' investment, some 12 to 24 months after the end of the project, for each three jobs that were created directly during the project, there are now four jobs in place. These are pretty macrolevel estimates, but they are based on real experience with this program and with its predecessor programs.

Senator BARNETT—But they are real jobs; they are direct jobs. Have you done any analysis of indirect jobs, in terms of the flow-on benefits to the community in that regard? Or has that not been done?

Ms Riggs—We have not, because it gets pretty tenuous to go on making too much of the claim that can be made about the success of the program.

Senator BARNETT—Sure. But it is fair to say that there would be a multiplier effect? We are just talking about direct jobs, so there would be a multiplier effect of whatever degree. Is that a fair comment?

Ms Riggs—The economists would say that that would be true of anything that generated jobs in a community, yes.

Senator BARNETT—So in terms of the program since it started, in 18 months you have spent \$120-odd million. If it is \$50,000 per three to four jobs, I have done just a thumbnail sketch and we are looking at probably 700 to 1,000 extra jobs that have been created. Is that a ballpark assessment?

Ms Riggs—Have been or will have been. That \$123 million worth of approvals is not all delivered and completed projects yet. But, yes, provided that, over time, the work that we have done to date continues to hold true, that is a reasonable conclusion for you to have drawn.

Senator BARNETT—So, up to about 1,000 jobs over time.

Ms Riggs—Yes.

Proceedings suspended from 12.33 pm to 1.34 pm

CHAIR—I now reopen today's hearing of this committee inquiry. Senator Brown will begin this afternoon's proceedings.

Senator BROWN—I have some diverse questions. First of all, there are eight projects in the Sustainable Regions Program that were announced in 2001. But two new ones were announced in September last year during the election period. They were for the Northern Rivers and North Coast of New South Wales and western Queensland and western New South Wales. Who made that decision?

Ms Riggs—The government announced that as one of its election platforms during the election period.

Senator BROWN—Were you consulted about that?

Ms Riggs—The government made that decision as one of the announcements it made during an election campaign. It is possible that some information which the department had given the minister's office in the middle of last year might have been used in the government's decision-making process, but it was a government decision-making process in the context of an election.

Senator BROWN—Has the department done an assessment since 2001 of which other regions might be considered for the program?

Ms Riggs—In the middle of last year the department pulled together some indicators of things such as—

Mr Yuile—Drawing on socioeconomic indices. There is an index called SEIFA, a socioeconomic index for Australia, which covers things like unemployment rates, educational 'attendance'—that is not the right word—

Ms Riggs—Participation—

Mr Yuile—participation rates.

Ms Riggs—and attainment.

Mr Yuile—A range of indicators is put together through the SEIFA index, including, as I say, unemployment, education rates and the like.

Senator BROWN—I can understand that.

Mr Yuile—Secondly, there is another called ARIA, which relates to remoteness and access to services.

Senator BROWN—Why was it three years after the inception of the program before this review took place?

Mr Yuile—It was not a review.

Ms Riggs—I did not describe it as a review. I said that in the middle of last year we gave the minister's office some information.

Senator BROWN—Why was it in the middle of last year and not the year before, the year before that or the year before that?

Ms Riggs—My recollection is that in the year before that we may well have given them some information also.

Senator BROWN—Well, your recollection will be that you did or you did not, not that you may well have.

Ms Riggs—My recollection is that on at least two occasions in the past two years we have given information about an array of indicators about an array of regions to the minister's office.

Senator BROWN—Did they indicate which regions might next be in line for being brought under this program?

Ms Riggs—We were asked to provide that information about a number of regions on each of those two occasions—a number of identified regions.

Senator BROWN—By whom?

Ms Riggs—The regions were identified by the minister's office.

Senator BROWN—So the minister's office has asked for an assessment to be done of a number of regions. Which regions were they?

Ms Riggs—I do not have that with me at this stage.

Senator BROWN—Could you supply that to the committee?

Ms Riggs—Yes, I think so, but I would want to check that with the minister's office.

Senator BROWN—Thank you. Has the department done an assessment, using the indicators that Mr Yuile was talking about, for the whole of Australia, to see which might be first in line in terms of socioeconomic and other indicators for being brought under this program?

Mr Yuile—Sorry, I missed the last bit of your question. Have we done analysis—

Senator BROWN—For the whole of rural and regional Australia since 2001 to assess which new regions might be first in line or might have the greatest need for being brought under this program?

Mr Yuile—I think the same applies to the answer that Ms Riggs just gave—and I was not here in the middle part of last year—that we certainly have, at different times, prepared material on different regions or at least what the indicators suggest to us. I do not recall that it was designed to lead to a conclusion about new or additional sustainable regions for the purposes of the program, but I would need to double-check that.

Senator BROWN—If I can be frank, the problem that arises from what I am hearing is that the minister is making requests to assess new regions for bringing under this program. That is a political assessment being made by the minister, but it is being made in the absence of an assessment being done throughout Australia to see which regions might most be in need of being brought under this program. I am asking whether the department has done an assessment of the whole of rural and regional Australia since 2001 to see which regions are most in need of being brought under this program.

Ms Riggs—Neither Mr Yuile nor I believe that the department has formed a view about which regions might, if the government wished, be included in the Sustainable Regions Program. We have compiled a number of indicators of what might be described as ‘relative regional disadvantage’ across a fairly wide number of regions in Australia.

Senator BROWN—There has not been a needs based assessment of the whole of regional Australia in terms of what this program might offer.

Ms Riggs—As fairly as I can, I have described what we have done.

Senator BROWN—Yes, but you have not done a full needs based assessment of regional and rural Australia to see which areas would have priority on a needs basis to be brought under this program, were it to be extended.

Ms Riggs—There are many different ways to describe what ‘needs’ might be, so I am very reluctant to answer the question in the absence of any agreed definition. We have looked at a diverse array of indicators of possible regional disadvantage over a large number of regions of Australia at least twice—twice that I can count—in the last two years.

Senator BROWN—Were those regions nominated by the minister?

Ms Riggs—On the second occasion those regions certainly included those nominated by the minister.

Senator BROWN—Were there other regions that were not nominated by the minister?

Mr Yuile—I think we said we would go back and check. I was not here and we need to clarify what was done.

Senator BROWN—Thank you. In your submission it says that the outcome of successful applications involves patron senators. What is a ‘patron senator’?

CHAIR—I was wondering that myself!

Ms Riggs—It is a term currently being used within the administration and by the government and refers to government senators who are asked to pay particular attention to the interests of residents in non-coalition held electorates.

Senator CARR—Does that apply to Labor senators as well? Do you treat Labor senators in the same way?

Ms Riggs—We do not treat them that way at all; this is a term that the government uses about its own senators.

Senator BROWN—We have patron senators who are involved in the publicising of these programs. They are exclusively government senators—not Labor, Green, Democrat or other senators. Are all government senators patron senators or on the list of patron senators?

Ms Riggs—I do not know.

Senator BROWN—What is a patron senator? Could you define it? You said it is a government senator.

Ms Riggs—We get advice from our minister’s office indicating that if a project is approved, for example, in a particular electorate then documentation that we prepare must include a letter from the minister or parliamentary secretary to the patron senator with responsibility for that electorate.

Senator BROWN—Senators have responsibility for all the electorates in the state or territory from which they are elected. You are describing to the committee a process whereby there is a political selection made by the government to exclude all non-government senators from the announcement of successful applications for taxpayer funding under these programs in regional and rural Australia. Does the information about which patron government senator is to be part of the good news come to you only in each specific case, for each announced project, from the minister at the time?

Ms Riggs—No. A list of them is advised to us from time to time.

CHAIR—So the department has a list of all coalition senators and the electorates for which they are patron senator in each state? Are you saying you have that information?

Ms Riggs—Yes. We have that information.

CHAIR—And that reflects the coalition parties’ decision on who they have appointed internally?

Ms Riggs—That is right.

Mr Yuile—We assume.

Ms Riggs—You would have to make that assumption.

Senator BROWN—Could you provide to the committee a list of patron senators and the electorates for which they have patronage.

Ms Riggs—I will ask if the minister is happy to make that available to the committee.

CHAIR—What arrangements are made to notify other senators?

Ms Riggs—The package of information we provide with each recommendation includes letters to the proponents, the chair of the ACC, the local member and, where appropriate, the patron senator.

CHAIR—Let us explore what that means. First of all, there are no provisions or arrangements for advice to be given to non-government senators about any projects and decisions.

Ms Riggs—Not in the standard package of information we provide.

CHAIR—What do you mean by ‘where appropriate’?

Ms Riggs—I mean the local member and the patron senator.

CHAIR—I cannot remember your exact words, but I think you said—

Ms Riggs—I did say ‘where appropriate’.

CHAIR—That suggests that, in some circumstances, a patron senator may be advised, and, in other circumstances, they may not be.

Ms Riggs—No. In some circumstances, there is a patron senator, and, in other circumstances, there is no patron senator.

CHAIR—So what you are saying is that, in the cases where there is no coalition member of the House of Representatives—

Ms Riggs—There is a patron senator.

CHAIR—That is right, because, as I understand it from your advice, there are no patron senators for seats held by the government.

Ms Riggs—That is right. That is what we are advised by the government, yes.

Senator BROWN—Where a patron senator is notified about a project in an electorate, but there is not a government member in that electorate, is the member of that electorate always involved as well?

Ms Riggs—We always provide a letter to the local member, as part of our package of information.

Senator CARR—Does provision of information in relation to patron senators apply only to these programs within the department, or is it an administrative practice that applies to all departmental programs in your department?

Ms Riggs—I will have to check that.

Senator CARR—Ms Riggs, you have worked in a number of departments, and I have been here probably as long as you have. I have seen you sitting across the table regarding a whole range of areas. I do not recall this administrative practice occurring in any other government program. In your experience as a public servant, have you come across it before?

Ms Riggs—Senator Carr, in my experience, to which you have alluded, there have been many ways in which governments and particular ministers have chosen to publicise the outcomes of decision-making processes. Some have involved senators, some have involved both senators and members, and some have been done entirely by the decision-making minister. In my experience, I do not believe this is a unique arrangement.

Senator CARR—But, in your experience, has provision of specific advice about a duty senator's—or patron senator's—responsibilities for specific electorates occurred in other departments?

Ms Riggs—Using the term 'duty' is of course very wise of you on this occasion because that notion has been around for some time in my experience. It has not been uncommon for duty senators, as so-called in the past, to be given advice about program outcomes.

Senator CARR—But on all occasions?

Ms Riggs—No, I said there is a diverse array of ways in which ministers seek to make the outcomes of decision making available and some of them have involved senators and some of them have involved members—

Senator CARR—I will be quite frank with you.

Ms Riggs—I am being very frank with you too.

Senator CARR—When you were running the schools program in the past you would have advised me about some schools programs in Victoria—

Ms Riggs—Yes.

Senator CARR—but not all schools programs in Victoria and only when the local member was not available or some other specific occasion. It was not a matter of routine that I would be advised, for instance, about Ballarat schools. I was not advised on all of them. It was when the minister needed a representative to open a school, for instance. Those are the circumstances I am

referring to. I am surprised, though, that there is administrative practice that says that as a matter of routine you involve certain senators.

Ms Riggs—As a matter of routine we prepare a letter for the duty or patron senator.

Senator BROWN—When did that practice begin?

CHAIR—But only the government one.

Mr Yuile—Patron or duty senator.

Senator CARR—No, they are not duty senators but patron senators. ‘Duty senators’ is a Labor Party expression, to be clear about this.

CHAIR—That is exactly right: we do not get told.

Senator CARR—We do not get told despite the fact that these are our electorates as well. In the state of Victoria I am elected across the state, not just by Labor electorates.

Senator BROWN—Can you tell the committee when the patron senator process was established?

Ms Riggs—The processes have been in place basically since the start of Regional Partnerships, which was in July 2003.

Senator BROWN—Who appoints the area consultative committees?

Ms Riggs—The minister appoints the chairs of area consultative committees, and the chairs—under the terms of the articles or memorandum of association of each of those ACCs—take responsibility with committee members to ensure that an appropriate committee membership and representation is achieved.

Senator BROWN—Does the chair nominate the committee members or does that come through community—

Ms Riggs—There are many ways in which committee members are nominated, often by other committee members or people in the community. No, the department has nothing whatsoever to do with the membership, other than providing advice to the minister about the chairs of the committees.

Senator BROWN—Is there an advertising process for committee members?

Ms Riggs—Yes, in some ACCs there is.

Senator BROWN—Who makes that decision?

Ms Riggs—The ACC makes that decision under the terms of its articles of association or memorandum of association.

Senator BROWN—So the minister appoints a chair, maybe with your recommendation, and then there is the job of appointing the committee. It is the reverse of the usual role, where you have a committee who then vote for a chair. With that, the chair is largely powerful in determining how the committee will be established. Is that right?

Ms Riggs—Each of the ACCs is established as a registered association or an incorporated association under the terms of the relevant and applicable state or territory—in the case of two ACCs—legislation. The articles or memorandum of association that apply to that ACC, and which are determined by that ACC, govern how the committee is appointed, selected, how it operates and so on.

Senator BROWN—Does the chair instigate that process or does the department instigate it?

Ms Riggs—No, the association instigates that process.

Senator BROWN—I go back: how does this committee get established?

Ms Riggs—They were established first in 1995. So they are not newly established; they are refreshing and renewing organisations, which is why I am trying to say to you that it is the committee and the association itself that are responsible for its ongoing health and operations.

Senator BROWN—The two new committees that were established last year for the two new regions; what was the process there?

Mr Yuile—There were different issues in that.

Ms Riggs—It was a different process—and there were different forms of committee—for the Sustainable Regions Program from the ACCs. We have not established new committees because the government has not yet concluded its deliberations about how it intends giving effect to its election commitments.

Mr Yuile—For those sustainable regions. There are 56 ACCs, as you know, across Australia—metropolitan, rural and regional and remote.

Senator BROWN—I want to ask some more questions on Senator Carr's original questioning about the University of New England grant, which seems extremely meritorious for the National Centre of Mathematics, Information Technology and Science Teaching for rural and regional education. Firstly, is the information on the chart that has been given to us about the times of approval and the projects and when they were applied for and so on correct, as we have it before us?

Mr Yuile—Could you direct us to that page again? Is it page 9?

Senator BROWN—It is.

Ms Riggs—Yes, I believe that is correct.

Senator BROWN—Are you aware of any earlier application or approach for that particular grant for consideration?

Ms Riggs—No, Senator. However, I have to be quite frank with you and acknowledge that, while the final application was only formally lodged by the university on 21 June, the department had been aware of drafts of that application and indeed had seen them on several occasions over a period prior to that.

Senator BROWN—Do you know what sort of period?

Ms Riggs—Off the top of my head, I don't. I would have to check.

