

GOVERNMENT RESPONSE

TO

THE HOUSE OF REPRESENTATIVES STANDING COMMITTEE
ON PRIMARY INDUSTRIES AND REGIONAL SERVICES

REPORT OF THE INQUIRY INTO INFRASTRUCTURE AND THE
DEVELOPMENT OF AUSTRALIA'S REGIONAL AREAS

TIME RUNNING OUT:

SHAPING REGIONAL AUSTRALIA'S FUTURE

MAY 2001

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Overview

In its Report the Committee comments on the growing sense of alienation and concern in regional Australia that their contribution to the nation's development goes largely unrecognised and that regional areas are falling behind in health, education and technology.

The Committee comments that there are opportunities for communities and regions able to capitalise on changing global trade conditions and new economic activities. New partnerships between governments, business and communities are needed to facilitate community-driven development and local ownership of solutions. Governments throwing money at regions or seeking to back winners is not the answer.

The Committee notes that regional advantages are not well enough appreciated by investors. Lower transport and set up costs, a stable and committed work force, a lack of urban congestion and pollution and ready access to international markets through advanced communications technologies are major competitive advantages that need to be better understood and promoted.

Against this background, the Committee has identified leadership and local skills, policy planning and coordination and finance and investment as major issues to be addressed. The Committee's Report also examines a range of particular sectors or issues where action to foster regional development is recommended.

The Government supports the Committee's observations on the above issues. Its *Regional Australia Strategy* recognises three strategic areas that require action: equity of services, economic and business development and helping regional communities develop and enhance their capacity to determine their own future. Support for leadership and local skill development, cooperation between all levels of government, a greater emphasis on the role of government as facilitator, strong economic management and policy reforms that enhance Australia's competitiveness in the global economy are all critical to achieving better outcomes for regional Australia in these priority areas.

The Government's response sets out its position on each of the issues included in the Committee's Report and provides detailed comment on each of the Committee's 92 Recommendations.

GLOSSARY

AARNet	Australian Academic and Research Network
ABC	Australian Broadcasting Corporation
ACA	Australian Communications Authority
ACATs	Aged Care Assessment Teams
ACC	Area Consultative Committees
ACCC	Australian Competition and Consumer Commission
ACPAC	Aged Care Planning Advisory Committee
ACRES	Australian Centre for Remote Sensing
ADI	Australian Distributed Incubator
AFCN	Australian Freight Council Network
AFFA	Department of Agriculture, Fisheries and Forestry – Australia
ALGA	Australian Local Government Association
AMPS	Advanced Mobile Phone System
ANTA	Australian National Training Authority
ANZLIC	Australia New Zealand Land Information Council
AOCs	Air Operator Certificates
AQIS	Australian Quarantine and Inspection Service
ARTC	Australian Rail Track Corporation
ASDD	Australian Spatial Data Directory
ASDI	Australian Spatial Data Infrastructure
ATC	Australian Transport Council
AusCID	Australian Council for Infrastructure Development
AUSE.NET	Australian Electronic Business Network
AUSLIG	Australia's national mapping agency
BARN	Building Additional Regional Networks
BEP	Business Entry Point
BOOT	Build Own Operate Transfer
BSPVES	Bass Strait Passenger Vehicle Equalisation Scheme
BSSPES	Bass Strait Sea Passenger Equalisation Scheme
CAP	Country Areas Program
CDHP	Commonwealth Dental Health Program

CDMA	Code Division Multiple Access
CEDA	Committee for Economic Development Australia
COAG	Council of Australian Governments
CPA	Consumer Protection Act
CRC	Cooperative Research Centre
CSDC	Commonwealth Spatial Data Committee
CSG	Customer Service Guarantee
DDSO	Digital Data Service Obligation
DETYA	Department of Education, Training and Youth Affairs
DEWRSB	Department of Employment, Workplace Relations and Small Business
DISR	Department of Industry Science and Resources
DOTRS	Department of Transport and Regional Services
EOI	Expression of Interest
GGAP	Greenhouse Gas Abatement Program
G-NAF	Geocoded national address file
GOVERNET	Government Electronic Resources Network
GSM	Global System for Mobiles
IIIS	Institutional Investor Information Service
ILN	Integrated Logistics Network
IPPs	Information Privacy Principles
ISDN	Integrated Services Digital Network
ISP	Internet Service Provider
IT	Information Technology
IT&T	Information Technology and Telecommunications
ITOL	Information Technology Online
MBD	Murray Darling Basin
MCEETYA	Ministerial Council for Employment, Education, Training and Youth Affairs
NAF	Northern Australia Forum
NCC	National Competition Council
NCP	National Competition Policy
NEAC	National Electronic Authentication Council
NELF	National Export Logistics Framework
NEM	National Electricity Market
NEMMCO	National Electricity Market Management Company

NHS	National Highway System
NIEF	National Infrastructure and Engineering Forum
NOIE	National Office for the Information Economy
NPPs	National Privacy Principles
NRTC	National Road Transport Commission
NSHC	National Sea Highway Committee
NTN	Networking the Nation
NTS	National Transport Secretariat
ORCIR	Online regional communications information resource
PFI	Private Financed Initiatives
PPP	Public Private Partnerships
PSMA	Australian Public Sector Mapping Agencies
RANZCP	Royal Australian and New Zealand College of Psychiatrists
RASS	Remote Air Service Subsidy
RILC	Rural Industries Learning Committee
RIRDC	Rural Industries Research and Development Corporation
RONI	Roads of national importance
RPT AOC	Regular Public Transport Air Operator Certificate
RTP	Regional Tourism Program
SBS	Special Broadcasting Service
SCORS	Standing Committee on Recreation and Sport
SPOT-LITE	Satellite images of Australia, derived from data by the panchromatic sensor on board the SPOT satellites
SRMC	Sport and Recreation Ministers' Council
STA	Supermarket to Asia
STAR	Speedy Transmission After Reception
TAFE	Technical and Further Education
TFES	Tasmanian Freight Equalisation Scheme
TIGERS	Trials in Innovative Government Electronic Regional Services
TPA	Trade Practices Act
TSI	Telecommunications Service Inquiry
UDRH	University Departments of Rural Health
USO	Universal Service Obligation
USO	Universal Service Obligation
VET	Vocational Education and Training

CHAPTER 2: LEADERSHIP AND LOCAL SKILLS

Introduction

The Federal Government's *Regional Australia Strategy* recognises three key areas that require action: equity of services, economic and business development and helping regional communities develop and enhance their capacity to determine their own future. Support for leadership and local skill development is critical to achieving effective outcomes in these priority areas.

Building community and industry leadership was a major focus of the *Regional Australia Summit* held in October 1999. The link between strong local leadership and expanding regions was acknowledged, with a key recommendation of the Summit seeking to expand and increase leadership development programs for regional Australia.

The Federal and other governments have responded to this need. Several new Commonwealth, State and Territory initiatives in regional leadership development have recently been implemented or are currently under development.

The Deputy Prime Minister and Minister for Transport and Regional Services, the Hon John Anderson MP, convened meetings of regional development ministers and the Australian Local Government Association in March and November 2000. In March, ministers established a taskforce of officials to develop a clear framework for cooperation between all levels of government and to consider immediate opportunities for improved collaboration in shopfront service delivery and regional leadership development. Ministers endorsed the report of the taskforce at the November meeting and work is underway to implement recommendations that aim to make better use of the available resources across government.

Recommendation 1

The Committee recommends that the Commonwealth Government assist regional development and the regeneration of skills and leadership in regional areas by relocating strategic Commonwealth departments essential to facilitating regional development to the regions, beginning with the Department of Agriculture, Fisheries and Forestry and Environment - Australia.

Response

Noted

The Federal Government acknowledges the importance of being well represented in regional Australia through offices located in rural and regional areas, partnership arrangements and service agreements between Commonwealth agencies and with state and local government, local business and communities. These arrangements are flexible and adaptable. They ensure that the range and quality of Commonwealth services provided to regional, rural and remote communities are appropriate and in line with changing community needs.

The Government's 'whole of government' approach to regional development promotes close communication and cooperation between Commonwealth

departments, with other levels of government and with community groups to produce the best 'tailor made' outcomes for individual regions. Current arrangements will be strengthened through the agreement reached by Commonwealth and state ministers for regional development and the Australian Local Government Association in November 2000 to endorse a framework and principles for cooperation. Ministers also agreed to several recommendations designed to improve collaboration between governments in the delivery of shopfront services and regional/community leadership initiatives.

The 56 Area Consultative Committees (ACCs) located around Australia provide advice and feedback to the Commonwealth on regional needs and delivery and access to all relevant government programs. ACCs comprise business and community representatives and are funded under the Government's Regional Assistance Program administered by the Department of Employment, Workplace Relations and Small Business (DEWRSB). The Department of Transport and Regional Services (DoTRS) utilises ACCs in its service provision and policy development under a memorandum of understanding with DEWRSB.

There are circumstances where it may be appropriate in terms of individual agencies or agency functions, to locate in regional areas, and the Federal Government will continue to keep this issue under consideration, and do this where appropriate. One example of this is locating the National Oceans Office in Tasmania.

In the case of the Department of Agriculture Fisheries and Forestry – Australia (AFFA), significant elements of the Agriculture, Fisheries and Forestry portfolio are already employed outside Canberra. In particular, Australian Quarantine and Inspection Service (AQIS) personnel are located in areas close to the major rural industries that they serve and at many regional ports and airports. AFFA also delivers key policies through regionally located agencies, as appropriate. For example, AFFA uses Centrelink to deliver the AAA - Farm Help Scheme. Another example is the Trials in Innovative Government Electronic Regional Services (see Recommendation 30) which are being conducted in Tasmania.

Recommendation 2

The committee recommends that the Commonwealth government, in partnership with state and local governments, the tertiary sector, business, industry and non-government organisations:

2.1 Develop formal programs offering skills development to regional businesses and communities with a strategic focus on clustering and linking of projects across a region. Programs should have regard to regional development best practice and include:

- Farm extension services;*
- Industry practice; and*
- Business planning, investment requirements and marketing.*

2.2 Encourage key institutional investors and private sector leaders (for example, from energy, water or telecommunications utilities) to assist local leaders to develop ideas for consideration by investors.

Response

Supported

The Federal Government offers a range of skills development programs to regional businesses and communities, as do state, territory and local governments, private businesses and the community sector. Business investment is the key to the development of Australia's regions and the Government is committed to assisting regional businesses by ensuring the regional environment is conducive to industry investment.

The Government recognises the critical and continuing nature of skills and business development needs in regional Australia and acknowledges that further work is required on these issues, particularly in relation to the clustering and linking of projects across a region. Regional development ministers and the Australian Local Government Association have asked officials to canvass these and a range of other issues and develop appropriate strategies for their consideration.

Well targeted capacity building programs ensure regional communities can develop the appropriate knowledge and skills to take advantage of new opportunities as they arise. Major Commonwealth initiatives are outlined briefly below.

The *Regional Solutions Program* launched in October 2000 offers communities experiencing economic stagnation and/or population decline due to industry restructuring the opportunity to diversify their economic base.

The *Regional Assistance Program* is designed to facilitate the achievement of national employment goals in regional Australia by encouraging business and communities to take action in partnership with state and local governments, to build business growth and stimulate sustainable employment.

The *Farm Innovation Program* supports and encourages businesses in the agriculture, food, fisheries and forestry sectors to adopt new, innovative production techniques and to explore the potential for diversification into new farming activities.

FarmBis (part of the *Agriculture – Advancing Australia* initiative) aims to:

- increase farmer participation in learning activities which will enhance the profitability, sustainability and competitiveness of their business;
- develop greater acceptance of the benefits of continuous learning and skills development, and its relevance to the changing management needs of a competitive farm sector; and
- enhance farmers' capacity to identify and access appropriate learning activities, and over time, influence more flexible delivery of such activities.

FarmBis provides training in the areas of financial, marketing and human resource management, including farm performance benchmarking, leadership development, quality assurance activities, skills audits and specialised management areas, such as

risk management. Starting in July 2001, the current *FarmBis* and *Property Management Planning* programs will be combined into an expanded program to provide training on farm business management as well as natural resource management.

The Government encourages growth sectors such as tourism and other service industries in regional Australia to foster economic development and diversification. The *Regional Tourism Program* helps to boost the capacity of businesses and organisations to deliver quality tourism attractions, products and services in regional centres.

Small business is a major contributor to the national economy and is often the major employer in a small community. Ongoing skills development and innovations such as clustering are needed to take advantage of new opportunities and to remain competitive with larger urban businesses.

