

House of Representatives – Standing Committee on Infrastructure, Transport, Regional Development & Local Government

Inquiry into a new regional development funding program – Submission from NT Area Consultative Committee (NTACC)

1. Provide advice on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects

Committee members agreed that there is a real need to introduce a new program to complement the already announced initiatives which by and large cater for “the bigger end of town”.

It was considered necessary to analyse the proposed programs to identify “gaps” that need to be picked up by a new discretionary program.

Given the stated reluctance to fund commercial enterprise and the fact that the mainstream Departments are picking up a wide range of project types, it was considered that the proposed additional program will probably concentrate on the needs of not for profit community based organisations and that individual projects would probably not be particularly large.

Members considered however that such initiatives, which were unlikely to proceed otherwise, would fulfil quite real community needs and provide significant benefits at minimal cost.

2. Examine ways to minimise administrative costs and duplication for taxpayers.

Given the obvious excessive costs of the Regional Partnerships Program it was felt that a much simplified framework would need to be introduced.

Elements of such a program which were considered desirable were:

- 1) The ACC network had proved its value in identifying and providing an efficient entry point for worthwhile grass roots projects and RDA’s could fulfil a similar role.
- 2) The RDA network could provide comprehensive evaluations of individual projects including an agreed process of prioritisation however for reasons of accountability the Department would need to conduct a compliance audit to double check that recommended projects fully complied with stated requirements.

- 3) As an open ended financial commitment appeared unlikely, projects needed to be considered once (or perhaps twice) a year by a central panel which would prioritise them within a predetermined budget.
- 4) Although signing off would need to be by a Minister it would seem both practical and appropriate to have the projects prioritised by an independent panel which may include Chairs of RDA's and which would be supported by a Secretariat provided by the Department.

3. Examine the former Government's practices and grants outlined in the Australian National Audit Office report on Regional Partnerships with the aim of providing advice on future funding of regional programs.

Although it is now clear that there were significant irregularities associated with some aspects of the RP Program, none of this was evident in the NT.

In our view the program was very worthwhile and identified very valuable community projects. ACC's were well funded and appropriately accountable and pursued their work role enthusiastically and professionally.

4. Examine the former Government's practices and grants in the Regional Partnerships Program after the audit period of 2003-2006 with the aim of providing advice on future funding of regional programs

Following the "Regional Rorts" stigma and damning Audit Report, there was an administrative reaction within the bureaucracy which resulted in the process having to suffer what appeared to be an overly bureaucratic and expensive administrative and assessment process which effectively ground the program to a halt.

Given that the Department is accountable for the appropriation, this reaction was both predictable and (up to a point) justified however this did not make it any more palatable.

Enthusiasm dropped off considerably and the time lag made partnerships very difficult to maintain and introduced cost escalations which further complicated the process.

In hindsight the cost of administering quite small grants was unreasonably and unacceptably high and the delays which the processes occasioned took the gloss off the program and discouraged many potential applicants from entering into the process.