Senator BROWN—The application date here is 21 June last year, then the date of approval was 24 June. On the date of the approval, if I am not wrong, the approval was advertised in the *Northern Daily Leader* and the day before in the *Armidale Express*. Can you enlighten the committee as to how the approval could have been known to persons who were placing advertisements before it had been made public?

Ms Riggs—No, I cannot.

Senator BROWN—The date of approval was 24 June. In what form was that approval finalised? Who finalised the approval on that day?

Ms Riggs—As this table tells the committee, Mrs Kelly was the decision maker. The normal process for the indication of approval is that the decision maker puts a signature and date on a document, which the department has provided, with a recommendation.

Senator BROWN—What I am interested to find out here is how somebody could have had the confidence to have placed an advertisement at least the day before, if not a couple of days before—on my looking at it, taking some days to get the information required in that advertisement—and before the minister's approval, a signature had gone on the document. Can you enlighten the committee as to how that might have occurred?

Ms Riggs—No, I cannot.

Senator BROWN—There was an advertisement on 24 June in which the candidate for New England for the National Party claimed that this was an outcome of National Party work. Is that true?

Ms Riggs—I am sorry, Senator. I do not understand the question.

Senator BROWN—I am saying that on 24 July, which is the date on which the application for funding was agreed to, there was an advertisement placed in the *Northern Daily Leader* which said that The Nationals candidate for New England, Trevor Khan, said it is only The Nationals as part of the coalition government who can deliver projects such as this. He said that this is the largest non-roads project funded by the Australian government in the electorate since

the last federal election. I know that is a political statement and it was delivered in a national election campaign, but is there anything that would lead you to agree with Mr Khan's claim that it is only The Nationals, as part of the coalition government, who could deliver a project such as that?

Ms Riggs—We spent considerable time this morning going through the table that I think says that, provided the applications arrive, the rate of approval is the same irrespective of the political affiliation of the local sitting member. So, no, I do not know that the department can in any way help you understand where such a statement might have come from.

Senator BROWN—I am glad of that answer. Thank you.

Senator MURRAY—So you are saying it is untrue.

Senator BROWN—Yes. A number of university professors in New England—and this led to some contention, as you may be aware—claimed then that the project was developed by the university with The Nationals. I am quoting from Professor John Pegg: 'This project was developed by the University of New England with The Nationals, because we both have a demonstrated joint commitment to improve the support provided to rural based school students, who represent our future. The Nationals and UNE have been able to develop a most innovative program.' Professor Minichiello said: 'The Nationals were able to deliver the results we need. In my view, this program will make a real difference to ensuring that rural students will be well equipped to secure a bright future.'

I should say on behalf of both gentlemen that later on there was some debate about this and it was considered that there may have been some naivety about being involved in the political debate. Have you got any information you can put to the committee which shows that The Nationals were in fact the deliverers of this decision to allocate \$4.95 million for this meritorious program to the University of New England?

Ms Riggs—I think that all I can say to you is that the name Professor Pegg is not unknown to me, since I am aware that a member of my staff was in contact with Professor Pegg in the period leading up to the formal submission of a draft application, as I have already described. That is all I can say to you about what you have just said.

Senator BROWN—That is part of a process that you are telling us about.

Ms Riggs—That is right.

Senator BROWN—But you cannot give the committee any information which would verify the claim that The Nationals were able to deliver this result?

Ms Riggs—I can only say that Pegg was the representative of the proponent in this case and that The Nationals are part of the government, a minister of which agreed to fund this project. That is all I can say.

Senator BROWN—Thank you. There was enormous community backing—I think unanimous—from community groups for this particular project at the University of New England, which has wide, positive flow-on for all of rural and regional Australia, potentially.

Senator JOHNSTON—Don't tell me the government were responsive, Senator!

Senator BROWN—Can you enlighten the committee as to why the application waited until 21 June and then went through in three days, on 24 June? You have already indicated that a lot of preparatory work had been done before the formal application was lodged. But it is unusual among the suite of projects that have been approved that you have put before the committee. To be frank about it, I am asking here whether there was political expedition brought to bear in June of last year in the run-up to an election to have this project suddenly come to fruition and be announced in the way it was, with such fanfare, as a win for The Nationals.

Ms Riggs—I have to acknowledge that once that application was formally lodged we were asked to expedite our advice to the minister.

Senator BROWN—By the minister?

Senator CARR—Who asked you?

Ms Riggs—The minister.

Senator CARR—Why was it necessary to make it a SONA project?

Ms Riggs—For the very reasons that Senator Brown has already outlined. This was a project which went way beyond the area of one area consultative committee. It was a project aimed initially at improvements in maths and science teaching in the schools in New South Wales and ultimately to hub that—that was the term used in the application—to schools right throughout Australia to improve the quality of teaching and learning for maths and science students outside metropolitan high schools. It was a genuinely national project.

Senator CARR—So which ACCs did you consult?

Ms Riggs—The consultation on this was through the New England North West Area Consultative Committee.

Senator BROWN—When was that consultation held?

Ms Riggs—We followed our usual process. As soon as the application was lodged we provided it to the ACC. Then in the light of the request that we expedite it, as I indicated this morning, we asked the ACC to expedite its consultation. I have already taken on notice asking the ACC if they are prepared to advise us how they carried out that process on this occasion.

Senator BROWN—Was that done, to your knowledge, between 21 and 23 of June of last year?

Ms Riggs—Yes, it was—to my knowledge.

Senator BROWN—Was that an ordinary or a special meeting by the ACC?

Ms Riggs—In this morning's conversation I agreed to take on notice for Senator Carr precisely that question.

Senator BROWN—Okay. The ACC's web site does not carry a listing for this now. It did earlier on. Do you have any reason as to why that might be so?

Senator CARR—Sorry: a listing of their meetings?

Senator BROWN—A listing of this project's approval.

Ms Riggs—No, I have no idea.

Senator BROWN—Are the minutes of the ACCs on the public record or can they be made available to the committee?

Ms Riggs—I am sure the committee could ask the New England North West ACC if you could have access to their minutes. But they are not something under the department's control and they are not required to be public, I think, by the terms of the New South Wales act that governs registered associations in New South Wales.

Senator BROWN—I am sure we will make that request. I only have one further question on the matter. We were running into a national election in June last year. Can you provide the committee with any other reason than an impending election for Mrs Kelly's request for the expedition of this project's approval?

Ms Riggs—I can only say that my understanding is that the university was making representations to her that it wished formally to be able to get the centre off the ground as early as possible in the 2004-05 financial year, and that was very rapidly approaching at the time they lodged their application.

Senator BROWN—When did the centre get off the ground?

Ms Riggs—I will take that on notice.

Senator BROWN—Thank you.

Senator CARR—Why didn't the education department fund it? Surely you would have evaluated that when you made the allocation of \$5 million.

Ms Riggs—My understanding is that there was some consideration between offices. Issues to do with the construct of programs within the Department of Education, Science and Training made this a less good fit for those programs than perhaps it would be for Regional Partnerships on this occasion.

Senator CARR—I will have to come back to that extraordinary answer.

Senator O'BRIEN—I want to return to the subject that Senator Carr addressed earlier this morning—that is, the refusal to provide the ACCs' recommendations. Ms Riggs, this morning you talked about the Mordek inquiry—for want of a better term—as one you remembered vividly. Those were your terms.

Ms Riggs—I did.

Senator O'BRIEN—You will recall then that we discussed at length the ACCs' recommendations and involvement in that particular dairy RAP funding application.

Ms Riggs—I do.

Senator O'BRIEN—I am wondering, given that we were able to explore that in detail then, why the department now takes the view that it will not assist this committee by providing the ACC recommendations in the same way as it assisted the committee on the Mordek inquiry with the ACC information.

Ms Riggs—The particular project that you are referring to was approved under the terms of the Dairy Regional Assistance Program. That had different guidelines and different procedures than Regional Partnerships. I hope that Regional Partnerships has built on the best of many of its predecessor programs, but they are not identical. We also took the opportunity with the creation of Regional Partnerships to clarify the relative and respective roles and contributions to the Regional Partnerships program of bodies such as the ACCs vis-a-vis the roles of the department and of the minister and so on, and in Regional Partnerships we have quite clearly specified the ACCs as having that combined role of giving advice to the minister which is used in the department in formulating its assessment and therefore its advice to the minister. So the circumstances have changed.

Senator O'BRIEN—So you are saying that a decision was made in or around June 2003 that you would seek to make sure that ACC recommendations were only provided to the department and the minister and no one else?

Ms Riggs—One of the conclusions I think of the very inquiry that this line of questioning started from was that the department should better specify the respective roles and responsibilities of the ACCs in relation to program administration. I believe one of the things we have done in Regional Partnerships is precisely follow that recommendation, and one of the conclusions of that is the situation we now find ourselves in.

CHAIR—But if you cannot test that—

Senator O'BRIEN—I hear what you say but there is nothing in the recommendations that suggests that ACCs' advice should be concealed from the public. How do you extrapolate that from the committee's findings?

Mr Yuile—Senator, they are your words. It is not about concealing from the public; it is about the due processes in providing advice to the minister. I make that distinction.

Senator O'BRIEN—It does remind me—and I have talked to colleagues about this—of the circumstance where a former government in Tasmania sought to include every possible document it could in cabinet briefings so that in defence against a freedom of information application it could say, 'It's a cabinet-in-confidence document.' I want to know what the process was and when the decision was made to ensure that the ACCs' recommendations on particular projects were not to be made available to any form of inquiry and were to be considered protected advice to the minister.

Mr Yuile—I do not think the motivation was to keep information from the committee. As Ms Riggs said earlier, the motivation was the question of putting together a robust process which combined the advice of the department and the advice from the ACCs, who also, as Ms Riggs has said, have an independent role in assistance to their local communities. The motivation was in trying to bring that together and provide the minister with the most comprehensive picture from both the department and the ACCs; it was not to keep information away from this committee or from anyone else.

Senator O'BRIEN—If the ACC recommendations are entitled to such special protection that they cannot be disclosed to this inquiry, can you tell me why they have appeared in coalition media statements announcing regional project funding? They are either protected or they are not, aren't they?

Mr Yuile—As we said earlier today, we are discussing the manner in which we put together our advice and assessments to the minister. The question of what ministers choose to release is another question.

Senator O'BRIEN—I am sorry, the question of what the minister chooses to release is another question?

Mr Yuile—There was an earlier discussion about ACC recommendations being released or acknowledged by a minister in a press release or in a statement. That is a call for the minister; it is not a call for me. Our consideration is in putting together a comprehensive picture and the best advice we can for the minister on which he or she can base a decision. In doing that and in going through that deliberative process, we pull together both the assessment work of our regional offices and our national office and we pull together the commentary and the recommendations, or ratings, of the ACCs with respect to those projects.

Senator O'BRIEN—When was the decision made that the ACC recommendation would be rendered protected by this advice to the minister code?

Mr Yuile—Do you mean when we decided to include the ACC advice with our own advice in providing recommendations to the minister?

Senator O'BRIEN—It is the same thing but yes.

Ms Riggs—Except that Mr Yuile has already explained that the motivation for doing this—and you are implying a motivation in the way you are constructing the questioning, it seems to us—was to provide a robust process and not, as you implied, to somehow obscure or hide some information.

Senator O'BRIEN—But it is a change from the previous process, and I am really trying to understand what you mean by 'a robust process' when previous ACC advices could be made available.

Mr Yuile—Senator, I think you were the one who raised earlier recommendations about improvements to our processes through the Dairy RAP outcomes.

Senator O'BRIEN—Indeed, because in that case the ACC recommended a project which did not fit the guidelines, not to provide an excuse to obscure a document from a Senate inquiry.

Mr Yuile—I can only say again that the assembling of this process and the development of putting the best and most balanced advice to the minister to give him a comprehensive picture was the motivation. The motivation was not to obscure or to withhold information in the way you have suggested.

Ms Riggs—And to go back to the question that started this small part of the discussion: this is the arrangement that has been in place since the inception of Regional Partnerships on 1 July 2003.

Senator O'BRIEN—When was the decision made to use this approach, if I can use a neutral term?

Ms Riggs—It was made during the first half of 2003—in the way in which we developed, refined and defined our administrative processes leading up to the start of a new program on 1 July 2003.

CHAIR—Is an ACC prevented from releasing the same information itself in its annual report or publicly in a media release if a project—

Ms Riggs—There is nothing in our contract or in the guidelines to ACCs that I believe would stop them from making such information public.

CHAIR—And they may want to use the approval of a project and their support of it as a means of promoting the worthwhile objectives of their ACC.

Ms Riggs—Indeed, sometimes they may not wish to make it public as a means of not distressing members of their community where they have not supported a proposal.

CHAIR—I understand that, but the point here is that there does not seem to be much logic, to be honest, to the situation we now have. We have been told constantly that one of the ways you make it appear that these things are properly processed and assessed and have community support and so on is the involvement of the ACC. That is held up to us constantly as being the counter to any argument about political patronage. But when we try to test that out we are told here that we cannot be advised about it.

Senator O'BRIEN—In terms of what I think you said, Ms Riggs, there is not a legal requirement that the ACCs do not reveal their recommendations.

Ms Riggs—I did say that.

Senator O'BRIEN—It would follow that there is no legal impediment to this committee requesting or requiring that they provide that information to this committee.

Ms Riggs—You know what this committee is able to do much better than I do.

Senator O'BRIEN—I am sure. If I understand the position of the department and the government, that matter would have been considered, which is the reason I asked the question. Do you know whether there are any legal impediments which would prevent this committee from obtaining that information from the ACCs, either voluntarily or by compelling them to provide it?

Ms Riggs—I am sure that the ACCs would wish to be as helpful to this committee as they could were you to make such a request of them.

Senator O'BRIEN—I wonder why we need to go through that process when the department has that information, but if the committee has to, I suppose, it will need to consider that. Can the department tell me why it has decided not to provide the level of funding sought by the approved applicants?

Ms Riggs—It is either there in the approved amount, or the amount that was approved is at odds. In the same way that we do not believe we should disclose to you that funding has been sought by someone who has been unsuccessful or who has withdrawn their application lest it prejudice any other seeking of funding they wish to pursue, where the amount sought is different from the amount approved it is the amount approved that will be acknowledged and made public. It is, after all, taxpayers' money which we seek, on behalf of the minister, to be accountable for. So it is that amount that we have disclosed.

Senator O'BRIEN—So this is a new policy approach by the department to the applications and the provision of this sort of information?

Mr Yuile—I do not know about a new policy approach. It is not—

Senator O'BRIEN—I can tell you that this information has been disclosed to the parliament, including to this committee during its Dairy RAP inquiry.

Ms Riggs—About a previous program.

Senator O'BRIEN—Yes, that is right, but it is the same sort of information about an application. The principles applying to one application apply to another, don't they? It is the same principle.