The Federal Government provides financial assistance through the *Small Business Enterprise Culture Program* and the *Business incubators* initiative. The *Small Business Enterprise Culture Program* aims to develop and enhance the business skills of small business owner-managers through skills development initiatives, mentoring services and support for women in small business. Business incubators assist new and growing businesses by providing premises, advice, services and support. Some 58% of incubators are located in regional areas.

In relation to the recommendation on key institutional investors, private sector leaders and local leaders, the Government is committed to encouraging cooperative arrangements and partnerships. This approach was the driving force behind the establishment of the Institutional Investor Information Service (IIIS), developed as a platform for major institutional investors to work with the Federal and State governments to:

- Promote sustainable regional economic growth through higher levels of investment activity;
- Facilitate greater private investment in economic and social infrastructure in regional Australia; and
- Promote a more diversified and productive use of Australia's national savings.

The problem to date has been in linking investors and regional project proponents. Major financial institutions have been reluctant to invest outside certain asset classes, in the smaller end of the market (projects up to \$50 million) and in development capital projects. The IIIS was established to bridge the information gap between institutional investors and regional project proponents through:

- Information to project proponents (regional organisations, local councils, public authorities, industry groups, developers and entrepreneurs) explaining the institutional investor market, how it works and what it requires in terms of project presentation, documentation etc;

- Information to key decision-makers within the institutional investor market (eg fund managers, advisers, trustees, consultant actuaries) and the banking industry about the benefits of holding a more diversified investment portfolio and the investment opportunities that exist at the regional level; and
- A National Register of 'Investor Ready Projects' to provide a direct information conduit between project proponents and institutional investors.

The Federal Government committed \$500,000 to the IIIS, with a further contribution from participating states. Upon completion, the Government will evaluate its success before making any further funding decision about its future.

The work of the Rural Industries Learning Committee (RILC) should also be noted in the context of recommendation 2. The RILC was established in response to the recommendation of the Rural Industries Forum report *A National Rural Industries Framework for Education, Training and Extension Services* in June 1999, which was endorsed by the Australian National Training Authority (ANTA) Chief Executive Officers and the Standing Committee on Agriculture and Resource Management. The purpose of the Committee is to foster closer linkages between the informal and formal rural education and training sectors with a view to enhancing life-long learning by farmers.

RILC has developed an action plan with the aim of developing a national web-based communication tool for rural education and training. The aim is to provide farmers with better information on the range of learning programs in the market so that they can make more informed choices. Membership of RILC consists of a cross section of stakeholders involved in rural education and training.

The Northern Australia Forum (NAF), held in Katherine on 17-20 October 2000, was convened to identify prospects for sustainable growth in northern Australia into the 21st century.

The main issues to emerge from the consultations and the Forum included: infrastructure (roads, power, airports, water); telecommunications (access, cost and training); access to finance and additional tax incentives; skills development and community leadership; native title and other land access issues; developing new industries (eg. expanding eco-tourism and encouraging more involvement of indigenous people in tourism, and further development of niche markets for agricultural produce); sustainable development (environmental, social and economic); health and education; unemployment and labour market issues; and defence.

Developing a vision for northern Australia and working towards a strategic plan to put the vision into practice were key themes to emerge from the Forum workshops and the colloquies.

To this end an initiative called 'Collaboration Across the North' has been developed and is jointly resourced by the Federal, West Australian, Northern Territory and Queensland Governments. The initiative will investigate key business development opportunities; identify and promote trade links to Asia as well as promoting northern Australia to the rest of Australia and Asia.

The “Collaboration Across the North” initiative will include a CEDA (Committee for Economic Development Australia) Seminars initiative which also arose from the NAF. The first of the CEDA seminar series was held on 30 April and the remainder will be held in the early part of May 2001, in Sydney, Melbourne, Brisbane, Darwin and Perth to promote opportunities for development and investment in northern Australia. The seminar series will provide an avenue to reach a wide private sector investment audience.

In addition a study has been jointly funded by the Commonwealth (Department of Transport and Regional Services), the Western Australian, Queensland and Northern Territory governments, to look at opportunities for commercial benefit from collaboration by industries across region and state/NT boundaries.

Recommendation 3

The Committee recommends that the Commonwealth Government, in partnership with state and local governments, provide increased funding for development and delivery of an integrated strategy for a range of leadership development programs for regional Australia, in recognition of their responsibility to provide assistance to build effective leadership capability in regions, including:

- *leadership recognition and award programs;*
- *a centre for regional development best practice; and*
- *a regional development fellowship fund for university placement of regional fellows.*

Response

Noted

The Federal Government supports the philosophy behind this recommendation, but is already providing a variety of leadership development opportunities. State, territory and local governments and the education sector also run rural and regional leadership development programs and courses.

Supporting and enhancing community leadership was one of the major recommendations of the *Regional Australia Summit*. The Government is committed to helping regional communities develop their capacity to determine their own future. Ensuring strong local leadership is a vital part of regional capacity building. The link between strong local leadership and expanding regions is widely acknowledged.

Regional development ministers and the Australian Local Government Association in November 2000 endorsed a framework and principles for cooperation between the three levels of government. Ministers also agreed to several recommendations designed to improve collaboration between governments in the delivery of shopfront services and regional/community leadership initiatives that will be implemented over the next 12 months.

The *Foundation for Rural and Regional Renewal*, a philanthropic foundation, was launched at the Regional Australia Summit. It is a private/government-sector partnership developed to encourage collaboration between business, community and

government. A major focus of its work is rural and regional capacity building and current projects include training volunteer community leaders and helping young people to become actively involved in their community's economic and social future.

The *Potential Leadership in Local Communities* initiative administered by the Department of Family and Community Services is part of the overall *Stronger Families and Communities Strategy*. This policy is designed to develop a social coalition, whilst also focusing on building leadership capacity at a local level. The initiative includes local skills development and is expected to involve up to 400 communities in a leadership program and networks, developing between 1600 – 2400 leaders who will work on projects to benefit their local community.

Community Mentoring and Support Projects is a component of the *Understanding Rural Australia Program* administered by the Department of Transport and Regional Services. It aims to enhance leadership and professional skills in rural and regional Australia by accessing existing community resources. Regional projects with a focus on mentoring and support will encourage community capacity building through:

- enhanced skills; knowledge and learning;
- leadership through shared directions and regional planning;
- networks which form realistic partnerships and alliances; and
- building skills to collect, access and utilise quality information.

The Commonwealth, in partnership with the states and the Northern Territory and the Rural Industries Research and Development Corporation (RIRDC), supports the annual RIRDC *Rural Women's Award*. The main objective of the Award is to increase women's capacity to contribute to agriculture, forestry, fisheries, natural resource management, and related service industries.

The *Young People in Rural Industries* program aims to increase the profile and capacity of young men and women to participate in rural industry leadership and government policy and program development. It targets people aged 18-35 who have chosen a career in the food, fibre and timber industries.

The *Australian Rural Leadership Program* is conducted by the Australian Rural Leadership Foundation, a non-profit making public company. It provides a unique opportunity for selected rural and regional leaders to undertake a program of personal growth and develop the necessary skills, knowledge and networks needed to be effective in regional, State, national and international arenas. The program is funded through scholarships provided by a range of rural and related industries, rural industry research and development organisations, industry bodies and Commonwealth and State government agencies.

FarmBis programs provide funding for appropriate leadership development programs.

Recommendation 4

The Committee recommends that the Commonwealth promote the concept of 'learning regions' through encouragement of 'study groups' focussing on regional development best practice in communities comprising representatives of government, business, industry and communities, to be developed in partnership with state and local governments and other bodies.

Response

Supported

The Government strongly encourages the promotion of 'learning regions' through a focus on innovation, research, forums, awards and the adoption and dissemination of leading practice. This is being achieved through a number of initiatives in collaboration with the other spheres of government, business and local communities.

The promotion of 'learning regions' is the basis of the Government's overall *Stronger Families and Communities Strategy*. This strategy represents a new policy direction of prevention and early intervention for Australian families and communities. Around \$115 million from the overall strategy has been earmarked for communities in rural and regional Australia and this responds directly to the recommendations made by the Regional Australia Summit Steering Committee.

This bottom-up approach acknowledges that local people are best placed to recognise opportunities in their communities, and to work towards achieving them. Many communities have been successful in attracting or developing new industry in their regions. Their innovations can provide a trigger for other regional leaders looking for the way forward.

Opportunities are often unique to the particular characteristics of a region. Programs promoting regional development leading practice should be within the context of acknowledging the unique nature of each region and the importance of local leadership in promoting community growth.

The Government's *Local Government Incentive Program* has three national priorities in 2000-01:

- activities that lead to the adoption of best practice and sharing expertise across councils;
- promotion of an enhanced role for local government in leading their communities; and
- increasing the capacity of local government to contribute to regional development.

The Government is developing a series of Leading Practice seminars in response to council requests following the *National Awards for Innovation in Local Government*. These seminars add significant value to the purpose of the Awards by providing leading practice training to councils. The seminars will focus on leading practice in communities around Australia and will comprise representatives of government, business, industry and communities.

Access to case studies via information technology is another way the Government promotes best practice around Australia. The Regional Australia Resource Centre provides a menu of regional development activities, including a list of case studies of communities or organisations in regional Australia that have developed a successful strategy, using Federal Government programs to reinvigorate their community or region. The Resource Centre is located at www.regionalaustralia.gov.au.

The FarmBis program encourages the formation of groups to participate in training activities.

CHAPTER 3: POLICY, PLANNING AND COORDINATION

Introduction

The Federal Government is keenly aware and supportive of the infrastructure needs of Australia. These needs have been well documented over recent years. However, there has been a shift in the role of Federal Government from that of provider to one of facilitator, although Federal Government still has a responsibility to ensure that basic levels of infrastructure are provided. The private sector now provides an increasing share of infrastructure needs and, together with schemes established by the Federal Government to financially assist and fast-track projects, offers a number of ways that infrastructure can be built in regional Australia.

In overseeing the provision of infrastructure, the Federal Government's role is limited compared to state, territory and local government roles and responsibilities. The Federal Government has primary responsibility for infrastructure in the telecommunications, broadcasting and aviation industries. State governments have responsibility for the road transport, rail and energy industries. As network and land use planners they are well placed to anticipate needs and initiate appropriate processes and responses to calls from local communities for improved services, within the broader regional development context.

Local government authorities are well placed to understand the service needs and development opportunities of local and regional communities. There is no shortage of advice to all levels of governments on infrastructure needs and deficiencies. Private developers can usually be relied upon to identify commercial opportunities and realise them where the returns are adequate.

One of the clearest messages to emerge from the Regional Australia Summit in October 1999 was the perceived lack of coordination and collaboration across spheres of government. On 29 March 2000, federal, state and territory regional development ministers and the Australian Local Government Association (ALGA) met to discuss ways of addressing this message. Ministers agreed to establish a taskforce of senior officials to develop a clear framework for cooperation between all levels of government and to work through some immediate and concrete opportunities for improved collaboration in two areas initially – shopfront service delivery and regional leadership development.

Regional development ministers and the ALGA met again on 3 November 2000 and endorsed a report that sets out a framework and principles for cooperation and makes a series of specific recommendations to be implemented over the next year.

The focus is on what is deliverable and achievable. Continued progress will require a lot of hard work and partnerships between regional communities, governments and the private sector.

Regional Development Ministers resolved to maintain dialogue on a range of critical ongoing regional development issues. Senior officials will assess the scope for strategic intergovernmental cooperation in areas such as infrastructure, business development and fly-in, fly-out operations and report back to ministers.

Recommendation 5

The Committee recommends that Department of Transport and Regional Services work with state, territory and local governments to develop national, whole of government and whole of region integrated, coordinated and strategic infrastructure planning; and assist local government to improve infrastructure planning.

Response

In-principle support

As already mentioned, the Federal Government's role, in overseeing the provision of infrastructure, is limited compared to state, territory and local government roles and responsibilities. The Federal Government has primary responsibility for infrastructure in the telecommunications, broadcasting and aviation industries. State governments have responsibility for the road transport, rail and energy industries. As network and land use planners they are well placed to anticipate needs and initiate appropriate processes and responses to calls from local communities for improved services, within the broader regional development context.

However, where appropriate and when an issue crosses state/territory boundaries, there is a role for the Federal Government to coordinate activities across levels of government. This has been seen in the past in relation to natural resource management, for example, in the Murray Darling Basin Commission.

There are also a number of ministerial forums that address local government issues.

- The Local Government Ministers' Conference that provides a high-level forum for addressing local government issues common to jurisdictions in Australia and New Zealand;
- The Planning Ministers' Conference meets from time to time to discuss planning related issues of mutual interest; and
- The Australian Transport Council is a ministerial forum for federal, state and territory consultations and advice to government on the coordination and integration of all transport and road policy issues at a national level.

As also mentioned above, regional development ministers and the ALGA have endorsed a report that sets out a framework and principles for cooperation and makes a series of specific recommendations to be implemented over the next year. *The Framework for Cooperation on Regional Development* is at Attachment A.

Cross reference with recommendation 72

Recommendation 6

The Committee recommends that the Commonwealth Government establish a National Infrastructure Advisory Council with expertise from the public and the private sectors, to facilitate the efficient and equitable provision of national infrastructure by both public and private sector stakeholders.

Response

Not supported

The Government recognises that existing processes and mechanisms could function more effectively. However, a NIAC would duplicate effort by the Council of Australian Governments, the Australian Transport Council and the National Transport Council in advancing infrastructure planning.

Infrastructure issues are being examined as part of the ongoing dialogue between regional development ministers.

The Government has also agreed to establish the industry-led National Infrastructure and Engineering Forum (NIEF). This initiative is in direct response to a recommendation contained in *Competing in the Global Market*, a report to Government by the Industry Champions Group of the Heavy Engineering and Infrastructure Action Agenda. The Forum will address an identified need for facilitation on strategic consultation with the private sector, utilise private sector expertise and report to Government through the Minister for Industry, Science and Resources.

In addition, the Major Projects Facilitation Program, run by Invest Australia, facilitates infrastructure projects proposed by the private sector.

The Regional Minerals Program, managed by the Department of Industry Science and Resources (DISR), encourages a coordinated regional approach to development of new mines, processing and related infrastructure in an effort to improve opportunities and the international competitiveness of Australia's mineral industry. The program is a partnership between the federal, state and local governments and the mining industry to identify the mineral resources and processing potential of selected regions, coordinate the planning infrastructure and government services, remove impediments and unnecessary duplication, and provide advice on streamlining approvals' processes.

DISR also administers the Regional Tourism Program (RTP) that aims to boost the capacity of business and organisations to deliver higher quality tourism attractions, products and services in regional Australia. Whilst RTP does not specifically target infrastructure development, it funds the development of tourist attractions, facilities and related infrastructure.

Recommendation 7

The Committee recommends that the function of the proposed National Infrastructure Advisory Council be to report through the Council of Australian Governments to ministers responsible for regional development on:

- *what strategic infrastructure development is taking place;*
- *projects meeting national criteria that could be developed across regions and between states; and*
- *international developments in infrastructure funding models.*

Response

Noted

Infrastructure issues are being examined as part of the ongoing dialogue between regional development ministers.

Cross reference with recommendation 72

Recommendation 8

The Committee recommends:

- *rationalisation of the many different regional organisations that currently exist; and*
- *that, in relation to the model used to deliver government funding and services to regional areas:*
 - *its membership has the expertise to advise the proposed National Infrastructure Advisory Council; and*
 - *the body itself reflects the area that it is designed to service.*

Response

Not supported

Given the current structure of asset ownership and the division of responsibilities, rather than rationalisation a more fruitful line of thought would be how to make existing processes function more effectively.

Regional development ministers and the ALGA have agreed that all governments are responsible for creating the appropriate, regulatory, taxation and business support environment to facilitate the development of infrastructure.

They committed to:

- minimise duplication and overlap;
- encourage communities to set their own priorities;
- cooperate with each other;
- cooperate with the private sector;

- use existing systems wherever possible;
- build on the competitive and comparative advantage of regions; and
- consult with each other wherever possible, where new programs and services are being developed.

Recommendation 9

The Committee recommends that the Commonwealth Government take urgent steps to implement the recommendations made in 1999 by the Productivity Commission in its report, "Impact of Competition Policy Reforms on Rural and Regional Australia" relating to:

- *community understanding of National Competition Policy; and*
- *assistance for people adversely affected by national competition policy.*

Response

In-principle support

The Government responded to the Productivity Commission Inquiry Report on 10 August 2000. It endorsed the recommendations directed at improving the way in which National Competition Policy (NCP) is implemented and believes that adopting them will increase community understanding.

The Government is committed to ensuring that those who are adversely affected by change are given the assistance required to adjust to this change. It agrees in principle with the Commission's recommendation that generally available assistance measures are the most appropriate form of assistance. However the Government acknowledges that there is a need to keep these measures under review. Where general assistance measures are not considered effective the Government will consider specific adjustment assistance to facilitate change.

In large part the implementation of NCP is the responsibility of state and territory governments. Accordingly, the Prime Minister wrote to Premiers and Chief Ministers in December 2000 drawing to their attention the recommendations of the Productivity Commission report and asking them to consider the issues raised.

At its 3 November 2000 meeting, the Council of Australian Government's (COAG) affirmed the importance of NCP in sustaining the competitiveness and flexibility of the Australian economy and contributing to higher standards of living. COAG also agreed to several measures to clarify and fine-tune implementation arrangements for NCP, which will serve to address a number of community concerns regarding the application of NCP which were identified in the Productivity Commission report.

Recommendation 10

The Committee recommends that the proposed National Infrastructure Advisory Council ensure that a national audit of the state of existing regional infrastructure and future infrastructure needs be conducted.

The national audit should:

- *identify existing regional infrastructure investment by the public and the private sector;*
- *identify projects requiring public/private sector partnership funding;*
- *build on audits already commenced by individual states and territories; and*
- *be undertaken transparently, across all jurisdictions and with full cooperation from all levels of government.*

Response

Noted

The meeting of regional development ministers and the ALGA on 3 November 2000 agreed that substantial funds need to be applied to improving and developing infrastructure in regional Australia and that infrastructure is a joint responsibility of the Commonwealth, the states and territories and local government, in collaboration with the private sector.

Significant infrastructure audit work is already underway. The Tasmanian Government is in the process of conducting a detailed audit of Tasmania's infrastructure requirements. The Victorian Government has also undertaken an audit reported in "*Facing the Renewal Challenge*". The audit provides local councils with information on assets and also includes a modelling capability to assist in planning.

However, there may be merit in conducting further specific audits. The Australian Rail Track Corporation is to undertake this year a network performance and investment audit of the interstate rail track to assess upgrading options.

Regional development ministers and the ALGA have asked officials to work within their jurisdictions on priorities and approaches that could facilitate better and well-targeted cooperation on infrastructure issues. A report will be prepared for consideration by ministers in 2001.

Recommendation 11

The Committee recommends that, through the proposed National Infrastructure Advisory Council, the Commonwealth establishes processes for the upgrading, the accelerated acquisition and the sharing of data, including land, geographic, economic and social data, to better facilitate base information needed for infrastructure planning. These processes should address the compatibility of data between

government agencies and the availability and cost of data transfer between the public and private sectors.

Response

Noted

The Federal Government supports the principle of sharing data to facilitate infrastructure planning. Data on infrastructure and infrastructure proposals are held variously at Federal, state, territory and local governments levels. Examples of current initiatives are set out below:

- The Australian Public Sector Mapping Agencies (PSMA), in cooperation. With the Australian Bureau of Statistics, Australian Electoral Commission and Australia Post, are investigating development of a geocoded national address file (G-NAF), which would provide a unique geocode (ie latitude and longitude) for every street and rural address in Australia. A pilot project based on the Albury-Wodonga and Caloundra areas will be completed in the second quarter 2001.
- The Commonwealth Spatial Data Committee (CSDC) plans to develop a pilot project, Geocoding Australia, using geocoded national address file (G-NAF) data. The project will demonstrate how spatial technologies and geocoding can assist policy development across the whole of government with the initial focus being in regional and rural Australia. It is expected that the project will demonstrate that these technologies and processes would be appropriate for a national infrastructure audit.
- The Department of Education, Training and Youth Affairs is seeking to ensure the comparability of higher education data collections with other education sectors, using Australian Bureau of Statistics standards and definitions.
- The Department of Agriculture, Fisheries and Forestry - Australia is negotiating the development of a data warehouse of rural statistics through the Australian Bureau of Agriculture and Resource Economics and in partnership with the Australian Bureau of Statistics.
- The Australia New Zealand Land Information Council (ANZLIC) is the peak council for public sector spatial data management in Australia and New Zealand. ANZLIC's vision is to ensure that Australia's and New Zealand's economic growth, and social and environmental interests are underpinned by quality spatially referenced information. This vision is sought through national leadership and advocacy and partnerships between community, industry and governments.
- ANZLIC is the key force behind the Australian Spatial Data Infrastructure (ASDI) initiative that is to ensure that users of spatial data will be able to acquire consistent datasets to meet their requirements, even though the data is collected and maintained by different authorities. The ASDI will improve geographic data management and access through the identification of fundamental datasets, development of common standards and policies and the provision of an online distribution mechanism.

- The Australian Spatial Data Directory (ASDD) is a national initiative supported by governments under the auspices of ANZLIC. It aims to improve access to Australian spatial data through effective documentation, advertisement and distribution. The directory links government and commercial databases in each state and territory and nationally.
- Within the Federal Government, the CSDC provides a forum for coordination and standardisation in spatial data delivery. An interdepartmental committee has been formed to develop a policy on the pricing and access of spatial data held by the Commonwealth that may be made available to other potential users. The policy is also to include a set of principles to be adopted by the Commonwealth in the negotiation of spatial data transfer arrangements with states and territories. The Committee is due to present its report in June 2001.
- An Action Agenda for the Spatial Information Industry is under development to facilitate the future growth of the industry. The action agenda will promote the capabilities of the industry, facilitate access to fundamental spatial information, streamline technology diffusion between public institutions and the private sector, and encourage clustering to ensure effective competition for global market opportunities. Increased industry capability will lead to greater efficiencies in acquiring and upgrading base information needed for infrastructure planning.
- Australia's national mapping agency AUSLIG provides essential geographic base information for infrastructure planning. This includes the National Topographic Mapping Series at 1:250 000 scale (1 centimetre equals 2.5 kilometres). AUSLIG's aim is to revise this coverage every 5-7 years. Another fundamental data set that provides essential data for infrastructure planning is the 1:100 000 scale map series (1 centimetre equals 1 kilometre). This data set has a median age of 24 years. Planning usage includes road and rail transport routes, power transmission lines, communications infrastructure, gas pipelines and water catchments.
- AUSLIG's geodesy program provides uniform, accurate, base information essential for all spatial data in Australia and its offshore territories. Geodesy supports a range of professional, economic and scientific activities and functions, ranging from land titling to mineral exploration; from navigation, mapping and surveying to the use of remote sensing data for resource management; from the construction of dams and drains, to the interpretation of seismic disturbances.
- A continuous, regularly maintained satellite imagery coverage of Australia is an essential layer of the Australia Spatial Data Infrastructure (ASDI). AUSLIG provides this coverage through its operation of the Australian Centre for Remote Sensing (ACRES), which is the primary agency in Australia responsible for reception, processing and distribution of earth resources remote sensing data. A national archive dating from 1979 is maintained to assist with environmental monitoring. Satellite imagery is used to support mining, agriculture, environmental planning and management, surveillance and emergency services.
- A new service, SPOT-LITE, provides satellite imagery of Australia from AUSLIG's website. SPOT-LITE has proved useful to a diverse range of

organisations such as the mining and communications industries, emergency services, local government and other agencies. Another service called STAR (Speedy Transmission After Reception) provides satellite imagery to customers within 12 hours of a satellite overpass.

- AUSLIG is continuing to provide greater access to products using online services. Such services increase the availability of geographic information to customers and assist in decreasing the costs associated with data transfer.
- The NIEF (see recommendation 6) is examining mechanisms such as industry portals and web links as a means of making information more readily available to industry to encourage private investment.
- Development by the West Australian Government of a transport infrastructure investment relational information system for infrastructure development is being monitored for its applicability on a national basis. The system uses spatial data and relational databases to consolidate project and regional information with information on economic drivers for informed decision making on infrastructure development.

CHAPTER 4: FINANCE AND INVESTMENT

Introduction

In the context of finance and investment, the Federal Government has implemented a number of key microeconomic reforms that have improved the investment climate. The Government has been proactive in pursuing policy reforms that, in the global economic environment, have made Australia's financial and taxation system more competitive and able to attract investment capital. This has been combined with sound macroeconomic policies that have improved the fundamentals of the Australian economy.