Ms Riggs—We have genuinely tried in Regional Partnerships to embody all the best of good practice in terms of public administration and to make it a program that people feel comfortable to apply for and where people feel like good, respected customers of the government. Some of that means we have changed from some of the positioning of the past where information was perhaps disclosed in circumstances that may not have been entirely to the liking of applicants

who were not then approved proponents or did not get precisely what they asked for, and I make no demur from believing that we have now moved to a position of better practice in that regard.

Senator O'BRIEN—The department would be aware that Mr Anderson has previously released dozens of original regional funding application forms—in fact, in response to requests by me—disclosing amounts sought by applicants and that copies of those applications are available at the Senate Table Office. Which of those were the subject of the sorts of complaints that led you to change the policy?

Ms Riggs—If you would give us an opportunity—and I cannot promise to do it between now and close of business tomorrow—we will undertake to have a look at those that are available at the Senate Table Office and, somewhere in the course of this inquiry, to provide you with an answer to that question if it is doable within our resources.

Senator O'BRIEN—They would be the only ones who would have complained, wouldn't they? Or are there others?

Ms Riggs—I simply do not make the presumption that leads you to that question, and I have not had the opportunity to refresh myself as to what those applications might be.

Senator O'BRIEN—Can you explain why the department will not reveal details of the public funding contribution to each approved project, when that sort of information was previously disclosed to the parliament?

Ms Riggs—I thought our tables did include the approved grant for approved projects.

Senator O'BRIEN—You are right. I have relied on the earlier document. I apologise. The document we have now has a column which talks about the date of application. Can we reliably take that as the date of lodgment of the application?

Ms Riggs—Without wanting to get into semantics, we see no difference between those two dates. We record the date on which it has been received in the department.

Mr Yuile—Senator, I do not fully understand your question.

Senator O'BRIEN—You have a date of application in the column in the document you have supplied us, and we asked for information about the date of lodgment.

Ms Riggs—Most of our applications are lodged electronically and, therefore, the date of application is the date of lodgment, which is why we no longer make a distinction between what might have, in past days where people signed paper and put a date on it, been a date of application and a date of receipt in the department.

Senator CARR—Are those dates in the tables accurate?

Ms Riggs—We have constantly reviewed and checked the data in these tables. To the best of my knowledge and to the best efforts of our system and the staff who have compiled them, I believe the date here to represent the date on which the department received the application.

Senator O'BRIEN—The Regional Partnerships program commenced on 1 July. It amalgamated nine separate regional funding programs. I understand that the ACCs used to have a role in the Regional Assistance Program and that it was administered by the employment portfolio.

Mr Yuile—And subsequently by this portfolio.

Senator O'BRIEN—When did that take place?

Mr Yuile—With the 2001 machinery of government changes, the ACC network joined this department.

Ms Riggs—So, effectively, the functions transferred in very early 2002.

Senator O'BRIEN—Was the program's strong employment focus maintained upon its transfer?

Ms Riggs—In 2002?

Senator O'BRIEN—Yes.

Ms Riggs—The program guidelines remained the same for the period from its transfer from what is now DEWR to DOTARS up until 29 June 2003.

Senator O'BRIEN—Did the ACCs' role change as a result of the transfer?

Ms Riggs—The ACCs' role in respect of RAP was largely what it was when it was in DEWR.

Mr Yuile—I think it is also fair to say on that question that the remit for the ACCs broadened as a result of the portfolio change. Employment remained a key focus, but there was a broadening of focus.

Ms Riggs—Their role in relation to the program remained the same, but they had another set of functions.

Senator O'BRIEN—One of the issues that this committee will have to gain a better understanding of is the budgetary allocation for Regional Partnerships. Am I correct in assuming that the previously announced allocation for the original RAP component programs have some bearing on the overall Regional Partnerships budget?

Ms Riggs—The allocation for Regional Partnerships in each year, including the out years, is larger than the allocation for the Regional Assistance Program that had been disclosed up until the point at which it was no longer a separate line item. I think it is reasonable for you to assume that what had been the RAP allocation is now subsumed within what is now RP.

Senator O'BRIEN—Can you provide for me any of the RAP forward budget for 2003-04? I will take that on notice if you can.

Ms Riggs—No, I cannot, because from 2003-04 RP had an allocation. But if you went back to the budget papers for 2002-03 you would see the forward estimates.

Senator O'BRIEN—That is fine. What role did the ACCs play—that is, did the applications under the RAP require ACC endorsement?

Ms Riggs—I would like the opportunity to check that, and I hope to do that before the end of tomorrow. My recollection is that there was not as firm a requirement that an ACC commentary on each and every project be made in respect of RAP, but I will check that.

Senator O'BRIEN—I recall—and maybe I am wrong—that it was a departmental delegate that approved the RAP projects, rather than the minister.

Ms Riggs—That is certainly true, but that is quite a separate issue.

Senator O'BRIEN—Were there two categories of projects: community based projects and projects of national significance?

Ms Riggs—The construct for managing the money under RAP was a notional allocation that had a small element set aside for these things called projects of national significance, which might come from other than community based groups, ACC involvement and those sorts of things.

Senator O'BRIEN—Was there a notional allocation of funding between the two areas?

Ms Riggs—I believe there was, but it was very notional and it moved over the course of the year. It was more like an internal mechanism for managing the appropriation.

Senator O'BRIEN—So the department would vary that depending on where the applications were coming from and how it might fit the funds to the wider application?

Ms Riggs—That is right.

Senator O'BRIEN—Are the RAP application forms and ordinary guidelines still available somewhere?

Ms Riggs—I am sure we can make them available and they may still be accessible on our web site, although we may have severed—as it were—the links to the web site because we do not want to make it look as though it is still possible to apply under those arrangements.

Senator O'BRIEN—I am almost certain someone in my office would have found it if it was on the web site.

Ms Riggs—I think that is probably right, and I am equally certain that in at least one of the other committees that you have sat on we would have provided it to you in hard copy at some stage.

Mr Yuile—We will undertake to get a copy for you.

Senator BROWN—I would like to clarify a confusion that may have arisen out of my questioning earlier about the dates of ads and approvals regarding the University of New England. The approval was on 24 June and the ad appeared on 24 July.

Mr Yuile—You said that, Senator.

Ms Riggs—You did correct yourself at the time, Senator; thank you.

Senator BROWN—I just wanted to make that clear.

Senator JOHNSTON—I want to go back to the indicators with respect to socioeconomic standing, if you like—that is a very rough and ready term. In terms of analysing these rural and regional communities, what are the indicators? What do you look at? Let us explore a little bit the way you go about that assessment. What is the methodology used and what are the mechanisms?

Ms Riggs—First of all, I have to say that the work I made reference to in relation to Senator Brown's questions has not given rise to a kind of definitive prioritisation or even conclusion that certain regions might be more disadvantaged than others. There are a number of indicators of demographic and socioeconomic performance, status or characteristics of populations that you can look at. In the past we have looked at data such as the proportion of the population who are welfare recipients, the proportion of the population who are aged 55 or older, the proportion of the population who are unemployed, the proportion of the population who are still at school, the proportion of the population who have completed 12 years of education or have better than that, household income levels and a number of other things. In addition to looking at those as single indicators, we can also access and have accessed some quite fine levels of detail in aggregated indexes that the ABS prepares. The two of those that we would most commonly make reference to are the two that Mr Yuile has already referred to. Firstly, there is ARIA, which is really an indicator of remoteness—which is about not just distance from a service centre but also distance from a diverse array of services.

Senator JOHNSTON—So it looks at the services that those people have easy access to and those which they do not have easy access to.

Ms Riggs—Yes, that is right. And, secondly, there is the SEIFA, the socioeconomic index for Australia. That brings together about 10 of those demographic, educational attainment and income type indicators into one weighted average. I am not the expert on how the ABS does its weighting; I am sure there are learned treatises by the ABS on their web site that explain those. They come together at quite a fine level of geographic distribution. So one of the pieces of work that we actually do when we are asked to consider what the SEIFA is for, let us say, a region that is the size of the region of an ACC is to do some work that lets us weight together the SEIFAs—which is calculated to two or three decimal places—by some sort of population type thing for all those statistical local areas. Sometimes you have to estimate it because the area we are working with does not conveniently fit boundaries and so on. It is that sort of work that we do.

If we actually looked at tables of those indicators and did something like rank ACCs—although I do not actually know that we have ever done it by ACC—from 1 to 56, from worse to best, for the sake of argument, on each of those indicators then they would jump around quite a

lot. So it is not necessarily possible to easily come to a view about what are the most disadvantaged regions or what are the needs of regions because even a region is not homogeneous—even if you try to collapse that SLA data to regional averages. It is quite complex and difficult stuff, and that is one of the reasons why we have got to the point where we have done some manipulation of the data and compiled some of those relative rankings but not necessarily pursued it to any firm conclusion in terms of recommendations about where is disadvantaged Australia. The answer you might want about relative disadvantage does depend a bit on what the policy question is that you are considering.

Senator JOHNSTON—Does it have a relationship at all with any of your deliberations in terms of due diligence of these applications? Does it inject some different quotient into the process, given that the notional ranking, according to what you have said, is not greatly effective? Say, for instance, if you got an application from a wealthy south-western region of Western Australia as opposed to a not so wealthy drought-affected western New South Wales region, am I going to see you approach those two applications with a degree of difference?

Ms Riggs—That would depend on which of the two programs that are the subject of this committee's inquiry we were talking about. If we were talking about Regional Partnerships, quite frankly, by and large the answer to your question is no. Each application is assessed not in a competitive, comparative way but purely on the merits of the information that that application presents about the needs of—

Senator JOHNSTON—So it is a merit based type infrastructure and guideline.

Ms Riggs—That is right. What are the needs of this community? Why do we think this responds to it? This is not a program where we have got to the point where there is not enough money to go round, so it is not competitive in that respect. With Sustainable Regions, on the other hand, there are two layers in this regard. The first is, of course, that Sustainable Regions is not a program that applies everywhere across Australia. At the moment it applies in eight specified regions.

Senator JOHNSTON—Do you know where those regions are, just for the sake of the record and for my understanding?

Ms Riggs—I am happy to list them for you: the Atherton Tableland of Queensland, the Wide Bay-Burnett region in Queensland, far north-eastern New South Wales, Campbelltown-Camden in Western Sydney, Gippsland in Victoria, Playford-Salisbury in Adelaide, the Kimberley and North-West Tasmania.

CHAIR—They are actually referred to in the submission in some detail.

Senator JOHNSTON—Is there a common thread between each of those? They are very diverse geographical locations. Is there a common thread as to why we need to sustain them with this program?

Ms Riggs—There is, although it is not one that I can simply demonstrate to you by saying, 'Here are some tables that prove that, when you look at all of Australia, these were the eight most disadvantaged regions in 2001.' If you look at those rankings I talked about, taken for the

regions we have identified and others in a comparative sense, these are all regions which would rate with a very low number. Remember I said low number, bad; high number, good? They would all have very low scores. They would not necessarily have the lowest in every category of indicator but, across many of those indicators, they would have low scores.

They are also all regions where the nature of adjustment happening or not happening in the region is systemic and complex by virtue of its being as a result of a number of different factors. For example, in the Atherton, they have had three types of industry adjustment impact on what had been their three major industries: tobacco, dairy and sugar. Playford-Salisbury and Campbelltown-Camden have been the socio-economic and educational researcher's nightmare—or dream—for at least 50 years. Much has been written about them, the attainment of their kids, where they do not go, the industries they do not work in and those sorts of things. They all have these complex factors of longstanding disadvantaged and/or multiple adjustment needs.

Senator JOHNSTON—So they are communities that need special and extra attention.

Ms Riggs—That is why they are in the Sustainable Regions Program.

Senator JOHNSTON—Can we go through this process again? As I understand what you have said, even before the application comes in, there is a sort of pre-application or a notice of intent type application with the ACC where an officer of the ACC will sit down with the proponent or applicant and say, 'Look, if you're going to apply, this is the way to do it.' Is that the way—

Ms Riggs—Can I split the two programs for you again?

Senator JOHNSTON—Okay, let us talk about Regional Partnerships.

Ms Riggs—We do not insist on that in Regional Partnerships. Because it is a nationwide program that is not competitive or comparative, anyone can apply to the department. It would be quite improper for it to go through any other form of process.

Senator JOHNSTON—So there is a standard form that you take off the web site, and you must comply with the form.

Ms Riggs—That is right. But the web site says, 'It would be really good if you went and talked to your local ACC, because they can help you get this right. They can help direct you towards partners. They can help you understand it better.'

Senator JOHNSTON—When you talk to the ACC, it is not to the chairman, who is a political appointment; it is to a professionally employed executive officer or person within the ACC whose job it is, on a nine-to-five basis, five or six days a week or whatever the case might be, to deal with people. Is that right?

Ms Riggs—That is right. That is the kind of pre-formal application process which is not insisted upon but which we encourage in Regional Partnerships. In Sustainable Regions the process is different. In Sustainable Regions there is a quite clear two-part process that most of the committees agreed upon in the early days of that program being set up. The process there is,

first of all, to register an expression of interest. The ACCs have different kinds of ways of collecting those. They each have an executive officer. Sometimes the expression of interest is a letter, maybe with an attachment. Some of them have developed a bit of an application form, but it seeks a relatively modest amount of information, such as what is the project for; where is it going to be; how much is it for; how much do you want from the government; who else is contributing to it; and does it conflict with anything else that is already around? That is some pretty basic information. Those committees, when they meet, consider expressions of interest and, in essence, indicate whether or not they are prepared to consider them further if they are developed into more fully fledged applications. So the committees themselves undertake a sifting process. Those perspective proponents that they ask to then bring forward a full application in a departmentally determined format—

Senator JOHNSTON—We do not have the figures on the sifting process.

Ms Riggs—No.

Senator JOHNSTON—How many applications get over the initial threshold? We do not have that number, do we?

Ms Riggs—That is the expressions of interest phase. That is right; we have not given you that, because that is part of what the committee does in advance. Those are not things that are part of the ministerial decision-making process.

Senator JOHNSTON—So that is the frontline access and there is a sifting process, as you say. After that, we get to what?

Ms Riggs—A fully blown application under the terms of the guidelines, which are public and one of the attachments here, in a form determined by the department, which is available on our Sustainable Regions web site. It has pretty much the same sort of information, though not necessarily in the same format, as the Regional Partnerships application. It enables us to make equivalent forms of assessment of the application. The process in Sustainable Regions is different from Sustainable Partnerships, because in Sustainable Regions the first assessment, even of the full application, is actually made by the advisory committee. They recommend directly to the minister. When the minister receives that recommendation, he then seeks the department's separate and independent assessment of the proposal under the terms of the guidelines. So he has two quite separate pieces of advice in respect of Sustainable Regions. But, again, in formulating our assessment, we take account of the commentary and recommendation of the advisory committee.

Senator JOHNSTON—Have you ever attended a committee meeting or reviewed or ascertained the level of scrutiny applied to a Sustainable Regions application by the committee?

Ms Riggs—Mr De Jong has been to more committee meetings than he probably ever wants to go to in life—

Senator JOHNSTON—That is good.

Ms Riggs—but I make it an objective to get to at least four to six committee meetings a year, preferably in at least four of the different committees. I have personally been to Cradle coast more times than I can count.

Senator BARNETT—Good decision.

Ms Riggs—I married a Tasmanian family.

Senator BARNETT—Well done! That is an even better decision.

Ms Riggs—Cradle coast, the Atherton, the Kimberley and Playford-Salisbury are the four committees that I have taken particular interest in. Wendi Key, who was previously the branch head, took a particular responsibility for Wide Bay Burnett, far north-east New South Wales, Campbelltown, Camden and Gippsland. So, between the two of us, Wendi and I shared the then eight regions. They are pretty earnest people, the members of those committees, and the considerations they bring to those projects, I think, are pretty intensive.

Senator JOHNSTON—Take us through what you observe when you go there: how many people are sitting around the table; what is the brief like; and how professional is it: is it a bunch of amateurs just cooking up some local schemes or is it some right-minded people applying some professional business skills?

Ms Riggs—I can probably best describe how the department contributes to the work of those committees. I think it is also proper to acknowledge that the committees are different in size, and they do bring different sets of experience to the table. For example, the smallest of the committees is only three people but it is a mix of business, local government and an academic, I think, in that case. Other committees are comprised of the local government mayors with perhaps two businesspeople from the region. Others are more business focused. So they are quite different. One of the jobs of whoever from the department attends a meeting—we do not quite get to all of them but we try to get to most of them at some level—is to keep them on the straight and narrow. Sorry, that is a terrible bureaucrat's view of a program, isn't it? It is to remind them—

Senator CARR—Particularly with this program, what is the straight and narrow?

Ms Riggs—Perhaps I had better put it more formally. It is to remind them that their job is to develop an assessment of the application and advice for the minister's consideration which is consistent with the guidelines and rules for the program, and that this is not about a group of local people sitting around and making a decision on something that would be good for the community outside of a defined process. That is why we go to most of those committee meetings, because we think it is probably better that we be able to say we have confidence that their deliberations are consistent with good process.

Senator JOHNSTON—Let us look at these individual consultative committees. They each publish annual reports, don't they?

Ms Riggs—Each of the 56 area consultative committees, under the terms of the relevant state legislation, has to have some form of annual report, and we also require it as part of their annual accountability to us.

Senator JOHNSTON—Are they audited?

Ms Riggs—Each of them has to be audited, again under the terms of the state legislation that allows them to establish themselves.

Senator JOHNSTON—So they are incorporated bodies under each of the states' incorporation and associations act or legislation.

Ms Riggs—We also require a copy of their audited statements as part of their annual acquittal to us of the grant that they have had for the previous year.

Senator JOHNSTON—Are committee members paid?

Ms Riggs—Area consultative committee members are not paid.

Senator JOHNSTON—So they are all volunteering all of this time. How much time is it?

Ms Riggs—Of course, it varies depending on how much time they have got and how much they want to invest. Many of them are people who also run businesses and have families. I know of a couple of ACC chairs, for example, who I think would quite routinely spend anywhere up to a couple of days a week in their ACC roles. I know of other ACC committee members who at least at certain times probably contribute five or six hours a month because that is where they are at in terms of the balance between their ACC work and other obligations.

Senator JOHNSTON—Do they get any allowance at all for travelling and accommodation or anything like that?

Ms Riggs—They do if they have to go from home base to somewhere else and stay overnight. They would have their accommodation paid for. They would get a small allowance from within the operating budget of the area consultative committee. Different area consultative committees have different arrangements about reimbursement of travel or petrol costs but, by and large, it is probably fair to say there is a reimbursement notion for a modest level of recognition of the costs of being a member but they are direct out-of-pocket reimbursements rather than in any way payment for time.

Senator JOHNSTON—So no time payments.

Mr Yuile—It is also worth acknowledging that in some cases the committees cover very large areas and therefore they may well have subcommittees. That adds another dimension to the way in which those subcommittees and committees might get together, whether it be through telephone hook-ups or face-to-face meetings. It will vary from time to time.

Senator JOHNSTON—We now have 56 of them. What is your understanding of the history? It has come to my notice today—and I think the chair mentioned this—that the ACC was a

concept developed back in 1995 by the then Keating government. They were part of Working Nation.

Ms Riggs—Under their current arrangement as registered associations, they were first set up in 1995 under Working Nation. I think you probably recall that they had a bit of a prehistory as the OLMA advisory committees, which were non-statutory and set up in about 1992.

Senator JOHNSTON—I am just making the point that you have been familiar with them for a long time.

Ms Riggs—Indeed.

Senator JOHNSTON—How many were there back in 1995? Has the number grown? What has been their history? They have survived, haven't they, over this 10-year period?

Ms Riggs—They have survived. I think that the greatest number there has been at any point in time was somewhere in the order of 80. The number by and large has been going down since they started. That has predominantly been because of amalgamations of area consultative committees in the metropolitan regions. Over time the ACCs themselves have come to realise that the issues in metropolitan Australia that they were dealing with did not lend themselves to small ACCs but to those covering larger metropolitan chunks. Melbourne is the only major capital city where we do not in essence have one large ACC covering predominantly the whole of the metropolitan area.

So 56 is a smaller number. The exact size, shape and number of them have been reviewed more than a couple of times. I would be reluctant to be specific, but it would be a small number of times. The boundaries have changed a bit here and moved a bit there. That is usually to do with the way that the demography of a region has changed. A dormitory suburb that has been feeding labour markets in one direction might have changed to feed somewhere else or may have ceased to be a dormitory suburb and become a labour market in its own right. Some of that sort of adjustment has had to happen.

Senator JOHNSTON—Let us talk about the paid officials inside the ACCs. How often do you bring them together to advance their understanding, knowledge and performance in terms of public administration and corporate governance?

Ms Riggs—In the past two years I think we have had three national conferences of executive officers, although I might be wrong—it might only be two with a third one soon to come. In addition there are several state based or half-of-state network based comings-together of executive officers which the department either sponsors or contributes to. When we bring executive officers together or when they bring themselves together, the key focus of those is always about performance improvement—their improvement as organisations and as the key people responsible for good governance in their organisations—or about more consistency in the performance of all ACCs in terms of their understanding of their contribution to the Regional Partnerships program, which has been one of our two key focuses in the last 18 months or two years. But they also have this other array of broader responsibilities under the government charter for ACCs. So they talk more broadly about their role and how they go about it. Some of the networks of area consultative committee executive officers are quite strong and have been

engendered by the executive officers themselves. In some states they are less well developed and they take a bit more geeing-up from the department. I guess our objective is to have a national conference about every nine months with a primary focus on performance improvement and good governance.

Senator JOHNSTON—What would a CEO of, say, the far north-east sustainable regions committee earn per annum roughly?

Ms Riggs—The Sustainable Regions committee is a little different.

Senator JOHNSTON—Let us then go to the ACC.

Ms Riggs—The cash component of the salary of ACC executive officers is somewhere between \$65,000 and \$85,000 a year. I think their packages are between \$85,000 and \$105,000 a year. Why is there so much variation? It is because the regions vary in size, the staffing responsibilities that officers manage vary—depending on what contractual work the ACC might do other than its work through its contract with this department—officers may do more or less travel and so on. There is a whole host of reasons—and there is a relative notion of performance to some extent. I think that the chairs work it out amongst themselves.

Senator JOHNSTON—Is there a correlation between political boundaries, local government boundaries and ACC boundaries?

Ms Riggs—No.

Senator JOHNSTON—So these are just determinations based on regional considerations?

Ms Riggs—We work hard at ensuring that the ACC construct reflects regional self-definition. Sometimes that is best defined by that term. Sometimes it is about what the people who used to be responsible for ACCs in what is now DEWR defined as natural labour markets or combinations of natural labour markets. Sometimes there is a geographic dimension to it, such as a river running through it. Indeed, some of our ACCs do have a major border running through them, defined by a river. We explicitly say that unless it makes good sense on any of those grounds we do not necessarily seek to align them with any other form of political boundary.

Senator CARR—Ms Riggs, you indicated to us before that you have been asked by the minister to expedite the University of New England project for the maths-science centre.

Ms Riggs—Yes.

Senator CARR—How many other projects have you been asked by the minister to expedite?

Ms Riggs—I do not have a precise number for you. I will explain that. There is a very small number of projects which we have been asked by the minister as opposed to the proponent—this is time critical for us—to bring forward as quickly as we can. It is a very small number. We are more commonly asked, ‘Where is that project up to?’

Senator CARR—Yes, I know how the political process works. Can you give me an indication of which ones the minister has asked for—you say that there are only a few, so it will not be too hard to help us out—and tell us whether there is a more extensive list where the minister's office might have asked you about the progress of the processing of applications? I am sure that will be a more extensive list.

Ms Riggs—Yes. I am really reluctant to concede to the second request. It would involve my staff going through every email received from the minister's office over 18 months and compiling a list from that. I do not believe that is a sensible piece of process for you or for me.

Senator CARR—I understand that, but you can tell me the number that the minister has specifically asked for.

Ms Riggs—We will do our best to tell you by tomorrow the number that have been specifically asked for by the minister's office—for very prompt handling.

Senator CARR—I appreciate that. I am interested to know about the accuracy of the tables you have provided to the committee. You understand that a lot will hang on what you have provided to us. You indicated to us in a previous question that to the best of your knowledge the tables are accurate. I accept that there is always a caveat—that there may be matters that you are not aware of—but I want to check a couple of things with you.

Mr Yuile—Which table are we talking about?

Senator CARR—We are talking here about the table you have provided to the committee today: 'Finance and Public Administration Reference Committee Requested Information on Regional Partnerships—Approved Projects as at 31 December 2004'. I am interested because you have explained to the committee at some length how rigorous the processes are for the approval of moneys. On page 47 of this document there is something I am a bit curious about, and I am sure there is a perfectly reasonable explanation for it. RP No. 58 appears to me to read that on 20 August 2003 an application was received but it had already been approved on 17 August. Could you explain how it is that you can actually approve a project before the application is received.

Mr Yuile—My best guess is that it has been transcribed incorrectly. We will need to check that for you.

Senator CARR—If you could, please. As I say, there might be some perfectly reasonable explanation, but I would be interested to know. I have some more. You may want to check this during the break. Minister Anderson announced in a press release on 12 June 2003—it is registered A62A203, so you check that with your records—\$1.4 million in federal funds to the Namoi. In that press release there is a list of five projects and their funding. These involve: a leather company for \$4.4 million, what I presume is a minerals company for \$350,000, an engineering company for \$77,000, a cafe for \$60,000, or thereabouts, and a rabbit abattoir for \$40,000—all in the Namoi, of course.

At the bottom of page 8 of the tables you have provided to us this morning is RP No. 294, relating to the rabbit abattoir. According to this document, an application was only presented on

30 April 2004, yet the minister announced in June of the previous year the allocation of \$40,000 to that abattoir and you provided this company with a grant of \$40,000 or thereabouts a year later. You say it was approved on 30 April. I am wondering how it is that the minister could announce a project in June 2003 when you did not approve it until April 2004?

Ms Riggs—I can explain these five projects. These were projects that were applied for under the Namoi package, which was managed separately from the former Regional Solutions or Regional Assistance programs, although the funding was not separately provided. Its funding was to come from the Regional Assistance Program when it was first established, which predates the setting up of Regional Partnerships. So the minister's media release in June 2003 was an absolutely legitimate, aboveboard announcement, done under the Namoi package arrangements. But managing the Namoi projects and any further projects that might be funded under the Namoi arrangements—and those arrangements are in abeyance at the moment because New South Wales is reviewing its water-sharing arrangements—comes within the number of things that were amalgamated into Regional Partnerships from 1 July 2003.

In April 2004, which is when these are all dated, the first assistant secretary who was responsible for Regional Partnerships—that is, me—jumped up and down and got very stubborn with her staff about the fact that the Namoi projects were not showing up in our monitoring reports—in our management reports for Regional Partnerships. So my staff included them in the Regional Partnerships database, but with a tag in front of them saying 'Namoi'. Therefore, the dates of receipt and the dates of approval—which you can see in all five cases were given as 30 April—are dummy dates reflecting the dates on which they were entered into the database, because they had been paper based applications received prior to Regional Partnerships being announced.

Senator CARR—Are the amounts of money consistent with the press release?

Ms Riggs—I believe that they are, but I could be wrong.

Senator CARR—Where do I find the \$4.4 million for the leather company?

Ms Riggs—The amount here for Mitchells leather is \$734,000, which relates to the fact that that is what still remains of that grant to be paid out under the Regional Partnerships arrangement.

Senator CARR—In other words, the other \$3.6 million has already been paid?

Ms Riggs—I will check that, but that would be my presumption about how the staff have constructed these records in order to make this a management tool.

Senator CARR—So all of these projects went through this rigorous evaluation system—

Ms Riggs—Under the Namoi package arrangements.

Senator CARR—The ones that you referred to earlier today—or is this a separate category that should be treated entirely separately?

Ms Riggs—For the purposes of our management and monitoring arrangements, including management of the money, these are part of Regional Partnerships. For the purposes of their approval, they were approved pre 1 July 2003 under the arrangements that applied to the Namoi Valley structural adjustment package.

Senator CARR—How many other dummy dates have you got in this table?

Senator BARNETT—Senator Carr!

Senator CARR—That was the expression used by the officer: ‘dummy dates’. I am asking how many other dummy dates are in this table.

Ms Riggs—There may be a very small number of projects from other predecessor programs in here, but I do not believe that we have in general included any others in here.

CHAIR—Senator Carr, you may continue when we return from afternoon tea.

Proceedings suspended from 3.12 p.m. to 3.28 p.m.

CHAIR—I understand Senator McGauran has one question, and then we will proceed to some questions from Senator Barnett and Senator O’Brien.

Senator McGAURAN—I just want to bring you back to the analysis by electorate document, which really closes the case that there has been any political bias. By your own judgment and conclusion and by ours, certainly, on the government side, it is just such a stark document with all its proof.