Furthermore, the states and territories are set to benefit substantially from the implementation of the Goods and Services Tax which provides them with a revenue base that is growing. It will improve their capacity to meet the challenges of infrastructure development. Commonwealth, state and territory ministers responsible for regional development have agreed on a more collaborative approach to encouraging business development and the sustainability of local communities. Infrastructure development is an issue for all levels of government, as is facilitating the appropriate regulatory, taxation and business environment needed to achieve infrastructure investment.

The private sector now provides an increasing share of infrastructure needs and, together with government schemes to financially assist and fast track projects, offers a number of ways that projects can be facilitated in regional Australia. In facilitating a positive investment environment, the Government has developed new incentives for strategic infrastructure through its major projects facilitation process.

The Government recognises that achieving more and better infrastructure will necessarily involve greater private sector involvement. Facilitating this involvement and the continued development of a business environment conducive to increased investment by the private sector, will continue to be a critical issue for the Federal Government.

Recommendation 12

The Committee recommends that the proposed National Infrastructure Advisory Council provides information on priority regional infrastructure investment projects to bodies such as the Foundation for Rural and Regional Renewal, for its consideration for funding.

Response

Noted

Although the Government does not support the proposal for a National Infrastructure Advisory Council it has consistently supported improved availability of information relating to potential infrastructure projects. The Government funded the Institutional Investor Information Service (IIIS) that created a national register of 'investor ready'

projects on a database. The uptake of projects was slower than envisaged and feedback from investors suggested that they prefer to make their own investment decisions and are reluctant to rely on third party recommendations.

Recommendation 13

The Committee recommends that:

- *superannuation fund administrators be encouraged to invest in regional infrastructure; and*
- *the proposed National Infrastructure Advisory Council publish and disseminate information on proposed regional infrastructure projects.*

Response

Noted

Trustees of complying superannuation funds are required to formulate an investment strategy that has regard to the risk and return of the fund's investments, expected cash-flow requirements, diversification and liquidity of investments, and the ability of the fund to discharge its liabilities. The Government recognises that superannuation fund trustees consider a wide range of investments in the interests of their members.

However, the Government acknowledges the need to raise awareness of regional Australia's significant potential as an investment location. For example, this was an important issue coming out of the Northern Australia Forum held in Katherine in October 2000. The Government is addressing this issue through a series of Committee for Economic Development of Australia seminars that draw together private enterprise business interests, investors and government agencies and expose them to the possibilities and advantages of investing in northern Australia.

Data on regional infrastructure projects is a resource that is already available through a variety of means. National Infrastructure and Engineering Forum (NIEF) is exploring ways of making project information more readily available for investors generally to assist them in their decision making processes.

The Government has also initiated action in publishing and disseminating information on proposed regional infrastructure projects. The IIS established a register of eligible 'investor ready' infrastructure projects from non-capital city areas seeking finance. According to the Australian Council for Infrastructure Development (AusCID), the uptake of the IIS Register was not as great as envisaged. The reasons possibly include the gestation period for infrastructure projects was found to be longer than the time-lines initially anticipated and investors prefer to make their own decisions on what are suitable projects.

Recommendation 14

The Committee recommends that the Commonwealth government facilitate private investment in regional infrastructure by:

- *publicising guidelines already developed by states;*
- *making information readily available to investors, for example, on taxation reforms;*
- *streamlining and expediting administrative processes; and*
- *providing tax relief, removing impediments and providing other incentives where the investment may otherwise not proceed.*

Response

Noted

The Federal Government recognises that there are existing means that can be used to bring together public and private sector stakeholders to develop and disseminate best practice in facilitating private investment in public infrastructure. This could include building on Australian and international experience and existing Commonwealth and state/territory facilitation processes.

The Government already has a major projects facilitation process which is administered by the Department of Industry, Science and Resources (DISR) through Invest Australia. It is Australia's national investment agency, providing a range of specialist investment services to companies seeking to establish or invest in operations in Australia and providing assistance to proponents to fast track projects through the government approval process.

Work plans of NIEF include an analysis of existing processes and arrangements from which common principles and a best practice framework will be developed. NIEF will also participate in the development of learning programs for upgrading public sector skills in managing private provision of public infrastructure through mechanisms such as Public Private Partnerships (PPPs) and private financed initiatives (PFIs) for infrastructure.

Further, the Government announced in its Industry Statement, *Investing for Growth*, in December 1997, that it would consider the provision of investment incentives to strategic investment projects in limited and special circumstances where the project would generate significant net economic and employment benefits for Australia. Incentives could include grants, tax benefits or the provision of infrastructure services.

However, the provision of 'tax relief ... where the investment may otherwise not proceed' may not be technically feasible, due to Constitutional limitations, as well as being potentially inefficient and unfair to more economically beneficial projects.

Recommendation 15

The Committee recommends that the Commonwealth government remove Section 51AD and amend Division 16D of the Income Tax Assessment Act 1936 as soon as possible, to allow the development of effective, workable public/private partnerships for the financing of infrastructure.

Response

Noted

The Review of Business Taxation recommended that section 51AD be abolished and Division 16D be replaced as part of a package of reforms relating to leases and rights. On 11 November 1999, the Government announced in principle support for the recommendations, as part of its Stage 2 response to *A Tax System Redesigned*. The Government is currently consulting with state governments and the private sector in relation to these recommendations. The Government announced on 22 March 2001 that resulting measures in relation to leasing were not expected to commence prior to 1 July 2002. In making final decisions in this area, the Government will clarify the tax treatment to ensure appropriate policy arrangements for private investment in infrastructure.

Recommendation 16

The Committee recommends that the Commonwealth government examine international private financing initiatives for infrastructure, including those used in the United Kingdom (Private Finance Initiative), Japan and the United States, and make the findings publicly available as soon as possible.

Response

Noted

The Government is already committed to ensuring value for money in the provision of government supported infrastructure. The Government is continuing to examine the use of private financing arrangements in this context.

Recommendation 17

The Committee recommends that, further to recommendation 15, the Commonwealth government replace the Infrastructure Bonds Tax Offset scheme with other incentives and forms of assistance for projects based on their commercial viability and public benefit.

Response

In-principle support

The Infrastructure Borrowings Tax Offset Scheme is being reviewed.

Recommendation 18

The Committee recommends that a database of successful best practice cluster development models suitable for Australian application be developed by Commonwealth agencies, for example, for:

- *intermodal transport;*
- *tourism; and*
- *telecommunications initiatives.*

In compiling the database, agencies should identify the critical factors underpinning the success of each cluster development.

Response

Noted

A number of Commonwealth agencies already have, or are developing, best practice cluster models. For example, the Department of Communications, Information Technology and the Arts is developing an online regional communications information resource, one feature of which will be case studies of successful telecommunications projects developed and implemented in regional Australia. The Department is also developing a marketing strategy to increase awareness of such initiatives and government activity in regional telecommunications generally.

Similarly, the Department of Transport and Regional Services has developed a cluster model within the transport logistics area through the formation of the Integrated Logistics Network (ILN) and the Australian Freight Council Network (AFCN).

The regional development ministers of the Commonwealth and the states and Territories have agreed to work together on business development, which will include work on best practice cluster models.

The Cooperative Research Centre (CRC) for Sustainable Tourism has used a range of strategies to transfer technology to the tens of thousands of travel and tourism businesses across the country. Notable was the commencement of a nation-wide technology diffusion program to assist smaller enterprises digitise their business.

The information technology (IT) Program of the CRC was created in 1998 to help industry make better use of online technologies and internet based products. The IT program has a number of major projects underway including the development of a tourism business information system with a \$1 million grant from AusIndustry. In May 2000 it received a \$450,000 grant under the Technology Diffusion Program to develop and launch the \$1.1 million Tourism Online – Getting Value Program.

The project aims to increase awareness of the applications of online technologies within the Australian tourism industry. The project targets five industry sectors: rural businesses; small and medium tourism enterprises; intermediaries; suppliers of indigenous tourism products; and regional tourism organisations. Technology transfer is via: workshops for tourism operators; undertaking and publishing the results of case studies of businesses using online technologies; maintaining an internet site with

resources to assist tourism businesses in going online successfully; and producing multimedia and off line publications.

CHAPTER 5: ACCESS TO TELECOMMUNICATIONS

Introduction

The Federal Government has implemented a range of programs in recent years that focus specifically on improving the quality of, and access to, telecommunications infrastructure and services in regional and rural Australia. The Government announced a further package of regulatory and targeted funding measures on 15 May 2001 in its response to the Telecommunications Service Inquiry. Support has also been given to ensuring the adequate promotion and support of access to new technologies.

A range of new social bonus programs, funded from the sale of the second tranche of Telstra, include a \$150 million tender for untimed local calls and \$25 million tender to provide additional mobile phone coverage on designated highways. A contractual agreement has been made for the mobile phone tender. An agreement is currently being concluded with the preferred tenderer for the untimed local call tender.

Other initiatives have included:

- major reforms to the universal service regime;
- development of a new Customer Service Guarantee Direction to the Australian Communications Authority (ACA) to implement a new Standard which substantially strengthens consumer protections; and
- improving the leadership and coordination of communications developments with the states through the Online Council and related forums.

To assist regional commercial television broadcasters with the introduction of digital television, the Regional Equalisation Plan provides up to \$260 million over 13 years.

Programs have been carefully tailored, and while the Government recognises there are still concerns with service and infrastructure quality, these are being addressed as a matter of priority.

The Telecommunications Service Inquiry (TSI), established by the Government to assess the adequacy of telecommunications services across Australia, reported in September 2000 that Australians who live in metropolitan and regional centres enjoy good telecommunications services and are generally satisfied with them. However the Inquiry also found a significant proportion of those who live and work in rural and remote Australia have concerns regarding key aspects of services which, at this stage, are not adequate.

The TSI concluded that the continued development of competition throughout Australia, combined with key government initiatives, would have a positive effect on services over the next few years. The TSI found that these developments are likely to materially improve the services available to rural and remote consumers.

To further improve telecommunications services in regional areas, the Government has announced a funding package of \$163.1 million, and further changes in regulation to improve the timeliness of provision and repair, and reliability of basic services. The initiatives include:

- strengthening of the Customer Service Guarantee to reduce new service connection times and strengthening of the Universal Service Obligation in relation to the provision of temporary services;
- \$37.7 million for mobile phone coverage in population centres of 500 and above subject to confirmation of community need and ongoing viability;
- \$50.5 million for improved mobile coverage in other areas of Australia;
- \$50 million for better quality and faster access to dial-up Internet services (including up to \$38 million to be provided by Telstra);
- \$52.2 million for a National Communications Fund;
- improved payphone and other services for Indigenous communities in remote areas; and
- \$3.4 million to fund increased consumer representation.

Recommendation 19

The Committee recommends that the Commonwealth government require telephone carriers to meet levels of service established under the Customer Service Guarantee for all customers, regardless of location.

Response

Not supported

All carriage service providers who supply the standard telephone service must meet the levels of service established under the Customer Service Guarantee (CSG). CSG standards relate to the times for provisioning of service to new customers, repairing faults and meeting appointments. Location is a factor in determining appropriate times, reflecting both the differences in costs in different locations and the impracticality of having short periods of time where there are large distances to be traversed by technicians for the provision of services. Standards for provisioning of service and repair of faults differ for remote, rural and metropolitan areas, in recognition of differing travel times involved in carrying out the necessary work.

CSG standards for customers living in regional areas were recently strengthened, in accordance with a direction from the minister. The maximum connection time for new services in some rural and remote areas was reduced from 40 to 30 working days from 7 July 2000, and will reduce further to 15 working days from 1 July 2001.

As part of its response to the TSI report, the Government has announced that it will reduce the maximum new service connection time in the more remote areas where no telecommunications infrastructure currently exists from 12 to 6 months. It will also require Primary Universal Service Providers (PUSPs) to offer a temporary service within 30 working days of an application for a standard telephone service, where the standard service cannot be provided within that period. PUSPs will also be required to offer a temporary service where the standard service has a fault which cannot be repaired within 5 working days.

The Government will implement TSI recommendation 13, that the CSG be reviewed in the new multicarrier environment where there is also a range of alternative service delivery platforms. The review will be conducted by the ACA, in accordance with a direction from the Minister.

Automatic penalties apply for non-compliance with the CSG, in the form of compensation payable to customers. The same penalties apply in all areas of Australia. The ACA is responsible for monitoring compliance with the CSG and has the power under legislation to take action should carriage service providers fail in meeting their obligations.

In response to the TSI recommendation 12, that the ACA identify and investigate extreme cases of failure to meet CSG standards, the Minister will direct the ACA to develop and adopt procedures for identifying and responding to such cases.