CHAIR—If you have no more questions, Senator McGauran—

Senator McGAURAN—I bring you back to that stark document. If you look at the figures again, I bring you back to the conclusive figure of project approvals. In each case in the metropolitan areas you have the Labor Party achieving, by electorate, marginally more project approvals. But when you get into the rural and regional areas the gap—and you are a statistician, as you have said—widens significantly enough to say conclusively that the ALP were favoured with project approvals. In rural and regional areas the figure is 85 per cent compared to 80 per cent. That is quite a gap. In remote areas, again, the ALP—

CHAIR—Order! Senator McGauran, I am always prepared to allow some latitude in the nature of questions. After all, I do paraphrase or put some lead-ins to questions of my own from time to time. However, we have a submission from the department. What you are doing now is just quoting from the table on which questions have been asked earlier. Do you have a specific question to ask about this table? If you do not, I am going to go to the next senator. You are wasting time by simply reciting for a period of time what is already in front of all the senators and the committee, and then asking the witness to agree with a political conclusion of your own. What is your question?

Senator McGAURAN—The only question that came out of this table was from Senator Murray and that was: why did Labor underachieve? He has asked you—the department—to go

away and do some research on that. Why have the Labor electorates underachieved in their applications? I put this to you as an option for your research—and I certainly know of cases: the National Party and the Liberal Party have been accused of politicising this project, but it could just as well be, and I say it is, that the Labor Party have underachieved in their electorates because they do not want to support or promote this project. They are starving their electorates.

CHAIR—Order! Senator McGauran, I rule that that is not a question. You have asked a question of yourself and answered it yourself. Senator Barnett, do you have a question?

Senator BARNETT—Yes, I have several, but Senator McGauran has a point of order.

Senator McGAURAN—On the point of order: you have ruled that question out of order, Chair, but I say—

CHAIR—I have ruled that you have not asked a question.

Senator McGAURAN—The question is to the department: is that just as easily an option as the alternative one which says that we have politically manipulated the program? In fact, this document says that we have not. Mr Chairman, I actually know of a particular case where—

CHAIR—Senator McGauran, you are wasting time. You do not even know yourself what your own question is now.

Senator McGAURAN—The question to the department is about—

CHAIR—Senator McGauran, would you keep quiet.

Senator McGAURAN—why the Labor Party have underachieved in their electorates.

CHAIR—I think it would be advisable for you to take some counsel from your Senate colleagues before you ask your next question.

Senator McGAURAN—Is that not a question: why have the Labor Party underachieved in their electorates?

CHAIR—Senator Barnett.

Senator McGAURAN—Are you ruling that out of order, Mr Chairman?

CHAIR—Senator Barnett, I have given the floor to you. Would you please proceed to your questions.

Senator McGAURAN—I ask Senator Barnett to ask the same question.

Senator BARNETT—I will follow up on that chart, because I want to go back to it. I have done some analysis over the lunchtime break and I want to ask the department whether they agree with this analysis. Out of the 150 electorates, there have been 1,069 applications. That is

7.13 applications per electorate. The 64 ALP electorates have made 205 applications—that is 3.2 applications per electorate. The coalition has 82 electorates and has made 917 applications—that is 11.18 applications per electorate. Obviously there are over three and a half times more applications from the coalition electorates. We know that they are assessed fairly, properly and prudently, because of the results that you have indicated in that chart. So, really, the question that Senator McGauran has been asking is, I think, a fair one. It highlights the fact that we know that Labor has been treated fairly, but—

CHAIR—Do you have a question, Senator Barnett, or are you just giving us your—

Senator BARNETT—I am asking whether the department agrees with that analysis and whether one of the options is that the Labor MPs have clearly not encouraged communities to apply.

CHAIR—I rule that question out of order. That is an imputation against members of the parliament and—

Senator BARNETT—There must be reasons.

CHAIR—in my view it is contrary to standing order 193.

Senator McGAURAN—I hope your rulings are consistent in regard to imputations against sitting members.

Senator BARNETT—There are clearly reasons for the nonperformance. I will go to the next question and draw to the attention of the committee and Senator Carr the fact that No. 58, regarding the Dorset Council and that date of application and date of approval, was funding of \$27,500 for the Dorset Economic Development Group. That resulted in a brilliant outcome for north-east Tasmania. Senator O'Brien is aware of it. He should advise his fellow senator that Simplot closed in Scottsdale. One hundred plus jobs were lost, and that was an excellent investment on behalf of the Australian taxpayers.

Senator CARR—On a point of order: it is not a question of the merit of the project; I am asking questions about the administrative procedure. If we go into the issue of evaluation, we will go into that later on.

CHAIR—There is no point of order. Senator Barnett, what is your question rather than your statement?

Senator BARNETT—I will move to the review and audit. As I said this morning, I want to ask about the review and audit process in chapter 5 of the department's submission. It seems to me that it is extensive and comprehensive. Do you agree with that? You have five external audits and evaluations undertaken into the regional programs by DOTARS. You have three internal audits and evaluations of those programs. I went to attachments I and J and was absolutely astonished to see that those audits and evaluations have been completed. They have been responded to, the recommendations have been responded to, and it would appear that they have now been completed. I am seeking the department's response in particular to attachment I, I think it is, where it has got the ANAO's *Better Practice Guide—Administration of Grants*, which

talks about planning for an effective grant program. Is it correct that that pulls together all of those audits and evaluations, puts down those recommendations, then sets out where the department has responded to those recommendations?

Ms Riggs—If I could just help senators understand what this attachment does: in the first column, we have listed the components of the ANAO's better practice guide.

Senator BARNETT—We do not have the colour version, by the way; we have the black-and-white copy.

Ms Riggs—We have got a pretty colour version.

Mr Yuile—We can get you one if you want.

Senator BARNETT—That would be good.

Ms Riggs—The second column lists those recommendations from any of the audits that are listed elsewhere in the submission which we felt related to that element of best practice. Then for each of RP and SR, Regional Partnerships and Sustainable Regions—and in the case of the first page you can see we think we have done the same for both—we have indicated what action we have taken where we felt some remedial action was necessary in order to respond to the recommendation from the second column in respect of one or other of the programs. It is a schedule that we plan to keep up to date, but in essence my contention and the contention of the submission is that, while clearly we would always seek to ensure that our programs remain in line with what is regarded at any point in time as best practice and we continue to seek to improve our processes and help our staff apply our processes consistently and with accuracy, we have included this table as one of the attachments to the submission because we believe that it demonstrates that these are both programs where we can say with some pride that we have designed processes and implementation arrangements for these programs that are consistent with the ANAO's specification of what constitutes good practice for a grants program.

Senator BARNETT—So you are saying that you have had independent objective assessment of the program, not only from the department but from outside people who have reviewed it and have said, 'Yes, it is appropriate, it is professional and it is meeting governance requirements and other ethical requirements of the government'?

Ms Riggs—I think I have to be absolutely honest: each of the assessments that we have given you an executive summary of, either by the ANAO or by our outsourced internal audit provider, has presented us with some opportunities to improve the program. This schedule is our assessment of how well we are responding in the context of the ANAO best practice guide. This is informed by those independent assessments and our responses to them, but it is our assessment.

Mr Yuile—To use old language, this is basically our continuous improvement guide. It is about how we track and, as Ms Riggs has said, where we can improve. Where there are suggestions, we make sure that we have got them clear and we look at how we can implement them.

Senator BARNETT—I have got that message and I have perused the document. Is there any part of the program, in your view, that needs urgent review or urgent upgrade, or are we on the right track, with all the governance, ethical and probity arrangements in place and working?

Ms Riggs—We can always do things better but, for a program that is a little over 18 months old, I think we are doing well if not very well against each of these areas of practice. We have in place, as Mr Yuile says—and this represents part of it—an ongoing updating and improvement process. So, yes, I have to say that there are some areas where we want to continue that work. For example, we do a quarterly update of our internal procedures manual, some elements of which we are going to update when we do our next release of it—

Mr Yuile—Which will probably be in March.

Ms Riggs—which will probably be late this month or early next month, and we will not rest from that stuff. But I think it is a program that is in good shape when you measure it against the ANAO best practice guide.

Senator BARNETT—On an objective assessment, from reading what is in your submission and from what you have just said, it would seem that as a program you have almost been audited and evaluated to death in terms of the probity and the success and merits of the program; we found out earlier this morning of the success and merits of the program. It seems that you have almost gone overboard in having it audited and evaluated, but you feel that is obviously in keeping with your objectives.

Ms Riggs—Some of what we have recorded here is about the predecessor programs and we have recorded that because we use it to inform the way we have constructed the program. But yes, I have to say that I think the regional programs in general have been subjected to a pretty robust amount of scrutiny.

Senator BARNETT—Robust and rigorous scrutiny. In any of those assessments, did you at any time find that the decisions were made on a whiteboard?

Ms Riggs—The record that the department has available—inside the department—suggests to me that over the past several years there has been an adequate and appropriate capturing of decisions, whether they have been made by a delegate or a ministerial decision maker; they have been appropriately recorded.

Senator BARNETT—That was a bit of a tongue-in-check question in terms of the use of whiteboards. With regard to similar state government programs—I am not sure if you are familiar with them; I am not overly familiar with them—I have checked the web site of the New South Wales government's capital assistance program 2003-04, which sets out projects to be assisted. It says:

411 projects have been allocated a total of about \$4 million under the 2003-2004 Capital Assistance Program.

On that web site you can see that the Bankstown Council won, I think, 16 projects totalling \$130,000 and that the Blacktown Council won nine projects. They are both in the federal Labor seats of Blaxland and Greenway. Of the 411 grants, 45 per cent went to councils in metropolitan

Sydney. In terms of your department and the applications you receive, I just wonder whether you ever give more than, say, half a dozen or 10 grants to a particular applicant. As I say, in this case, in the space of one year, one applicant has received 16 grants and another has received nine. Is that unprecedented, from your perspective?

CHAIR—Senator, I will allow Ms Riggs to answer that, but I fail to see just what the relevance of this is. You are now referring to some state government program which may or may not be relevant at all to the terms of reference of this inquiry. You could be taking it completely out of context and I suspect you probably are, talking about a local government grant.

Senator BARNETT—It is entirely relevant, and I would ask you to let the witness answer the question.

CHAIR—I said I would.

Senator BARNETT—Thank you.

CHAIR—But I draw your attention to the terms of reference of this inquiry, which is an examination of the Regional Partnerships program.

Senator BARNETT—I am aware of the terms of reference.

CHAIR—Well then, how about trying to stick to them? Ms Riggs, if you can, answer the question.

Ms Riggs—I will do my best. I do not know what the guidelines and selection criteria are for the program that Senator Barnett makes reference to, and I am not going to run my eye down the list of 506 approved projects and count up the number that have gone to individual applicants. Regional Partnerships is a program that has been running for 18 months. I suspect that we would find, if we looked through those 500-odd approved projects, that there are a small number of applicants that have more than one grant. My guess is, in the period that we are talking about, there are not many that have more than two or three. There are a whole host of reasons for that, I would suggest: the length of time the program has been running; the fact that some of our grants are considerably bigger than the sorts of grants that would be implied by the information that you have just read out about that New South Wales government program and that bigger grant simply takes longer to administer the project to get it through to completion—a lot of applicants are not in a position to take on more than one or two projects of that kind at any point in time.

It is also true that our intention is to look, after the event, and I have already said in response to questions from Senator Johnston that we do not do a comparative assessment of projects. We are not in a competitive assessment mode in Regional Partnerships at this stage. But we will certainly be looking, once the program has been running for a couple of years, to ensure that that kind of distribution of grant funding continues to represent some form of the population or the needs distribution or whatever of Australia as might perhaps be represented by the SEIFA or some aggregation of indexes, which we have not put together yet. There is work under way in the department at the moment to consider what might be a reasonable kind of distributive benchmark—not a notional allocation, but a benchmark. So we will look at that but I think there may be, without knowing that program in any way, some settings about Regional Partnerships

that would mean that in any given year or couple of years it would be unlikely for an applicant to receive more than a very small number of grants. But I suspect it is a very different program.

Senator BARNETT—Just the conclusion I draw—and I will make it a concluding comment/question because I know the chair has others who would like to comment—is that the Regional Partnerships and Sustainable Regions programs, albeit they have been going 18 months, are probably, compared to some of these other state government programs, incredibly rigorously and vigorously scrutinised, reviewed, evaluated and audited in such a way that you can hold your head very high indeed in terms of the professionalism, the success of the programs, the merit of the programs and the public's confidence in the programs. Based on the evidence that we have today, it would seem that that is a fair assessment or a fair conclusion. Is that your view?

Ms Riggs—Senator, it is a view that I will be delighted to share with my staff and I will congratulate them for their hard work.

Senator BARNETT—Thank you.

CHAIR—I thought you might ask about the large grant given to National Textiles, Senator Barnett, but obviously not. Senator Carr, I think you had yet to conclude your questions.

Senator CARR—Ms Riggs, you have emphasised the department's view that this is a program that is rigorously evaluated before large sums of public money are presented. I was keen to establish the accuracy of the table, and we have raised a few issues in that regard. You indicated to us earlier today that for all of these projects advice is sought from the ACCs in the district, with the exception of one in Christmas Island.

Ms Riggs—Chair, may I correct my answer?

CHAIR—Yes.

Ms Riggs—It is with the exception of two. I have had that checked. I think I indicated that I wanted to check that. There are two grants made under this program where no ACC was consulted. One is the Christmas Island grant. The other is the grant made between this department and the Department of Agriculture, Fisheries and Forestry in order to support the sugar industry reform package, and I think you will appreciate why no ACC was consulted in that case either. I regret that I forgot about it when I answered the question earlier.

Senator CARR—In the documents you provided to us today, at page 51, you list three projects there at the end. I take it they are all election commitments, are they?

Ms Riggs—Yes, those three are election commitments.

Senator CARR—And they all went to the ACC, did they?

Ms Riggs—The process for a project that the government has announced as an election commitment and which the government has decided to give effect to through the Regional Partnerships program is not the application based process of Regional Partnerships.

Senator CARR—I see. So we can add these three to the exemptions.

Ms Riggs—These have all been through an assessment of risk—of whether they would represent any risk to the government, to the use of the taxpayer funding—but we do not regard them as having come as part of an application process, so there was no referral of the application to the ACC.

Senator CARR—I see. So there are five, now, that have not gone to an ACC.

Mr Yuile—I think Ms Riggs is saying that it is effectively different if an election commitment is made—

Senator CARR—Okay, but you are saying that there is a different criterion.

Mr Yuile—No, sorry, let me finish. If there is an election commitment and the government undertakes to make a grant, clearly it has the right to do that if it is elected. In this case it was. It will then choose the means by which it will execute its promise. In this case it is using the Regional Partnerships program. It is different, because it is an election commitment, not an application.

Senator CARR—Mr Yuile, that is my point. You are saying that this is a rigorous program that follows strict adherence to guidelines and proper administrative procedures, except in these five cases.

Mr Yuile—In the case of applications that come to the program. In the case of election commitments—

Senator CARR—Putting aside the SONA ones, which I want to discuss with you in some detail, we have five now that do not meet the criteria. I have here a number of press releases from Minister Anderson concerning the expenditure of very large sums of money. There is the Mackay Science and Technology Precinct, an \$8 million project in Dawson; there is the Kennedy one, which is a rodeo, which we referred to here; there appears to be \$6½ million in regard to the RM Williams bush centre at Eidsvold; there are showgrounds in Maranoa, with \$2 million, and I assume there is more money involved than that; and there is the equestrian centre in Tamworth. Where do I find those particular projects in these documents you have provided me with?

Ms Riggs—Those are election commitments for which the government has not yet confirmed how it will give effect to its commitments.

Senator CARR—So these projects are the six ‘regional icons’. Are they a separate category again?

Ms Riggs—The Mount Isa City Council project that you have already drawn attention to on page 51 is one of the six icon projects.

Senator CARR—For the other five, has there been an application for moneys received?

Ms Riggs—The projects were announced by the government as commitments that they would enter into if they were re-elected. They have been re-elected and they are now giving consideration to how they will satisfy the commitment that they have made to those communities.

Senator CARR—I am asking you a specific question. Have you received an application for the five other projects announced at various times in September and that I have referred to in previous questions?

Ms Riggs—Some of those may have been the subject of an application under a program. Whether or not they were, those applications would now no longer be proceeding, because the government has already announced in the context of the election campaign its intention to fund those projects. We are now adopting a different process should the government give effect to those through Regional Partnerships, as it has to this Mount Isa one.

Senator CARR—Ms Riggs, have you received applications from any of those projects for funding by the department?

Ms Riggs—At what time?

Senator CARR—Let us take the last 18 months. Have you received an application at all?

Ms Riggs—Of the six regional icon projects—are those the ones we are considering?

Senator CARR—Yes, they are.

Ms Riggs—The department had received an application in respect of the Mount Isa Rodeo complex—Buchanan Park.

Senator CARR—On what date was that application received? Is that the same date listed on the form here?

Ms Riggs—Yes, it was received on 27 July. The department also received an application for the Dalby-Wambo Events Centre covered arena—I think that is the one you referred to as the Maranoa project—in June 2004 and it received an application for the Tamworth Australian Equine and Livestock Centre on 16 August 2004.

Mr Yuile—We also received an application for the Mackay Science and Technology Precinct, but it was withdrawn.

Senator CARR—When did you receive that application?

Ms Riggs—In the discussion we had this morning, we indicated to you that we thought that an application that had been withdrawn in effect ought not to any longer be considered an application.

CHAIR—That is what you said.

Ms Riggs—Indeed, that is precisely what I just said.

CHAIR—Do not say that that is what the committee accepted.

Ms Riggs—I did not. I indicated that ‘we’ had considered it.

Senator CARR—You have provided us with a list of projects that were not approved?

Ms Riggs—Yes.

Senator CARR—So clearly the department considers there to be a list of projects and has provided the committee with information about withdrawn projects. Why won’t you provide information about this one?

Ms Riggs—About which one?

Senator CARR—The Mackay Science and Technology Precinct—the \$8 million project.

Ms Riggs—It should be on the list of withdrawn projects.

Senator CARR—Can you give me the date? If it is on the list, you will be able to tell me what the date is.

Ms Riggs—It is 1151 on page 5 of the table headed ‘Finance and Public Administration References Committee Requested Information on Regional Partnerships. Withdrawn Projects as at 31 December 2004’. It is about halfway down that page.

CHAIR—Dated 12 August 2004.

Senator CARR—If it was withdrawn on 12 August, I am just interested to know why the minister announced it on 17 September.

Ms Riggs—The minister’s announcement was made in the context of an election campaign, and the minister and the government are now considering how they will give effect to decisions that they made during that campaign, as they have been returned as the government.

Senator CARR—Are there any other projects, other than the six regional icon projects, that fit into this category which may well draw on Regional Partnerships program moneys that were announced during the election campaign?

Ms Riggs—There may be, but the government is considering how it will give effect to its election commitments.

Senator CARR—What I am asking is: has the department been advised of any other projects which the government is considering funding that it announced during the election campaign?

Ms Riggs—Yes, we have been party to some discussions about the means by which the government may give effect to some of the commitments it entered into in the election campaign.

Senator CARR—Can we have a list of the projects that are under consideration at the moment?

Ms Riggs—I think it would be appropriate if we consulted the minister about whether he was prepared to make that public.

Senator CARR—Presumably they are public; he has announced that these projects will be funded. This is an inquiry into Regional Partnerships. You are saying you have had discussions with the minister about these programs. All I would like to know is: is there a list of projects under consideration for funding under this project which do not have the normal project application processes applied to them?

Ms Riggs—Yes. I will see if we have a copy of it with us. I can give you such a list.

Senator CARR—I am sorry to have taken so long with that, Senator O'Brien.

Senator O'BRIEN—I return to the old RAP. You have referred to the ANAO report that audited the RAP. I am interested in particular in the ANAO's findings in relation to projects of national significance, which I think are directly relevant to this inquiry, because the government has relied on the ANAO report to defend the Regional Partnerships Strategic Opportunities Notional Allocation guidelines.

Ms Riggs—Not the guidelines but the procedures.

Senator O'BRIEN—At the time of the ANAO audit, only four grants had been made under this special project category, including a \$1.84 million grant to National Textiles, which Senator Forshaw has referred to. The ANAO said it did not link very closely to the guiding principles of the program. I just want to get an idea of how those guidelines worked. Can you take us through the process? How did the assessment of one of these special projects differ from the ordinary community based projects?

Ms Riggs—I do not know. I was hardly involved at all in any assessments under the Regional Assistance Program. I took up my current responsibilities less than six months before that program ended and only a couple of months before we ceased to assess any new applications under those guidelines.

Senator O'BRIEN—Who would be able to answer that question?

Ms Riggs—I will see if I can provide you with some assistance in relation to that question when we meet again tomorrow. I will consult with others in the department.

Senator O'BRIEN—Yes, if you could. I have a number of questions which go to the comparison between that and this program. Do you know how the department acted on the ANAO's recommendation that—and I quote:

... in the interests of consistent decision-making and public accountability, further attention be given to documenting reasons for approving Particular Projects of National Significance. The assessment process should be sufficiently rigorous to provide reasonable assurance that the projects selected are consistent with the guiding principles of RAP.

Ms Riggs—Absolutely, Senator. I can certainly tell you how we have responded to that in the way we have constructed Regional Partnerships, which is where the response is, and the procedures we have in place for the identification of projects which might be considered under SONA—what we now call strategic opportunities. The notion of notional allocation is a bit of a hangover from how we ran the program in the last financial year, and we are no longer doing it. In essence we have done three things. Firstly, any project that is approved under Regional Partnerships, having come to us as a result of an application, has to be consistent with the broad objectives of regional partnerships. It must be about partnerships and community strengthening, and it must have sustainable outcomes for its local community or region. Secondly, the reasons it is considered under SONA and not as an ACC related project, if I can put it in those terms, are fully documented in the advice to the minister and reasons for the decision are fully documented appropriately on the departmental files. There has been a response to the full context of that ANAO commentary.

Senator O'BRIEN—There was no response in the old program. The response did not occur until Regional Partnerships commenced.

Ms Riggs—To the best of my knowledge that is right.

Senator O'BRIEN—With the RAP applications, did senators and members of parliament play a role in supporting local applications, in particular the projects of national significance?

Ms Riggs—My experience is that any grants program attracts a lot of support from members and senators. Many grant applications come to departments—and, as you know, I have worked in several—with attached letters of support. It is pretty common for people to have gone to their local member and/or some of the senators for that state to seek a letter of support.

Senator O'BRIEN—Projects of national significance was a published criterion—it was generally known?

Ms Riggs—I do not know but we have said that we will go back through our files and get another copy of the RAP guidelines and the application form. We will be able to check when we make that available.

Senator O'BRIEN—We will come back to that tomorrow. I have a range of questions about the programs that were amalgamated into the Regional Partnerships program. I will convert those to questions on notice so that we do not constrain the hearing process. They are information seeking. I am sure you will be pleased with that.

Ms Riggs—I am not sure that my staff will be, however, Senator. They much prefer me to answer questions on the spot if I possibly can.

Senator O'BRIEN—I did not say that you could not answer them; I am just putting them on notice.

Mr Yuile—Senator, was it at the last estimates hearing with you that we answered some of those questions? Or is it a different set of questions, or an update?

Senator O'BRIEN—I will double-check the extent to which we need to ask those questions. We will give you a document.

Mr Yuile—I recall the discussion about predecessor programs and the transitioning. That is all I am wondering about.

Senator O'BRIEN—I am just concerned that we can rely on the answers from estimates about all of these programs. We seem to have a bit of a difference about the role of ACCs since the last estimates. Maybe that is my emphasis rather than yours.

Mr Yuile—I think it is. I would like to say that we work very hard to make sure we give you accurate answers. If there is a suggestion that previous answers have not been accurate—

Senator O'BRIEN—We have had a debate about the answers at estimates on ACCs and their category as independent. In relation to the ACCs and their recommendations, I am not satisfied with the response, on the basis that I am not hearing any change in the department's position. I will be asking the committee to consider requiring the ACCs to provide that information under the powers of compulsion that the committee has.

Senator CARR—It would be of enormous assistance to the committee if we did not have to subpoena that material. I share Senator O'Brien's view. The 56 ACCs will have to be approached individually. Given that there is no legal impediment against them providing this information, as you have said, it will be my intention to support a motion to the effect that we do subpoena that material. I ask the departmental officers to take that expression of interest on board. You may find it a lot easier to provide us with information that you have at your disposal. We would be looking for minutes, wouldn't we, Senator O'Brien? We would want the minutes of how the decisions were arrived at.

Senator O'BRIEN—I think the committee would need to consider those fully. Ms Riggs, on the question of the administration of the Regional Partnerships program, is it correct that the four senior officers most concerned with the Regional Partnerships program are yourself, Dr Dolman, Mr Harris and Mr Pantelidis?

Ms Riggs—The two senior executives most concerned with the program are myself and Dr Dolman. The two executive level officers most concerned with the program are Mr Harris and Mr Pantelidis.

Senator O'BRIEN—How are the areas of responsibility broken up between the four?

Ms Riggs—I am responsible, full stop. Dr Dolman is basically responsible for the management of Regional Partnerships. Mr Pantelidis is responsible for the consistency and quality of the assessments and approvals process. Mr Harris is responsible for the overarching operational and policy consistency of the documentation that underpins both the public face and the internal procedures of the program, by and large. There are two area managers at the same executive level 2 as Mr Harris and Mr Pantelidis, responsible between them for our 11 non-

Canberra based officers, who also have responsibilities vis-a-vis this program: Mr John Love, based in Western Australia; and Mr Garry Eilersen, based in Townsville.

Mr Yuile—So, across the regional network there are two managers who bring together different areas—one based in Perth and one based in Townsville.

Senator O'BRIEN—Have those roles changed during the life of the program?

Ms Riggs—Yes. For example, neither Mr Harris nor Mr Pantelidis have been in their current positions for more than about nine months. That is a normal turnover of staff and movement of staff within a division.

Senator O'BRIEN—But the role has not changed?

Ms Riggs—No, the role has not changed. I think it is fair to say that, broadly, we have had an applications approvals process coordination team in the national office working largely with our regional offices, and we have had an overarching policy process type team as well.

Mr Yuile—In line with that movement of staff, I think the area manager function now performed in Perth was previously performed by an officer in Adelaide who took a job elsewhere, so we have allocated that responsibility to our area manager in Perth. Just to complete the picture: the function remains the same, the person has changed.

Senator O'BRIEN—Was there any impact on the functions by the creation of the SONA procedures?

Ms Riggs—The SONA procedures were implicit in the guidelines from day one of Regional Partnerships and they were made explicit in September 2003. So, no, there was no impact on those other than that we assigned direct responsibility for anything that had to be done in the national office to one of those two teams and it was quite explicit in the way in which we wrote the procedures.

Senator O'BRIEN—When did that occur?

Ms Riggs—I think it was in September 2003.

Senator O'BRIEN—Can you point to the parts of the guidelines that imply that there is another set of procedures to be applied to claims on criteria not mentioned in the original guidelines?

Ms Riggs—There is not any because there is no such thing as implied in your question, Senator, of claims outside the guidelines. I have already said that SONA is a set of procedures that still requires that the project meets the broad terms of the guidelines about the assessment criteria in terms of outcomes, partnership support, and the project and applicant viability. Internal procedures are precisely that: they are how we as officers charged with administering the government's programs give effect to the guidelines or whatever other statement of policy the government gives us.

Senator O'BRIEN—In terms of the terminology procedures, has that always been the case? Has it always been procedures and guidelines all along?

Ms Riggs—There is a set of Regional Partnerships guidelines. They have been available on our Regional Partnerships web site since, I think, 26 June 2003—maybe the 24th. They have been varied two or three times in quite small ways in response to operational experience with the guidelines for greater clarity. The procedures manual was first released inside the department in August. There was a draft of it around as we went live with the program on 1 July but the first complete procedures manual was released inside the department in July or August 2003. It was then updated quite quickly on two or three occasions and we now have a regular cycle of quarterly updates to the procedures manual. The notion that there was a strategic opportunities procedure has been implicit in the program from day one and explicit in terms of a detailed description in the procedures manual since September 2003.

Senator O'BRIEN—I am not sure what you mean by 'implicit'. Is there some terminology which implies that a different approach—

Ms Riggs—It is not a different approach, Senator.

Senator O'BRIEN—It was not a public approach, was it? There was a set of guidelines—

Ms Riggs—Anyone can apply under Regional Partnerships. We then need to make some administrative judgments about how we handle the processing of the application. The strategic opportunities element is merely a variation to the otherwise standard processing of an application.

Senator O'BRIEN—Mr Lloyd described the SONA procedures as a 'strategic element' of Regional Partnerships. Should I understand it that way?

Ms Riggs—The 'S' in the acronym 'SONA' stands for 'strategic'. Senator, I have an extract from the procedures and I want to quote directly from it. This is an attachment to the submission, and I draw your attention to the fact that it was last updated in March 2004. In 2003-04 we were still trying to use a separate notional allocation to manage our money for this program, which we are no longer doing. But the procedures and this element of the program, which may or may not ever be drawn on in any one year, are as described in these four pages. You can make your own judgment about the extent to which 'strategic' is an appropriate term, but it is the term we use.

Senator O'BRIEN—Mr Lloyd said:

The strategic element of Regional Partnerships is used to fund projects of high national significance that may fall outside the administrative constraints of Regional Partnerships.

Ms Riggs—And page 1 of attachment H to the submission from the department has the following sets of words in it:

Projects that could be considered under SONA include those that meet a broad national need, for example, they:

- are of national or cross-regional significance;

- are a whole of government response; or
- respond to a significant event, such as a regional economic or social crisis, where support is not available from existing relief programmes.