Recommendation 20

The committee recommends that the Commonwealth Government require telephone carriers to develop pricing, technical standards and levels of support for telecommunications services that are independent of distance.

Response

Not supported

Telecommunications prices are becoming increasingly less distance dependent, as a result of changes in technology bringing down transmission costs. The extent to which this trend continues will depend on further technological change and whether service providers align their prices with costs. Ultimately, the manner in which telecommunications service providers recover their costs is a matter for commercial decision by each provider.

The Government believes that facilitating competition in an open market will continue to bring pricing benefits to consumers wherever they live. The Government does not consider it appropriate to mandate pricing models which would risk distorting market outcomes and adversely affecting service innovation.

Recommendation 21

The committee recommends that the Commonwealth Government fund alternative communications solutions for rural and regional Australia through the Regional Telecommunications Infrastructure Fund Program. Digital broadband microwave link technology is an example of an alternative technology that could be considered.

Response

Noted

Networking the Nation (NTN) funding is already being provided for projects, particularly regional aggregation studies, to assist the development of alternative communications solutions in rural and regional areas. Additional funding of \$70 million over five years is being provided through Networking the Nation for the Building Additional Regional Networks (BARN) initiative. BARN has a particular focus on supporting the development of new networks and network services and products, with an emphasis on the adoption of innovative solutions and leading edge technologies. The Commonwealth is working closely with the States and Territories to identify suitable BARN projects.

Development of alternative communications solutions will also be assisted by new funding of \$88.2 million for enhanced mobile telephone service coverage in regional areas and \$52.2 million for a National Communications Fund (NCF), as part of the Government response to the TSI. The NCF is to be established in response to a recommendation of the TSI and will ensure funding is available for significant projects in the education, health and community services sectors in regional areas, to improve service delivery in those sectors and encourage high bandwidth data services in regional communities.

Recommendation 22

The Committee recommends that the Commonwealth Government monitor the competitive provision of mobile telephony to regional Australia, and, if market stimulation of carrier roaming is not evident by August 2000, it should require roaming agreements between all carriers.

Response

Not supported

The Government agrees that the promotion of competitive mobile telephony services in regional Australia is important. The Government is also aware that a number of inter-carrier roaming agreements have already been entered into by carriers. Imposing mandatory roaming obligations is a significant regulatory intervention with potential longer term ramifications for investment incentives. As the report indicates, the Australian Competition and Consumer Commission (ACCC) continues to monitor competition in the mobile telephony market including developments towards commercial roaming agreements. In its 1998 report on roaming, the ACCC indicated it would act should the market be found to be operating in an anti-competitive manner.

Recommendation 23

The Committee recommends that, if the inquiry by the Australian Communications Authority into Telstra's new CDMA network finds that CDMA technology is not delivering adequate and reliable mobile telephony to regional Australia in the near future, the Commonwealth Government develop regulation and/or targeted funding to ensure that reliable mobile telephony services are available to regional areas as soon as possible.

Response

Noted

The Government has imposed licence conditions on Telstra to ensure regional Australians continue to have access to 'reasonably equivalent' mobile coverage after the transition from analogue AMPS to CDMA.

The ACA, as the telecommunications industry regulator, has responsibility for monitoring compliance with carrier licence conditions. As part of this responsibility, the ACA is monitoring Telstra's responsiveness to ensure complaints are dealt with in a timely manner. The ACA is also alert to any evidence of systemic concerns about a possible breach of carrier licence conditions. The ACA has developed its own testing criteria to verify Telstra's measurements of CDMA coverage areas.

The progressive transition to digital mobile telephony was completed in October 2000. The infrastructure rollout is a significant undertaking. The ACA reported it found no systemic problems with the rollout. Despite some complaints about CDMA coverage, the ACA assessment in late 2000 found that Telstra had complied with its licence condition.

The ACA, however, continues to monitor the situation.

In Australia's open and competitive telecommunications market, any decision to extend mobile coverage is largely up to the carriers. The Government believes that full and open competition is the primary way to give Australians access to a wide range of high quality, low cost telecommunications services.

The entry of new terrestrial mobile operators as a result of the ACA's auction of mobile telephony spectrum, as well as satellite mobile services, increase the prospect for improved mobile telephony services across Australia.

Despite these market developments, the Government recognises that targeted funding support is still required in some areas.

The Government committed funding from the second partial sale of Telstra to improve mobile phone coverage in regional, rural and remote Australia. \$25 million has been allocated to provide continuous mobile phone coverage along a group of designated highways. Vodafone has been announced as the successful tenderer and the network should be rolled out by mid 2002. An additional \$3 million has been

allocated to South Australia, Western Australia and Tasmania to expand mobile coverage in those states.

In addition, the \$250 million Networking the Nation Program supports mobile phone applications from not-for-profit regional organisations from the general fund. See recommendation 24 for more detail.

In response to the TSI and in consultation with states and territories, the Government will allocate up to \$88.2 million over 3 years, to improve and extend mobile phone coverage. The Government will contribute up to \$37.7 million to the capital cost of terrestrial base stations in all population centres of 500 and above currently without terrestrial coverage, subject to confirmation of community needs and ongoing commercial viability. The remaining funds will be used to support other ways of improving affordable coverage, including infill of terrestrial coverage around population centres, extending coverage to smaller population centres and along key State and Territory highways, and subsidising the use of satellite handsets.

Recommendation 24

The Committee recommends that the Commonwealth Government adopt policies and mechanisms that require carriers to prioritise delivery of telecommunications services, so that areas already unserved are not further disadvantaged.

Response

Noted

The Universal Service Obligation (USO) and Digital Data Service Obligation (DDSO) require Telstra to provide services upon request according to timeframes specified in the applicable USO and DDSO Plans, which are approved by the minister.

New regulation in response to the TSI will ensure appropriate prioritising of telecommunications service delivery in regional, rural and remote areas. The maximum new service connection time under the CSG will be reduced from 12 to 6 months—down further from the maximum timeframe of 27 months approximately three years ago.

Telstra and other future Primary Universal Service Providers will also be required to include in their Universal Service Plan an undertaking to provide:

- a temporary service within six weeks (30 working days) of a customer's application for the standard telephone service, where the service is requested but cannot be provided within the 30 day period;
- a temporary service where it is unable to rectify the standard telephone service within five working days of a fault report;

- a temporary service—on request from a customer—where a customer’s service has been made inoperable by fault on three or more occasions over the previous 12 months for a total period of 14 days or more. In this circumstance the consumer will be entitled to use of the temporary service at standard telephone service rates, for as long as that standard service is unavailable or 14 days, whichever is longer. Should any further fault occur over the ensuing 12 months, there will be a requirement to offer the customer a temporary service immediately, with the same entitlements;
- arrangements for meeting emergency needs for basic telephone services where mass service disruptions occur; and arrangements for offering an immediate temporary service, pending new service connection or repair, to customers who require access to a telephone service for emergency-related reasons.

These changes to universal service plans are expected to benefit rural and remote consumers in particular, as service provisioning and repair times are generally longer in these areas.

The Federal Government has provided \$920 million with the primary objective of improving regional communications and IT infrastructure and services. The main aim is to bridge gaps between urban and non-urban Australia in terms of the range, availability and cost of services. Funding support has been structured to target issues that communities have identified as a high priority for their region.

The principal vehicle for allocating this support, the Networking the Nation Program, was established under the first partial sale of Telstra to provide \$250 million over five years. Applications for this funding are made by non-profit organisations and assessed by a Board appointed by the Government, against the Program’s selection criteria. By the start of 2001, the Board had approved 493 projects totalling \$238 million, covering a diverse range of projects.

An additional \$670 million has been made available from the \$1 billion *Accessing the Future* package of Social Bonus Programs funded by the second partial sale of Telstra. This additional funding, some of which is being administered by the NTN program, has been allocated as follows:

- \$150 million to facilitate untimed local calls within extended zones in remote Australia;
- \$120 million to enhance access to TV reception;
- \$70 million to build additional rural networks;
- \$45 million to assist local government authorities provide online access to information and services, including the internet;
- \$36 million to stimulate internet service delivery;
- \$25 million for continuous mobile phone coverage along designated highways;
- \$20 million to improve telecommunications access for remote island communities;
- \$15 million towards establishing local area and wide area networks linking Tasmanian schools;
- \$15 million for a broadband project in Tasmania;
- \$10 million for trials in the delivery of innovative government electronic regional services;

- \$3 million to expand mobile phone coverage in regional centres in South Australia, Western Australia and Tasmania;
- \$158 million to promote the growth of new and innovative Australian IT&T businesses; and
- \$3 million to promote a safer internet environment for young people.

Recommendation 25

The Committee recommends that the Commonwealth Government review the guidelines for spectrum licensing and auctions with a view to releasing more spectrum, in order to maximise opportunities for competition between carriers and service providers for the benefit of regional Australians.

Response

Not supported

The ACA publishes a program of future spectrum auctions. This program is based on a consultative process that examines changes in technology, demand for new services and changes in spectrum use. It is a three year program, updated on an annual basis, that is intended to provide information to the market, in particular to incumbents, potential purchasers of spectrum and others about bands that are likely to be considered for market based allocation.

The program makes an important contribution to the Government's policy of introducing new competition to Australian markets.

Wireless services potentially offer a cost effective means of delivering a range of services to regional areas. However, a tension exists between the benefits of services currently offered by incumbents and the potential benefits of new services that may be offered if spectrum is reallocated for other purposes such as mobile telephony.

In considering spectrum allocations, the potential impact on regional areas is explicitly addressed, in particular the impact on existing services. In determining amounts of spectrum to be re-allocated for auction in metropolitan and rural areas the Government takes into account likely demand and the technical requirement for efficient provision of services.

The legislative framework provides that spectrum licences can be divided and subleased so as to allow smaller regional providers to provide local services, subject to the overall licence conditions (which are essentially to prevent interference to other users of spectrum).

In areas where there are no current licences, potential operators may apply for licences to use spectrum. Generally, these licences are offered on a 'first come-first served' basis. The availability of equipment may act as a constraint in the use of spectrum to deliver particular services.

In considering competition limits, if any, that might be imposed in a particular spectrum auction, the Government endeavours to enhance competition, in particular facilitating the entry of new competitors, in regional and metropolitan markets.

Recommendation 26

The Committee recommends that the Commonwealth Government deregulate that part of the telecommunications market relating to access links. In particular, the Commonwealth government should:

- *encourage the formation of cooperative networks by individuals and communities; and*
- *develop legislative mechanisms to allow registration of cooperative networks as 'facilities carriers'.*

Response

In-principle support

In the existing regulatory regime there are no barriers to such networks becoming licensed carriers. However the Government would be concerned were there a perception in the community that any barriers existed and would look for ways of addressing any misconceptions should these become evident.

The Government agrees with the intent of this recommendation and has already acted to bring about an open, competitive telecommunications market in Australia. There are no limitations on entry into any telecommunications market, including customer access networks. In addition, the Government has established a comprehensive pro-competitive framework to facilitate the development of vigorous competition. Conscious of the need to continually monitor the regime, the Government requested the Productivity Commission to conduct a review of telecommunication specific competition regulation, including the access regime. The Commission's final report is due in September 2001.

The Government also agrees that new market models such as co-operative networks should be encouraged. The Networking the Nation initiative (see recommendation 24) already provides funding which can encompass the development of cooperative networks.

Recommendation 27

The Committee recommends that the Commonwealth Government work with state and territory governments, local government, communities and industry to develop partnerships to determine affordable, telecommunications solutions that meet community needs, including through satellite delivery.

Response

Noted

NTN is one avenue through which the Commonwealth can develop partnerships as recommended. Under the NTN program, local and state government organisations, as well as not-for-profit community based and regional development organisations, play a key role in identifying community priorities for telecommunications infrastructure,

developing strategies to address community needs, and the implementation and management of projects.

The Online Council – a forum for coordination between Commonwealth and state/territory governments on issues related to the development of the online economy – meets regularly at both officials and ministerial level. The Regional Communications Working Group of the Online Council addresses issues of specific concern to regional Australia. For example, in recent months it has addressed issues such as demand aggregation as a method of increasing regional market power, telecommunications cooperatives and improving communications infrastructure in regional Australia.

The Online Council has developed and released *New Connections*, a toolkit for the formation of new community initiated telecommunications models, including case studies of successful telecommunications projects developed and implemented in regional Australia. The toolkit provides guidance to regional leaders on how to develop new service delivery models, ranging from community/commercial partnerships to fully community owned service providers, that are better suited to the rural environment.