In addition, SONA may be used to address programme constraints of a more administrative nature. Examples include:

- where funding sought for a high priority project would exceed the relevant ACC notional allocation—

and that one is no longer relevant because we are not asking ACCs to manage their element of the program with a view to notional allocations—

or

- where a decision not to support a project is reversed following formal review—

and, again, that would be in the context of where an ACC notional allocation might have been exhausted—

or

- where a project or initiative would require the waiver of some specific part of the guidelines or eligibility criteria in order to be funded—

For example, the waiver that enabled normally ineligible components, including the Department of Agriculture, Fisheries and Forestry, in relation to the transfer, in effect, of money from RP to the sugar industry structural reform program. That is precisely what this element is about.

Senator O'BRIEN—So you needed to know about that element to refer someone for funding who fell outside the criteria of those eligible for funding under the published guidelines?

Ms Riggs—You cannot apply under SONA; you can only make an application. This is then an administrative procedure which lets us, as a department, make a judgment about whether we will bring something forward to the minister's attention even where it falls outside the normal processes of the program.

Senator O'BRIEN—Let us come back to that. If I had a good idea for a local project, would I have been encouraged to talk to my local ACC?

Ms Riggs—If you had a good idea for a local project, you would be encouraged to talk to your ACC.

Mr Yuile—On the presumption that you want to access the Regional Partnerships program.

Senator O'BRIEN—Yes, that is what I mean. What happens from there? Does the department regularly consult parties other than ACCs when assessing applications?

Ms Riggs—I am not quite sure what you are driving at, but, for example, we would consult with other Commonwealth agencies. That would be the most common form of consultation, other than seeking the advice and recommendation of the ACC. In circumstances where there might be a large private sector project, in the context of the way we apply our due diligence assessment procedures we might seek external advice from someone who knows the industry, understands finances and understands whether or not the project is reasonable.

Senator O'BRIEN—And in terms of the roles of the regional and national offices of the department in the assessment of a Regional Partnerships application, would the national office amend assessments or recommendations made by regional offices?

Ms Riggs—Fundamentally, assessments are carried out by regional offices and the first layer of quality assurance is the regional manager. Then they come into the national office and in the process of compiling the packages for the minister we assess them for consistency and quality. Sometimes that means national office might have a conversation with regional office about what they mean by a form of words or the outcome in relation to a particular project, where it might be different from an otherwise apparently similar project, or is different because they are indeed different projects and/or in different settings.

Senator O'BRIEN—Would you ask them to amend them in that regard or would the national office do the amending?

Ms Riggs—The dialogue would give rise to a conclusion about needing amendment. TRAX happens to be set up in such a way that the regional manager would have to arrange to amend the record.

Senator O'BRIEN—Could you identify areas where the recommendation of a regional office has changed following its submission to the national office?

Ms Riggs—What do you mean by areas?

Senator O'BRIEN—Particular applications.

Ms Riggs—No, that is part of our internal formative process and I do not think we will be discussing that with you.

Senator O'BRIEN—Can you tell me, for example, the longest time taken to assess a successful project versus the shortest?

Ms Riggs—No, I cannot. I am sure that the secretariat or your staff can work through the table of dates received and dates approved.

Senator O'BRIEN—But they do not tell us enough to be able to make that assessment because, from what you have told us, some matters are proceeding before the applications are received.

Ms Riggs—If I were to ask my staff to do that, they would work on the basis of the dates in the tables of information we have given you.

Senator O'BRIEN—So they could not tell us accurately how long they had been considering applications—they would have to go to the files, in other words?

Ms Riggs—Formally we do not begin to consider an application until such time as the application is received in the department, and those dates are recorded in the data we have given you.

Senator O'BRIEN—Even though matters might have been proceeding before that time in a consultative approach about an application that was under consideration for lodgment?

Ms Riggs—We might have been aware of some elements of an application that was under preparation.

Senator O'BRIEN—And the regional office might have been working with an applicant to refine their application in the context of guidelines and procedures.

Ms Riggs—That is actually something we ask applicants or prospective applicants to work in conjunction with ACCs about, because I think good practice suggests that it is much better for the staff in general not to be involved in the development of an application and then have to make an assessment of it.

Senator O'BRIEN—Is it the case that all Regional Partnerships applications are subject to final decision by a parliamentary secretary, Mr Lloyd or Mr Anderson?

Ms Riggs—The one exception to that is where an application is received that is clearly ineligible—for example, a private sector body seeking money to fund a planning or feasibility study, which the guidelines clearly say is not an eligible application. Our regional manager rejects the application at that point. That is about the only circumstance.

Senator O'BRIEN—So that circumstance could not be the subject of the SONA procedures?

Ms Riggs—Dr Dolman or I would make a decision about anything that would be considered under SONA, as is clearly set out in the attachment to the submission.

Senator O'BRIEN—What level of consultation would there be between the ACCs and the regional offices about particular potential applications—that is, how they fit with the guidelines and procedures? How would that work?

Ms Riggs—Our objective is to equip executive officers and project officers of ACCs to make judgments themselves about how effectively the application fits with the guidelines. It has been one of our key objectives for a little over 18 months now.

Senator O'BRIEN—Mr Lloyd's ministerial title no longer includes regional services. Does he still potentially exercise the powers of final decision on these applications?

Ms Riggs—Mr Lloyd is one of three ministers within the portfolio. As I explained this morning, the terms of their ministerial appointments in effect give them all capacity to be decision makers for any matters within the portfolio. Mr Lloyd's current charter letter from the

Prime Minister makes him on an ongoing and regular basis responsible for territories, local government and roads. But as Mr Anderson did with Mr Lloyd's predecessors, though their titles may have been a little different, he might on occasion ask him to be the decision maker in respect of a project or small number of projects where Mr Anderson felt it would be better if both he and Mr Cobb did not make the decision.

Senator O'BRIEN—All applications would be known to Mr Anderson, but he would decide when it was not appropriate for a junior minister or a parliamentary secretary to be dealing with that application. Do I understand you correctly?

Ms Riggs—Yes, he would make that decision, though it would be based on advice that we might offer.

Senator O'BRIEN—Okay. Can you give me some idea of why such advice would need to be given?

Ms Riggs—There was a project, for example, that related to an industry that both the former parliamentary secretary and Minister Anderson had some interest in. Minister Anderson thought that it would be better if it was handled by Minister Campbell at the time.

Senator O'BRIEN—So it was a potential conflict of interest.

Ms Riggs—It was a perceived conflict of interest.

Senator O'BRIEN—Perceived or potential?

Ms Riggs—Yes.

Senator O'BRIEN—On page 17 of the department's submission it states that departmental grant recommendations are accompanied by draft letters to successful applicants, relevant local MPs and patron senators where applicable and the local ACCs. I want to be clear on the previous exchange. If the department was making a recommendation about a grant in New England, would the department refer a draft letter to Senator Sandy Macdonald?

Ms Riggs—I have not memorised the list of those who are now called patron senators by the government, but I think that is probably the right senator's name. There would also be one prepared for Mr Windsor.

Senator O'BRIEN—Are these draft letters then prepared for the signature of the decision maker—either the parliamentary secretary or the relevant minister?

Ms Riggs—That is right.

Senator O'BRIEN—If a decision not to approve funding for a project is made, does the department provide alternative versions? Just in case it is not approved, does the department provide alternative versions?

Ms Riggs—We are confident about our advice. In fact, we provide letters based on the presumption that our advice will be accepted. That means that in 17 cases we have had to redo the bundle of letters, yes.

Senator O'BRIEN—There is no mention of a draft media statement announcing a grant. Are draft media statements prepared by the department or is that left to the offices of the parliamentary secretary or minister?

Ms Riggs—I am sorry, Senator, the submission is deficient. We do provide a shell draft media statement.

Senator O'BRIEN—If the application is recommended to be rejected, do you draft a rejection letter?

Ms Riggs—The department writes to applicants whose application is not taken up by the government.

Senator O'BRIEN—Do I take it that the parliamentary secretary's or the minister's office manages the dispatch of signed letters and arranges the announcement, or is that left to the department?

Ms Riggs—Other than letters which are written from the department and signed within the department, the dispatch of letters goes from the parliamentary secretary's or the minister's office, and that office also takes responsibility for arranging announcements.

CHAIR—Is the department advised of this with copies of the letters sent out by the minister's office? Some of the letters that we are referring to are pre-prepared, if you like, within the department.

Ms Riggs—When a package of advice is completed, it comes back to the department, with copies of any correspondence that was dispatched as a result of the decision making, announcement and completion process.

Senator O'BRIEN—When the draft letters go out, are dates left vacant or are they date stamped? Is it the responsibility of the dispatching office to date stamp them?

Ms Riggs—Letters that leave us are not dated. It is the responsibility of the dispatching office to date the letters.

Senator O'BRIEN—Given that the various advices are prepared, do you know whether all the advices are sent out at the same time?

Ms Riggs—We do not sit in that office. A quick observation across a returned completed package would be that not all projects are approved on the one day, even from within a package, and therefore not all correspondence about different projects in a package of recommendations would be dated the same date. My non-systematic observation of a completed package would be that, generally, the letters relating to a project are dated within a day or two of each other.

Senator O'BRIEN—You would expect that to be the case?

Ms Riggs—I would generally.

Senator O'BRIEN—So would I.

Ms Riggs—But there may be reasons why on occasion it is not.

CHAIR—Do you know of reasons why on occasion it may not be the case?

Senator O'BRIEN—It is all good news!

CHAIR—It depends on who is receiving the news, doesn't it?

Ms Riggs—That may be a consideration.

CHAIR—For instance, when a letter is sent to the local MP and to the relevant patron senator.

Ms Riggs—I think there may be some cases where the applicant, now the soon to be proponent of the project, might be informed a day or two in advance of the ACC chair, for example.

CHAIR—Do you know whether or not local MPs would be advised subsequent to patron senators when the MP is not a member of the government?

Ms Riggs—No, I do not know. As I have said, this is a very informal observation of a few returned packages.

Senator O'BRIEN—Does the department play a role in the announcement of the Regional Partnerships grant?

Ms Riggs—Other than to provide the drafts of letters and a media release, no, we do not.

Senator O'BRIEN—So the department would not issue a media statement about a grant in the name of the parliamentary secretary or the minister?

Ms Riggs—I am not aware that we have done that in respect of Regional Partnerships.

Mr Yuile—That would be very unusual and I cannot recall it happening, actually.

CHAIR—I draw attention to the fact that it is now 20 minutes to five and we are due to finish at five. I understand that Senator Brown has some questions. Senator Murray and Senator Barnett have a few questions. Is that it for today?

Senator O'BRIEN—Yes.

CHAIR—I just wanted to make sure that we bear that in mind.

Senator O'BRIEN—I will just ask these questions and come back to the rest of my questions later. Page 17 of the department's submissions states:

... the approval of the Minister for Finance and Administration is required for any grants involving multi-year funding.

At what stage is approval from the Minister for Finance and Administration sought and what material is presented to that minister for consideration?

Ms Riggs—Senator, were you out of the room when we had a conversation with Senator Murray?

Senator O'BRIEN—I may have been.

Ms Riggs—After the minister or parliamentary secretary has approved the Regional Partnerships grant, if it is a multiyear grant it has to go to the Parliamentary Secretary to the Minister for Finance and Administration for approval not of the grant per se but of its multiyear nature. It is part of the budget management process and there is a standard pro forma which we have to complete and which we send as part of the package to the parliamentary secretary or minister. That is then transferred with a letter from that office to the appropriate other parliamentary secretary's or minister's office.

Senator O'BRIEN—Can you provide us with a list of all Regional Partnerships projects for which multiyear funding has been approved under that process?

Ms Riggs—Yes, but I do not promise that it will be part of the package that we try to get to you tomorrow. My staff are now working very hard.

Senator O'BRIEN—As always.

Ms Riggs—Thank you.

Senator BROWN—Is Senator Sandy Macdonald a patron senator?

Ms Riggs—I believe he might be.

Senator BROWN—He is or he is not.

Ms Riggs—I do not have the list with me. I have already indicated to the chair that I think Senator Sandy Macdonald might be the patron senator named for the seat of New England.

Senator BROWN—Any other seats?

Ms Riggs—I do not know; I do not have the list with me.

Senator McGAURAN—Senator Macdonald has his electorate office in Tamworth; he is more than a patron senator.

Senator BROWN—Besides being advised about the announcement of funding approval what role are patron senators invited to take in enhancing that announcement?

Ms Riggs—That is entirely a matter for the minister's or parliamentary secretary's office. We only know about this arrangement that the government has with its senators because we prepare a package of letters that is part of the standard package that goes with every advice to the minister or parliamentary secretary, and one of those letters is to the patron senator.

Senator BROWN—So they are simply advised, 'The approval has occurred; here's the attendant documents.' And that's that.

Ms Riggs—Our role in that respect is to provide the letter. I do not know what more might happen between the patron senator and the parliament secretary's or minister's office.

Senator BROWN—Could you just tell me on which page of the list you have given us today on Regional Partnerships is the approval for the funding of the equine centre in Tamworth?

Ms Riggs—It is one of a number of election commitments that the government has made and which the government is yet to confirm how it will deliver. There is no approved Regional Partnerships grant at this stage for that project.

Senator BROWN—So the funding has not finally been approved?

Ms Riggs—The government is yet to finalise its consideration of how it will deliver on a number of the commitments that it made during the election campaign.

Senator BROWN—Including the equine centre?

Ms Riggs—Including the equine centre.

Senator BROWN—Have you got any information to indicate why there has been a delay by the government in making that determination?

Mr Yuile—I think I can say that has been part of the government's portfolio additional estimates process. It is part of the budgetary process. It has been delayed, obviously, because of the election. Therefore the government's consideration of how it will deliver on its election commitments is linked up with that budgetary process.

Senator BROWN—Do you have any evidence that it is to do with political considerations and the attendant political questions that have arisen? Is there any way in which they have interfered with the process of approval?

Senator McGAURAN—Chair, I raise a point of order. A question has been asked of the department which requires a political judgment—

Senator BROWN—No, I have asked whether there is any evidence that the department is aware of.

CHAIR—What is your point of order, Senator McGauran?

Senator McGAURAN—The senator is asking the department to make a political judgment.

Senator BROWN—No, I am not. I have asked whether they have any evidence of political influence being brought to bear on this matter.

Mr Yuile—I think the answer is that there is a range of election commitments across a range of portfolios, not just this portfolio. The government obviously has to assess how it will deliver on its election commitments and that is being done in the context of ordinary budget processes. Ordinarily, that would have come out ahead of Christmas but, because of the election, the portfolio additional estimates process has been delayed, as you know. I expect the government will announce its decisions on that next week. I think that is correct. Then there are the additional estimates hearings in the middle of February. I think that is the timetable. It is part of ordinary processes of government.