The Government will work closely with state and territory governments, including through the Online Council, in implementing its initiatives in response to the TSI to ensure co-ordination with relevant programs, including seeking matching funding where appropriate to improve the scope and impact of projects. For example, in relation to the new National Communications Fund (NCF) it is anticipated that detailed guidelines for the NCF will be developed with the assistance of a reference group which will include representatives from the states and territories, and matching funding will be sought where appropriate. It is also expected that the Government will negotiate a Memorandum of Understanding with each State and Territory which agrees to provide matching funding for extension of mobile phone service coverage, under the \$50.5 million program to improve affordable coverage.

Recommendation 28

The Committee recommends that the Universal Service Obligation be extended to include internet access for all regional Australians, and that delivery of the Universal Service Obligation be undertaken so as to ensure promotion of competition in the provision of telecommunications infrastructure in regional Australia.

Response

Partial Support

The internet is accessible to regional Australians who have a standard telephone service and/or digital data service. The supply of these carriage services is already covered by the universal service regime. Access to the internet is a matter of the customer having the appropriate equipment and subscribing to an Internet Service Provider (ISP). Access to the internet for regional Australians may, however, be constrained by the available data rate (determined by the quality of access lines) and the cost of access (determined by the price to the customer of dialling up their ISP and

their ISP's charges). The majority of regional customers can access the internet using their standard telephone service at an acceptable data rate via a local call, and pay ISP charges comparable to those in urban areas.

DDSO offers an alternative means of access where higher speed internet access is required.

DDSO provides access to Integrated Services Digital Network (ISDN) for 96 per cent of the population. For the remaining 4 per cent, a satellite downlink service comparable to a 64 kbit/s service is available. A rebate of up to 50 per cent (capped at \$765) is available for the purchase and installation of necessary satellite receiving equipment.

The Government is pursuing a range of other measures to further enhance internet access for regional Australians.

The Government's objective is to ensure all Australians have effective untimed local call access at a reasonable speed to one or more ISPs. The extension of internet access at untimed local call rates to Extended Zones through the \$150m Untimed Local Calls Tender is part of the solution. This project should also result in higher data rates for many remote customers. Telstra, the preferred tenderer, will offer all extended zone customers an 'always on' two-way satellite-based Internet service, with a choice of access speeds and prices, together with free installation during the initial rollout stage. This would make Internet costs in remote Australia comparable with those currently available in metropolitan areas. Telstra is also negotiating an attractively priced personal computer package with a supplier.

The available dial-up internet speed for all extended zone customers will be 14.4 kbps, with 19.2 kbps or higher being available to as large a proportion of extended zone customers as possible. The optional 'always-on' service would range from 33.6 kbps to 400 kbps, depending on the package purchased by the customer.

A further \$36m has been specifically allocated to ensure all Australians have access at least equivalent to untimed local call access to the internet.

As part of its response to the TSI, the Government announced a joint venture with Telstra to fund a \$50 million program, the Internet Assistance Program, over three years. The program will help users achieve faster and better Internet browsing and email service over the Telstra network, and better information about the range of related services for Internet users.

Under the Internet Assistance Program, residential and small business users will have access to a range of help services to solve Internet problems, and to achieve an effective Internet service speed equivalent to at least 19.2 kbps, no matter where they live or carry on business. Special arrangements will apply in the outer extended zones of remote Australia.

An independent advisory Panel will be established by the Government, in consultation with Telstra, to make sure that the program maximises benefits to consumers and operates in an impartial and competitively neutral manner.

The program has two main elements: a national Online Help Service to provide independent information and advice to users on practical steps that can be taken to improve their Internet experience, and a Technical Support Service to assist users whose problems cannot be resolved by the Online Help Service. Both services will be overseen by the independent advisory panel, which will monitor and report on the policies and delivery of services, and on the success of the program in general.

Under the agreement the Government will contribute \$12 million, principally to support the Online Help Service, with Telstra providing up to \$38 million.

Given the existence of these extensive targeted funding arrangements, inclusion of Internet access in the USO is unnecessary.

The Government's long standing policy has been to introduce competition in the supply of USO services. Two initiatives in this regard are the untimed local calls tender in remote Australia, with the successful tenderer subsequently becoming the universal service provider for the area and, secondly, the Government will conduct two regional pilots to trial the competitive supply of services under the USO. The Government expects both these initiatives to be in place by July 2001.

Recommendation 29

The Committee recommends that the evaluation of the Networking the Nation Program be ongoing and that the results be made publicly available.

Response

Supported

The evaluation of Networking the Nation is taking place over the life of the program. The outcomes of the evaluation will be publicly available.

Recommendation 30

The Committee recommends that:

- *the Commonwealth Government accelerate development of online electronic delivery of its services and continue to work with state and local governments to provide integrated online delivery of all government services; and*
- *that the prototypes resulting from the Trials in Innovative Government Electronic Regional Services project be made available to the whole of regional Australia.*

Response

Supported

The Government supports the recommendation to accelerate online service delivery. In the Investing for Growth statement of December 1997 the Prime Minister committed the Commonwealth to bringing all appropriate services online via the internet by 2001.

The Government Online – The Commonwealth Government’s strategy, released in April 2000 aims to ensure this commitment is met. Though driven by individual agency initiatives, the strategy contains 8 strategic priorities for coordinated action towards the Prime Minister’s goal.

Government Online contains eight strategic priority areas:

1. Agencies to take full advantage of the opportunities the internet provides;
2. Facilitation of enablers such as authentication, metadata standards, electronic publishing and record keeping guidelines, accessibility, privacy and security;
3. Enhancement of government online services in regional Australia;
4. Enhancement of the impact of the Government Online initiatives on development in the Australian IT industry;
5. Government business operations to go online;
6. Monitor best practice and progress;
7. Facilitate cross agency services; and
8. Communicate with stakeholders.

A key goal of *Government Online* is the development of more integrated, cross-agency and cross-jurisdictional services.

The Government Electronic Resources Network (GOVERNMENT) will enable users to locate and access government information resources quickly and easily across jurisdictions and agencies. It will greatly improve searching of the Australian governments’ information space. Before a search is started, users will not need to know in which government jurisdiction or agency the information is located.

In addition, all Commonwealth agencies are to produce their own online action plans and adopt minimum online requirements which will facilitate integrated delivery of online services, improve accessibility and the range of information and services provided online. A reporting framework will be used to monitor progress and identify best practice online service delivery. The Department of Employment, Workplace Relations and Small Business (DEWRSB) released its online action plan in September 2000.

While agencies have prime responsibility for ensuring online opportunities are realised, the National Office for the Information Economy (NOIE) (formerly the Office for Government Online) has a key role in ensuring online opportunities are realised, NOIE plays a key coordination and facilitation role in ensuring the Online Strategy is fully implemented.

NOIE also manage the Commonwealth Government Online Strategy’s Portal framework which was endorsed by Cabinet in November 2000. This framework recommends a number of community of interest portals be established. DEWRSB will be the lead agency for two of these portals ie the Business Entry Point, and the Employment Portal with the Australian Job Search site at its foundation.

The recommendation regarding the Trials in Innovative Government Electronic Regional Services (TIGERS) project is entirely consistent with the aims of the project. A key objective of TIGERS is to enable Australians in regional areas to access a range

of Commonwealth, state and local government services. Over-the-counter services identified by TIGERS will be made available for over-the-counter delivery in regional areas (eg through Rural Transaction Centres and other State/Commonwealth/local government offices). The telephone and internet-based TIGERS services will of course be accessible through the internet or over the phone.

Recommendation 31

The Committee recommends that the Commonwealth Government continue to fund adequately community online access centres.

Response

Noted

Networking the Nation is continuing to fund a number of significant projects to establish community online access centres. In view of the finite nature of the program, projects are expected to develop strategies to become self-sufficient in the longer term.

Recommendation 32

The Committee recommends that the Business Entry Point initiative include links to all government and other websites delivering online services, and that access to the initiative be made available through community online access centres and other similar facilities.

Response

In-principle support

The main entry point for the Federal Government (www.fed.gov.au) is an essential part of the Commonwealth's strategy for providing transparent and comprehensive access to government agencies and information. There are opportunities to enhance these facilities and make them simpler and more powerful through the use of metadata and by the creation of customer-oriented channels.

Australian governments are now implementing the Australian Government Locator Service metadata standard, to make descriptions of online information and services consistent across jurisdictions and agencies. In conjunction with the Government Electronic Resources Network (GOVERNMENT) this will enable users to locate and access government information resources quickly and easily across jurisdictions and agencies without needing to know in which government jurisdiction or agency the information is located.

NOIE and AusInfo, with its responsibility for whole-of-government access and publishing, will facilitate the development of an integrated network of customer-focused portals in conjunction with other lead agencies. These are intended to complement and enhance existing portals, such as the Business Entry Point (BEP), and be accessible through the Government's main entry point. Using these facilities,

individuals, communities and businesses will be able to locate information through a range of approaches that suit their circumstances without the need to understand the structure of government.

The BEP is an initiative of the Commonwealth managed by the Department of Employment, Workplace Relations and Small Business. The BEP includes a range of business transactions and information on over 800 assistance programs including Commonwealth, state and territory government and Industry Association Programs. It provides a service to Australian businesses to make it easier to deal with government. The national Business Information Service provides integrated business information from all three levels of government that is delivered through the BEP.

The BEP is the designated business portal for the Commonwealth and is a key component of the Government Online Strategy's Portal framework endorsed by Cabinet in November 2000. The BEP is the designated online access point for a range of key business transactions including application for an Australian Business Number and public interaction with the Australian Business Register.

The Government is currently considering using the successful BEP model as the basis of service delivery to other portals. The BEP is available 24 hours a day, seven days a week, supported by a telephone hotline during business hours.

However, experience is that to mandate links online may not always be the most appropriate outcome. Consideration should also be given to ensuring that the target market of any portal determine the best links for that portal.

As noted above, Networking the Nation has funded a number of projects to establish online access facilities, such as the Business Entry Point.

Recommendation 33

The Committee recommends that the Commonwealth Government work with state, territory and local governments, communities and carriers, to determine the extent of existing telecommunications infrastructure in regions through audits, so that this infrastructure is considered in the development of regional telecommunications solutions. (see also recommendation 10)

Response

Noted

Through the Australian Communications Authority's Digital Data Inquiry and the National Bandwidth Inquiry the Government already has considerable information on Australia's existing telecommunications infrastructure. This information is used in the planning and development of telecommunications solutions. However the Government is conscious of the need to continually monitor infrastructure development and will continue to do so.

As part of the NTN funding process, close attention is paid to existing programs, services and infrastructure so as to avoid costly duplication. NTN has funded a

number of projects to develop regional telecommunications strategies. Many of these projects have included an infrastructure audit element.

An Online Regional Communications Information Resource is being developed. The resource will be a database driven web site on the broad range of issues relevant to regional communications policy and practice, and will facilitate the sharing of strategic information between the different levels of government. Some online resources are being developed to aid this process, including a facility to map existing infrastructure services and programs.

The Government has announced that it has allocated \$6.9 million to undertake a community information program in regional areas. This program is to address a finding of the TSI report that there is a substantial lack of information in regional areas about current Government communications funding programs, the availability of new advanced communications services, and consumer safeguards and rights.

Recommendation 34

The Committee recommends that the Commonwealth Government target Networking the Nation funding to innovative regionally based projects that will expand internet access regionally and establish and/or extend the provision of mobile telephony. Alternative infrastructure could include wireless local loops and microwave broadband networks.

Response

Noted

NTN has funded a number of projects to expand internet access and to provide mobile telephony services in rural and regional Australia. The program is delivered through an independent board on the basis of community submissions.

As a result of the second sale of Telstra, additional funds of \$36 million over three years are being provided through Networking the Nation for the Internet Access Fund to stimulate internet service delivery in regional and rural Australia.

Also from the second sale of Telstra, further funding of \$70 million over three years is available through NTN to the Building Additional Rural Networks Fund (BARN). BARN funding is available to support the development of new networks and new network services and products, with an emphasis on the adoption of innovative solutions and leading edge technologies.

Under the Regional Telecommunications Infrastructure Fund, \$25 million is being provided for continuous mobile phone coverage along designated highways. (See recommendation 23). Through Vodafone's offer of roaming, some 9.8 million GSM subscribers may have continuous coverage along these highways.

An additional \$3 million has been provided to expand mobile phone coverage in regional centres in South Australia, Western Australia and Tasmania, with \$1 million to be allocated to each State.

As indicated in responses to other recommendations, the Government has announced substantial new funding to assist Internet access, extend mobile phone coverage and facilitate significant telecommunications projects in the education and health services sectors for regional communities, as part of its response to the TSI report.