Senator BROWN—Is the member for New England on the North West Area Consultative Committee?

Ms Riggs—I do not know, but I do not believe so.

Senator BROWN—Was he?

Ms Riggs—I do not know, but I do not believe so.

Senator BROWN—Could you check on that for me?

Ms Riggs—I will ask the area consultative committee if they can provide that information.

Mr Yuile—Just to be clear, you are asking whether the current member for New England is on the area consultative committee?

Senator BROWN—Yes.

Mr Yuile—We will have to check that.

Ms Riggs—I am not aware of any sitting members who hold membership of an area consultative committee.

Senator BROWN—That is fair enough. I am just clearing the air on that.

Mr Yuile—Certainly in the time that I have been involved, I do not think that a local member has ever been on an area consultative committee.

Senator BROWN—Can you enlighten the committee on the process? It has been a very long application process for the funding of the equine centre. Can you tell the committee when you first became aware of the application for funding through these programs for that centre?

Ms Riggs—In terms of the Regional Partnerships program, an application was lodged with the department on 16 August 2004.

Senator BROWN—Was the department aware of a pending application before that? You have said that that occurs in relation to some other projects.

Ms Riggs—Going back some few years before that, the department had, at the request of the minister, sponsored a study into a previous not unrelated proposal for something of that nature in Tamworth—that was carried out by Professor Chudleigh—which had not supported what was then the emerging project. So we were aware of that. But, no, we did not know that we would get an application at that point.

Mr Yuile—Just to be clear, because I think it goes to a question that we had earlier in the day, in 2001—and, of course, we did not have Regional Partnerships at that point—my understanding is that there was no application as such. It was a proposal that was floated, and that was the proposal the minister referred to Professor Chudleigh for advice on. It was not an application under Regional Solutions.

Ms Riggs—There had been RAP funding for the feasibility study which then produced something which the Chudleigh report assessed. The department heard nothing more until we received an application in August of last year.

Senator BROWN—The assessment done by Professor Chudleigh was a of a different equine centre proposal to that which—

Ms Riggs—It was for a thing called an equine centre in Tamworth, but it was not for the thing that the government announced it would support as part of the election campaign.

Senator BROWN—In what way did it differ?

Ms Riggs—I will take that on notice.

Senator BROWN—If you would, thank you. Who put forward the proposal on 16 August?

Ms Riggs—The Tamworth Regional Council.

Senator BROWN—What was the process from there to the government announcement and what was your involvement in that process?

Ms Riggs—When it was received we would have done our normal process of checking that it was an eligible application. We would have referred it to the ACC and then we would have embarked upon an assessment. As soon as it was announced as an election commitment, we ceased assessment because it was no longer appropriate that we consider it as an application under Regional Partnerships. The government had already announced its intention to fund it, therefore it was no longer a Regional Partnerships application.

Senator BROWN—It sounds like an excellent project. Did you have any forewarning that the government would announce this or the other projects?

Ms Riggs—We did not.

Senator BROWN—Was a new economic analysis done on this project as part of the approval process that you were undertaking or did it not get to that stage?

Ms Riggs—You would have to ask the government about that. The department's involvement was exactly as I have described it to you: we had an application; we had just embarked upon an assessment and then it was announced. We have done nothing since because the government is still considering how to give effect to its election commitments.

Senator MURRAY—I want to return briefly to the issue of the 17 projects on which ministerial or executive discretion was exercised.

Mr Yuile—Can I make it clear that all decisions are ministerial decisions and are all discretionary in that sense.

Senator MURRAY—Obviously, we understand that but these are the 17—

Mr Yuile—I just wanted to be clear. They are the 17 where there is a variation between the minister's decision and our advice.

Senator MURRAY—Wrapped in the way I phrased it, of course, is the belief that your advice is likely to be independent, which is perhaps a compliment to you that I hope you deserve.

Mr Yuile—I will take it in that spirit.

Senator MURRAY—Back to the question: with respect to those 17, was there or is there any additional advice called for? Or does the minister or parliamentary secretary make their judgment at variance with your advice which might be to reject or add conditions, to suggest more or less money or to approve those which have been rejected? I think that is the range of categories. Or do they ask you to go away and reconsider particular items and come back to them with further advice? Or has the decision been taken just on the papers that were before them at the time?

Ms Riggs—It is not uncommon for the minister or the parliamentary secretary to have a conversation with the department after receipt of our formal written advice. I do not know how many of these 17 were the subject of conversation, but not infrequently we used to talk through a set of recommendations with the minister or the parliamentary secretary and perhaps, in the course of those conversations, examine or explain why we had reached certain positions in terms of our recommendations and be asked whether there were alternative conclusions that could be reached and on what basis. That is a normal process of exchange between a department and a minister.

Senator MURRAY—In my mind there are only three possibilities—and it is very difficult to put myself into the minister's mind—and there may be more. Of the three possibilities, one would be that it is generally a lineball decision where an alternative view could be taken on the evidence before them, so it is a kind of judgment issue.

Mr Yuile—I should say that in many of our briefs we canvass options, as you would expect, so that the minister may have a range of options.

Senator MURRAY—And you might have given him a lineball kind of decision: these are the things which warrant it and these are the things which do not; on balance, we have decided against it. The minister might say, ‘Well, on balance, on the same information, I am for.’ The one in my mind is a lineball decision. The second possibility is that the minister has access to information which the department does not have access to—perhaps local knowledge, perhaps knowledge of the industry which departments might not in general have. I do not know. The third possibility is that there is political advantage to be gained by it. You would not be in a position to judge whether that third possibility was the determining motive because there would be no way in which you could judge it. But is the sort of discussion on the second one that I have outlined—where the minister has knowledge or understanding of the industry, project or locale, which you do not have knowledge or understanding of—raised in the conversations you have?

Ms Riggs—If that were the case in relation to a project, almost certainly the minister would raise that with us. We would expect that, in identifying the reasons for the decision, that would form part of the minister’s annotation to the final decision that he or she signed off on.

Senator MURRAY—So a minister, for instance—and I draw no inferences—who understood farming and horses and so on might have a view on a farming or a horse related project which was informed by a greater understanding than would be apparent from officers who might not have that background. Is that right?

Mr Yuile—I am sure if that is the background a minister has—and I can recall ministers from successive governments with different backgrounds who naturally draw on that as part of their contemplative process.

Senator MURRAY—As do we senators.

Mr Yuile—Sure.

Senator MURRAY—I am really searching in this question. Partly I want to put on record that I think they are probably the three areas a minister might make a judgment on. We have explored the lineball one, where you have essentially said you provide options and it is a matter for judgment. But I want to ascertain from you how common it is for a minister to have greater or specialist knowledge which therefore legitimately influences discretion.

Ms Riggs—I think that is probably just impossible for us to answer.

Senator MURRAY—I am sure it is. But if it is not there, I am left with one of two reasons for the 17: either it is a genuine lineball or there is a political advantage to doing it. If you cannot confirm that the second one—

Ms Riggs—Can I suggest a slightly different perspective on your notion of a decision being lineball? In essence, the department’s assessment is a judgment made by an officer of the department—an informed and experienced officer—and, if you like, QAed by a more senior and therefore hopefully more experienced officer. But, in essence, it is a judgment of one or a small

number of human beings about a set of facts and information presented to them. In almost all cases it is about a set of facts and information, and it is equally legitimate for another human being to form a different conclusion but based on exactly that same fact and information because of their different background and experience.

Senator MURRAY—And their greater experience—yes, I accept that.

Ms Riggs—So I think the notion that, if the minister's judgment differs from the department's judgment, that is only acceptable if it is in some way lineball, might be just a little—I am not sure that the notion of expertise and lineball are separate.

Senator MURRAY—That is not what I said. Firstly, I said there are three categories: the first is lineball, the second is where the minister's greater experience would legitimately allow for a different conclusion to be reached and the third is where there is a political advantage. When I explored the second you said it would be impossible for you to indicate that that comes into consideration. Now you are saying that is where it does come into consideration.

Ms Riggs—I think perhaps Mr Yuile and I both had a sense you were referring to experience and knowledge specific to a greater industry. What I am trying to do is put it in the context of a different set of knowledge and experience—not necessarily greater expertise as might be measured in a professional sense but the notion of a different body of experience, a different life experience, which would give rise to a different judgment.

Senator MURRAY—I cannot take that any further.

Mr Yuile—I may have misunderstood. I thought I was being asked for a judgment about the number of applications. Perhaps I misunderstood and I apologise if that is the case. I think there is another issue. One of the things we are all highly aware of is that we live in a very contestable environment. Irrespective of personal knowledge and experience, there are a whole range of sources from which a minister or a senator can draw in coming to a conclusion. That also needs to be borne in mind, apart from political advantage.

Ms Riggs—I did say earlier today that I would separate the 17 cases into categories of different judgments formed. Of the 17 cases: 11 were projects where the department's judgment was that the project should not be approved but the minister approved it; three were projects where the department's view was that the project should be approved but the minister declined to approve it; and three were projects where the department's recommendation was to approve the project but for a lesser amount than originally asked for and the minister approved the project for the amount originally asked for.

Senator MURRAY—That is very helpful.

CHAIR—Thank you for that.

Senator BARNETT—Earlier this afternoon Senator Carr asked a question and there was some discussion about government election promises and whether or not they have been put to the Regional Partnerships program for funding. Are you aware of any Labor Party election promises that have or have not been processed through the Regional Partnerships program? I

have a list of seven here that I would like a specific yes or no response to, if possible. That may help you in your answer. I am happy to read those out to you.

Ms Riggs—If things that the Labor Party were keen on supporting were to come to the department as applications under Regional Partnerships they would get exactly the same treatment as any other application under Regional Partnerships.

Senator O'BRIEN—Departmentally.

Ms Riggs—Departmentally. Thank you, Senator.

Senator BARNETT—I will mention these seven: \$150 million for the Murwillumbah to Casino rail line, \$1 million for a national centre for democracy—

CHAIR—Are you asking this in relation to the two programs that are being considered: Regional Partnerships or Sustainable Regions?

Senator BARNETT—That is right.

Mr Yuile—Whether these have been brought forward as applications

Senator BARNETT—Whether applications have been made for these projects to those programs: \$1 million for a national centre of democracy at Eureka centre in Ballarat—most of these were announced by the then leader Mark Latham; that one was announced by Senator O'Brien on 21 September 2004—\$10 million for a national museum of Indigenous culture in Cairns; \$1 million to whichever entity took over the vacant Austoft site in Bundaberg; \$1.5 million to a turtle interpretation centre in Bundaberg, announced by Senator O'Brien on 20 September—I note in that regard that the council planning chairwoman, Mary Walsh, was reported in the *Bundaberg News* as saying that the project was delayed by the need to investigate the business case, and that had resulted in higher costs—\$3 million for a sporting complex at Thuringowa; and \$6 million to upgrade the Rockhampton showgrounds. That is a list of seven. I am sure there are many others, but these are the ones I am aware of. Were they applications?

Ms Riggs—Senator, I am not aware that any of those seven projects have been received in the department as applications under either Regional Partnerships, nor am I aware of any of them having come forward should any of them be relevant to the Wide Bay Burnett Sustainable Region Advisory Committee. None of them would be relevant to Atherton. I just cannot quite juggle them—Eureka, no.

Senator O'BRIEN—Ballarat?

Ms Riggs—No. I know where it is but it is outside of the Gippsland region.

CHAIR—You would not be able to comment on whether or not they are relevant to potential funding under these programs, or under programs or funding arrangements for other departments such as tourism, arts or Indigenous affairs?

Ms Riggs—Based simply on titles like that, it would be inappropriate for us to make comment.

CHAIR—That is right. Thank you.

Mr Yuile—But we are saying that we are not aware of any applications.

Senator BARNETT—Thank you for that answer.

Ms Riggs—Can I correct the record on two other statements I have made today please?

CHAIR—Yes, certainly.

Ms Riggs—I said in response to a question from Senator Carr—or maybe it was Senator Brown—that I did not believe that there had been any projects in Sustainable Regions where the minister's decision had been different from the department's advice. I now need to correct that. The minister in fact took one decision, in relation to one project only, to approve it but at a reduced amount, at a lower amount, than the department recommended. And the second matter—

Senator CARR—Which project was that?

Ms Riggs—I am not prepared to name the project. The second matter that I would like to talk about is that I have seriously confused information about partnership contributions at the macro level between the two programs, and I can confirm that from partnership contributions. I can confirm in respect of Sustainable Regions that state governments are relatively modest partners across the board and local government is a quite firm partner, along with private enterprise, but I believe that I indicated that the states were likewise—that while they were strong partners in terms of approvals and perhaps management and engagement with projects, that they were not funding partners. In fact, I have been given data this afternoon which means I really have to correct that. Of a sample of approved projects that we have looked at more intensively that represent those that are actually up and running and under way—so this is nothing like the \$423 million worth of approvals; this is about a third of those—in that third of projects, the states' contributions virtually match in total, for those projects, the Commonwealth's contributions. So there is a subset of projects that I have data about where the Commonwealth contribution to the projects in total is some \$35 million and the states' contribution to those same projects is some \$32 million. The contribution from all other players is whatever it takes to add up to \$110 million worth of total project value.

Senator BARNETT—That is a sample of about a third.

Ms Riggs—On the basis of the Commonwealth dollars involved it is a sample of roughly a third of the projects.

Senator BARNETT—How many is that? Have you got an estimate there? What is the third in terms of numbers?

Ms Riggs—It would be something in the order of 150 to 170 projects.

Senator BARNETT—So the state governments around this country have matched pretty much dollar for dollar with the Australian government on the sample that you have done this afternoon.

Ms Riggs—For projects that have been supported under Regional Partnerships in this sample.

Senator BARNETT—I think that backs up, again, the merit and the strength of the program. Thank you.

CHAIR—So you withdraw the unwarranted, outrageous attack upon the paucity of the state governments' contribution?

Senator BARNETT—There was no attack in that regard. That is an aspersion I would ask you to withdraw, Mr Chairman.

Senator CARR—There were a number of questions the departmental officers said they would like to give us answers to. I asked specifically in regard to ministerial advice to you on expediting projects. When will that information be available?

Ms Riggs—We will do our best to have that for you tomorrow, but we have to go back and check it through the record. It is not something we put a flag on the IT system about.

CHAIR—I thank officers for their appearance today. We will continue with further evidence tomorrow. Could I ask that you be available from, say, 11.30 or 12 o'clock tomorrow. We were originally scheduled to start after lunch but it is quite likely that we may finish our morning hearing earlier than anticipated. Would that be possible? We would confirm the time with you during the morning. I am trying to make the best use of the time we have available.

Ms Riggs—Yes.

Committee adjourned at 5.11 p.m.