Recommendation 35

The Committee recommends that the Commonwealth Government encourage carriers to accept their responsibilities in relation to:

- *raising community awareness of services already available, particularly for business;*
- *raising awareness of service opportunities that could be negotiated; and*
- *identifying and facilitating training needs of businesses and industry groups.*

Response

Noted

The Government has opened up the telecommunications market to competition. This allows any telecommunications company that sees a market opportunity for service provision using appropriate technologies to enter the market. At the same time, the Government has removed barriers to market entry in telecommunications, allowing easier entry into the market and provision of services by alternative providers. Substantial commercial incentives exist for any carriage service provider to adequately promote and market its services.

While there is little evidence to suggest that carriers are engaging in a sub-optimal level of promotion or marketing of services generally, the TSI found that the level of information available to the public about emergency and health-related priority services was inadequate. In response, the Minister will direct the Australian Communications Authority to review the adequacy of information carriage service providers make available to consumers about these services, and implement appropriate measures to address deficiencies identified.

Telecommunications carriers are required to have industry development plans specifying their plan for development of industries in Australia involved in the manufacture, development or supply of facilities; and related research and development.

The Government funded the Small Enterprise Telecommunications Centre in 1999-2000 to represent the interests of small business consumers in telecommunications regulatory issues. Further funding grants are being made to consumer and community groups in 2000-01.

The Government funds telecommunications research and is including the following as a possible research topic for 2000-2001 funding – “to identify and explore the training needs of businesses and industry groups in regional areas on telecommunications issues relevant to them”.

Recommendation 36

The Committee recommends that SBS TV transmission points should be able to share existing transmission towers, including mobile telephony towers.

Response

Noted

The Government supports the optimal use of existing transmission infrastructure but believes the sharing of infrastructure should not be mandatory where substantially increased costs or other public interest concerns apply.

Mobile telephony towers, for example, may not represent an ideal co-location site for broadcasters for a range of reasons including:

- (a) the potential for interference to, or from, other broadcasters;
- (b) differences between the transmission requirements for broadcasting and telecommunications services; and
- (c) site access rates can be higher at mobile sites.

Recommendation 37

The Committee recommends that the Commonwealth Government disseminate information about the Television Fund more widely throughout regional Australia, including to local government, industry and community groups.

Response

Noted

Television Fund - \$120m

SBS Extensions

On 11 July 2000 the Minister for Communications, Information Technology and the Arts, and his Parliamentary Secretary jointly announced the official timetable for the rollout of the SBS television services to transmission areas with more than 10,000 people. SBS is responsible for managing the rollout of its services to 1.2 million viewers located in 36 transmission areas.

The rollout program is expected to be completed by the end of June 2001. SBS has endeavoured to keep affected communities fully informed of when they can expect services to commence in their respective local areas.

Television Black Spots Program

The \$35m Television Black Spots Program aims to assist communities to fix between 200 and 250 analog television 'black spot' areas. Funding is available to assist communities to establish new self-help retransmission facilities and to replace obsolete equipment at existing self-help retransmission sites.

Round 1 of the program, which was to assist communities of 100 households or more experiencing problems with their television reception, closed on 6 October 2000. The Department of Communications, Information Technology and the Arts' TV Fund Unit received a total of 173 Expressions of Interest for New Services (EOIs) and 107 Applications to Replace Obsolete Equipment at Existing Self-help Retransmission Sites.

On 1 November 2000 the Government announced Round 2 of the program. As with Round 1, there are still two components-New Services, and the Replacement of Obsolete Equipment at Existing Self-Help Retransmission Sites. The major change to the Program guidelines is a reduction of the household threshold from 100 to 50. The closing date for EOIs for New Services was 30 March 2001, with Applications to Replace Obsolete Equipment accepted on a rolling basis.

The communications strategy for both rounds included a free call 1800 number, advertisements calling for expressions of interest and applications in major national/metropolitan and regional newspapers. Information kits were sent to all federal MPs and senators, local government authorities and any individuals who had contacted the TV Fund Unit previously about their television reception problems.

Regional Communications Partnership

The Government has contributed \$5 million towards the establishment of a \$10 million Scheme under the auspices of the Regional Communications Partnership. The owner of the National Transmission Network, ntl Australia Pty Ltd, has matched the Government's contribution to this scheme in kind. The Scheme will subsidise the commercial access rates groups wishing to retransmit commercial or national broadcasting services on a self-help basis would otherwise pay to access National Transmission Network sites. The ntl is responsible for administering this scheme and has endeavoured to ensure that all groups eligible to receive assistance under this Scheme are aware of its existence.

Subsidy for Second Remote Commercial Channel

The subsidy covers two-thirds of the cost of an additional transmitter and decoder needed to access a second commercial channel in remote broadcast areas. On 1 October 1999, Expressions of Interest forms were sent to 390 potentially eligible self-help groups. Advertisements were also placed in *The Weekly Times*; *Queensland Country Life*; *The Land*; *SA Stock Journal*; *Farm Weekly*; *Tasmanian Country*; and *Northern Territory News* in the week commencing 11 October 1999.

To date, 60 organisations have been reimbursed for services operating at 85 self-help retransmission sites. The Department has made a number of efforts to contact eligible

organisations encouraging them to pursue the subsidy, however, the response to these efforts has been disappointing. The Department of Communications, Information Technology and the Arts is in the process of making another concerted effort of contacting eligible organisations.

Recommendation 38

The Committee recommends that the Commonwealth Government ensure that people living in regional areas have access to digital broadcasting services of the same level and quality as metropolitan areas as per the legislation.

Response

Noted

All regional commercial and national television broadcasters are required to convert to digital transmission and to conform to the same general requirements as their metropolitan counterparts. Implementation requirements (eg a requirement to provide the same coverage with digital services as is currently provided with analog) are the same, except for an extended optional startup period (1 January 2001 – 1 January 2004) for regional broadcasters. The Australian Broadcasting Authority (ABA) is developing arrangements for the introduction of digital television services in remote areas. In doing so, the Authority is required to have regard to the special circumstances of television transmissions in those areas.

The Government will provide up to \$260 million over 13 years, under the Regional Equalisation Plan, to assist regional commercial television broadcasters with digital conversions. The Government is also meeting the digital television transmission costs of the ABC and SBS, to enable the national broadcasters to rollout their digital services to regional areas in line with the commercial television stations.

The Government has secured passage of legislative measures to encourage existing regional broadcasters to provide additional commercial television services in those markets with fewer than the three commercial services available in most metropolitan markets.

Recommendation 39

The Committee recommends that the Commonwealth Government use the ISDN satellite service subsidy as a model:

- *for assisting communities to receive existing free to air broadcasting services via satellite; and*
- *to provide access to digital services to communities which, because of their geographic location, would otherwise be unable to receive a future digital signal.*

Response

Noted

The subsidy arrangement for internet access via a satellite connection at a rate comparable to an ISDN connection (ie. 64kbps) is made possible through revenue received under the USO.

A number of funding and delivery options for the television 'black spots' program, including possible subsidy arrangements, were considered by the Government as part of a scoping study. However, it was found that the community wide terrestrial transmission option was the most cost -effective use of Government funds combining low viewer costs, potential for access to local services, and the opportunity to promote partnerships between communities, industry and government.

Legislation already contains provisions requiring broadcasters to provide the same level of coverage with digital services as is currently provided with analog services. Digital services are commencing in mainland capital cities in 2001, and although digital services must commence in regional areas by 2004 many services will start after this date. As digital services will be rolled out over a number of years, it is premature at this stage to attempt to determine the extent and nature of any digital coverage problems.

CHAPTER 6: INFORMATION TECHNOLOGY

Introduction

Information technology is a rapidly changing sector that has opened a number of opportunities for the community to take advantage of. Indeed, regional communities have been quick to realise the benefits of using information technology and now over half of regional homes have a computer.

The information economy can play a key role in the growth of regional Australia. It is important that the Government address the need for communities to embrace change so they can maximise the potential of the communications revolution to deliver new jobs and a better quality of life.

A Government priority is to ensure that regional Australians have the same opportunities to benefit from the information economy as their counterparts residing in major capital cities and metropolitan areas. Recent amendments to the Copyright Act should make it easier for regional users to access online the research, educational and cultural materials available in metropolitan libraries, galleries, museums, schools and universities. The Government has acknowledged that the information economy can play a key role in contributing to the economic and social growth of regional and rural Australia. The information economy should create new business opportunities for regional and rural Australia and also provide new opportunities for networking and information sharing.

The Government, through the National Office for the Information Economy (NOIE) is actively pursuing a range of projects to better understand the needs and concerns of regional Australia. It is examining online access and development issues pertaining to regional Australia, reviewing Federal, state, local, private sector and non-profit efforts to improve regional access to the internet, and developing an enabling program of work.

The Commonwealth, state and territory Governments have established partnerships with industry that encourage the use of e-commerce among Australia's small to medium sized enterprises.

Recommendation 40

The Committee recommends that the Commonwealth Government increase its efforts to raise community awareness about the opportunities and potential benefits offered by e-commerce to regional Australia by ensuring that the Online Australia Program publicises targeted information to specific industries and/or regional communities; and the Information Technology OnLine program receives sufficient funding.

Response

In-principle support

The Online Australia Program was a year long Program of events and activities in 1999 aimed at engaging different sectors of the Australian community in online

developments. Following completion of the Program at the end of 1999, awareness raising activities are undertaken by relevant areas within NOIE. The NOIE website has been designed to enable easy access to a wealth of information relevant to business, government, individuals and community organisations.

The Information Technology Online (ITOL) Program is a competitive grant Program administered by NOIE.

Grants are available for up to \$150,000 capped at 50% of project costs. Approximately \$4.27 million has been allocated to just over 50 projects in four rounds of grants. Grants have ranged between \$3,500 and \$145,000, with the average grant being about \$85,000.

Applications for Round 5 of the Program closed in September 2000, with 111 applications being received. Successful applicants were announced on 3 April 2001. With \$1.2 million being allocated to 16 projects. Preliminary planning for Round 6 of the program indicates that applications will be called for in the second quarter of 2001.

ITOL has funded projects based in regional areas, such as north-west Tasmania, south-west Western Australia, northern NSW and south-east Queensland, as well as metropolitan locations. A full listing of projects is available on the NOIE web site.

Funding for the ITOL Program has been extended to 2005-06 through Backing Australia's Ability – An Innovation Action Plan, with an extra \$13 million in funding provided over the five year period.

Recommendation 41

The Committee recommends that the Commonwealth government ensure that the Australian Electronic Business Network is publicised more widely in regional Australia and receives increased funding to enable wider delivery of its products, workshops and services across regional Australia.

Response

Noted

The Department of Communications, Information Technology and the Arts (DCITA), under the Information Technology Online Program and, together with some state governments, provided start-up funding for the Australian Electronic Business Network (AUse.NET). This funding has now ceased. The intention is that AUse.NET operate as a commercial entity, with market demand determining its delivery of products, workshops and services.

The Government is concerned that the Network be effectively publicised across regional Australia. NOIE is working with AUse.NET to explore ways in which it can assist with marketing and product promotion, workshops and services, particularly in a regional context.

The Department of Employment, Workplace Relations and Small Business has added a link to AUSe.NET to the Business Entry Point site to publicise the Network more widely in regional Australia.

Recommendation 42

The committee recommends that the Commonwealth government act swiftly to further enhance the environment for e-commerce in Australia by ensuring that the National Electronic Authentication Council develops policy on authentication, encryption and related matters; and legislation on privacy protection is introduced as a matter of urgency.

Response

Supported

The National Electronic Authentication Council (NEAC) provides a national focal point on authentication matters and coordinating authentication-related activities at a national and international level. It also provides advice to government on authentication and related matters and monitoring market developments.

NEAC's current work program focuses on building consumer and industry confidence in the use of authentication technologies and electronic commerce, international policy and legal and liability issues associated with electronic authentication, and systems integration and policy framework issues for the use of authentication technologies across the Australian economy.

NEAC will soon be releasing several scoping studies on liability issues and systems integration issues. A web-based NEAC Electronic Authentication Products and Services directory has also been produced and is available at <http://www.aeema.asn.au/neac>. This directory provides information on authentication products and services available to consumers and industry in Australia. The industry association, the Australian Electrical and Electronic Manufacturers' Association, maintains the directory in conjunction with the Certification Forum of Australia.

The Government recognises that the protection of personal privacy is an important element in developing confidence in the use of the internet and electronic commerce generally. On 6 December 2000 Parliament passed the *Privacy Amendment (Private Sector) Act 2000*. This Act amends the *Privacy Act 1988* (the Act) to extend its jurisdiction more widely to the private sector. It includes National Privacy Principles (NPPs), similar to the Information Privacy Principles (IPPs) that apply to Federal agencies, rights for individuals to seek remedies if their privacy is interfered with, and provision for organisations to develop codes that, if approved by the Privacy Commissioner, can replace the NPPs in the Act.

The Commonwealth has also passed an *Electronic Transactions Bill 1999* which addresses privacy issues in e-commerce.

Recommendation 43

The Committee recommends that the Commonwealth Government work with regional communities in every state and territory to develop projects to establish regional portals with in built e-commerce solutions, including security procedures such as the Secure Electronic Authenticated Link model.

Response

Supported

The Government agrees that the online delivery of services relevant to rural businesses and communities should not be constrained by business models defined only in terms of regional geography. The Government is working, therefore, with state, territory and local governments and regional communities on a range of projects to establish regional portals, mostly with in-built e-commerce solutions.

Through the Networking the Nation program, the Government has funded a number of projects to establish regional portals. Funding priority is given to projects where the regional portals offer regional aggregation of business, government and community services and provide interactive services to clients both within and external to the region.

The Government is also concerned that care is taken to ensure a whole of government approach to avoid an unnecessary proliferation of portals. The development of industry standard security procedures will contribute to the integrity of the portals. The Government is investigating the establishment of projects which involve building e-commerce capable web portals for aggregated industry sectors.

As part of *Government Online – The Commonwealth Government’s Strategy*, released in April 2000, the Government proposes to create a single web portal for the purpose of delivering Government services to regional communities. It will provide regional, rural and remote Australians access to information specific to their needs through a regional web portal that will consist of an information directory, detailed information about regional programs and services and a community resource centre providing localised information and case study materials.

ITOL has provided grants to facilitate the establishment of several regional portals, including projects in Ipswich, Yamba, Bunbury and Albany. ITOL is particularly interested in the opportunities these portals provide for regional businesses to participate in e-commerce.

Recommendation 44

The Committee recommends that the Commonwealth Government encourages state planning departments and departments of regional development to work cooperatively with local government to streamline planning approvals to ensure office space and other facilities are available for proposed regional call centres.

Response

In-principle support

While town planning approvals are primarily the responsibility of local government and state planning departments, the Federal Government has in place a reform program to harmonise and encourage best practice in planning approval systems. This work is being undertaken by the Development Assessment Forum which is funded by the Department of Transport and Regional Services and is a response to recommendation 29 of the Bell Report - the report of the Small Business Deregulation Task Force. This recommendation referred to the desire to streamline planning systems, the need for the reform of referral and concurrence in development assessment processes and for ensuring the delegation of decision making to the lowest practicable, but appropriate level.

The Development Assessment Forum consists of representatives of Federal, state and local government, industry and professional bodies involved in the development industry. The work being undertaken by the Forum, while not specifically aimed at call centres, seeks to encourage state and local government authorities to improve existing development approval systems.

The need to ensure floor space and other facilities are available for call centres is not an issue that can solely be addressed by streamlined planning approvals. Ensuring however that planning systems are sufficiently flexible and responsive to an application for a call centre will in part ensure that excessive regulation is not unnecessarily applied.

Recommendation 45

The Committee recommends that the Department of Education, Training and Youth Affairs encourage TAFE colleges located in regions with call centre potential to work in partnership with the call centre industry to develop training programs in human resources and management appropriate to the industry.

Response

Noted

The Government supports the underlying intention of this recommendation. However, under the *Australian National Training Authority Agreement*, states and territories have responsibility for their own training systems, including the delivery of training. In some states, partnerships have already been established between call centres and registered training providers to develop relevant training programs.

Education ministers endorsed the Telecommunications Training Package in 1997. A review of the Training Package is currently under way and is expected to be completed towards the end of 2001. Elements of the Training Package, including training support materials, cover the operations of call centres. The Telecommunications Industry Training Company, which is supported by Commonwealth funding, is actively promoting the Training Package to both

Registered Training Organisations and New Apprenticeship Centres throughout Australia. Call centre training is now available through training providers in all states and territories.

Recommendation 46

The Committee recommends that, through the Regional Telecommunications Infrastructure Fund, the Commonwealth Government provides funding for trials of 'virtual call centres' in regional areas.

Response

Noted

Under Networking the Nation, proposals to fund the development of call centres are generally identified as a low funding priority. Call centres are, in most cases, established to support the activities of commercial organisations, which are not eligible to apply for funding under the program guidelines.

However, the program has funded projects that seek to establish community based employment growth through electronic or 'virtual' businesses, eg. the Teletask project which aims to broker telework opportunities in regions nationally.

Recommendation 47

The Committee recommends that more funding be made available through the Telstra Social Bonus to provide more opportunities for education and training in information technology for regional Australia in order that regional Australians can shape their own future.

Response

Noted

Networking the Nation (NTN) is the vehicle through which funds from a number of the Telstra Social Bonus initiatives are being distributed. NTN already funds training, strategy development and service delivery as part of broader telecommunications projects in rural and regional Australia, in response to demand from communities where this has been identified as a local or regional priority.

Recommendation 48

The Committee recommends that the Commonwealth Government works with the states and industry, to expand online access programs for industries in regional areas with a view to making these available through community access centres.

Response

Noted

The Department of Industry, Science and Resources encourages communities to choose full access to the government business entry point through community access centres. It also sees merit in the Government working with state and local governments to link their on-line service websites, and provide internet search technologies. This is being achieved through AusIndustry's National Business Information Service initiatives. Business information from all three levels of government is drawn together and made available to key government web sites. The national business information database is constructed so that material can be presented in ways relevant to regional businesses.

Recommendation 49

The Committee recommends that the Commonwealth Government continue to fund alliances between industry and regional post-secondary educational institutions through the Information Technology OnLine program.

Response

In-principle support

The ITOL Program is open to applicants from both industry and regional post-secondary educational institutions. Applications from consortia are encouraged and a number of consortia projects are presently being funded under ITOL.

One example is the Albany Gateway project, developed by a consortium comprising Edith Cowan University, Great Southern Development Commission, "Ask Robert" Business Enterprise Centre, WA Department of Commerce & Trade, IBM, Integrated Systems Australia, and the Great Southern Division of General Practice.

The Department of Education, Training and Youth Affairs supports the continuing involvement of regional post-secondary education institutions in the ITOL Program, however it has limited funding for this purpose.

Recommendation 50

The Committee recommends that the National Office for Information Economy program, Building IT Strengths, set up to establish private sector-run incubators in each state and territory, should include a specific program focussed on regional Australia.

Response

Not supported

The Minister for Communications, Information Technology and the Arts announced the 10 mainland incubators in April 2000. No further funding is available to be allocated under the program. Many of the incubator centres will have a significant

presence in regional Australia, with more to be established during the five years of the program. Several of the incubators have specific regional nodes or linkages established. For example, Information City Victoria is based in Melbourne, but has a node in Ballarat. IItem3 Pty Limited, based in Sydney, involves regional centres including Wollongong, Newcastle, Wagga and Coffs Harbour. ePark is based in both Melbourne and Sydney, and has connections with both the Hunter and Illawarra regions of New South Wales. The ACT incubator, Epicorp Ltd, will have connections with the south-east region of New South Wales, and, in Western Australia, Entrepreneurs in Residence Pty Ltd has plans to establish regional nodes in the future.

The Government is also funding a very innovative virtual incubator model which will be accessible by entrepreneurs in regional, rural or remote areas who have internet access. Australian Distributed Incubator (ADI) will provide physical facilities in Melbourne, Sydney and Brisbane, as well as a "virtual incubator". This "virtual incubator" will assist start-ups in regional Australia that do not want - or are not able - to relocate to an incubator in a metropolitan area. The electronic network will bring strategic advantages from a range of international venture capitalists, legal, commercial and academic entities.

Recommendation 51

The Committee recommends that the Commonwealth government showcase examples of successful development of community regional telecommunications networks to encourage development of community networks throughout regional Australia.

Response

Supported

The Federal Government has been working with state and territory governments through the Online Council, to develop New Connection, a toolkit for the formation of new community initiated telecommunications models. One feature will be case studies of successful telecommunications projects developed and implemented in regional Australia. The toolkit will provide guidance to regional leaders on how to develop new service delivery models, ranging from community/commercial partnerships to fully community owned service providers.

These models are seen as a means of addressing the problems of low levels of competition and limited demand for services that exist in many regional areas.

The DCITA is developing an online regional communications information resource Online Regional Communications Information Resource (ORCIR). ORCIR will be an online resource of detailed information on communications issues relevant to Australians in regional, rural and remote areas. It will assist them in identifying their own telecommunications priorities, as well as sources of support, assistance and services to achieve their telecommunications ambitions.

DCITA is also developing a marketing strategy to increase awareness of such initiatives and Government activity in regional telecommunications generally.

CHAPTER 7: TRANSPORT

Introduction

The main goals of the Federal Government's transport policies are to ensure that Australia's transport network is safe, efficient, internationally competitive, sustainable and accessible. In aiming to meet these goals, the Commonwealth:

- works closely with the states and territories through the Australian Transport Council (ATC) and the National Transport Secretariat to improve transport planning and investment processes and strategic freight corridors.
- leads the development of an Action Agenda for the freight transport logistics industry to ameliorate inefficiencies in freight logistics.
- works toward regulatory consistency in road and rail.
- leads the development of nationally consistent interstate rail network investment and access arrangements.
- supports competitive shipping services and more efficient port and waterfront operations.
- supports safer aviation, shipping and land transport services; and
- encourages increased private sector participation in the maintenance and development of transport infrastructure.

The Federal Government has initiated a number of policy reforms in the past few years that have sought to improve the efficiency and funding of Australia's transport network. As a result, its role has become more that of regulator and facilitator with a decreasing interest in direct holdings of transport infrastructure in Australia.

Responsibility for much of the road network lies with state and local government. The Commonwealth is responsible for the National Highway System (NHS) and some roads considered to be roads of national importance (RONI). Funding is also provided under the Black Spots Program, for spots on the road system that have a relatively high number of accidents.

Although responsibility for the provision of road infrastructure rests mainly with the states and local government, the Federal Government has shown an appreciation of the need for well maintained local roads. The Government announced \$1.6 billion for roads - \$1.2 billion for local roads through the Roads to Recovery program and \$400 million for outer metropolitan roads.

Responsibility for the operation of the interstate rail network resides with the Australian Rail Track Corporation (ARTC), which is charged with generating a commercial return from the Commonwealth's interest in the interstate network.

The Government's principal interest in the maritime industry relates to policy, safety and environmental regulation and accident investigation.

The Government has sold – through long-term leases - civil airports in Australia, with the exception of those in the Sydney Basin and Essendon. The Commonwealth's ongoing commitment to improving the transport system is driven by a number of factors. Transport is a major cost for producers, especially in regional and rural areas, and it is critical that the transport system be as efficient as possible to contribute to the international competitiveness of the Australian economy. The NHS is a vital component of the intra and interstate trade corridors and ensuring that it has appropriate capacity to meet future traffic growth is essential.

The Government is also working to ensure that the nation's transport systems are responsive to demographic change. Infrastructure capable of accommodating the 'coastal drift' is important. However, it must also be recognised that there are clearly defined responsibilities in the provision of transport infrastructure and it is incumbent upon the particular tier of government responsible, to develop transport systems that fulfil regional and national goals.

Recommendation 52

The Committee recommends that the Commonwealth Government, in conjunction with state and territory governments, continue to:

- *adjust road user charges as judiciously as possible to reflect the cost of providing roads to users; and*
- *explain to road users the changes that are occurring.*

Response

Noted

Transparent road user charging is only used in Australia in relation to heavy vehicle charges developed by the National Road Transport Commission (NRTC). Under the Inter-Government Heavy Vehicles Agreement, the Commonwealth and the states and territories impose nationally uniform heavy vehicle charges. Charging is based on road costs attributed to heavy vehicle road use and comprises both fixed registration charges for various classes of vehicles and a notional component of existing fuel excise.

The charging regime was first implemented in 1995-96 and was updated by agreement of all transport ministers in January 2000. The revised charges, implemented on 1 July 2000, resulted in rises of up to 20 per cent for some vehicles. These charges will continue to be adjusted regularly as road costs change.

A wide range of publicity, both direct information and media publicity, was made available informing road users of the changes to the NRTC charges that occurred on 1 July 2000.

In addition, the ATC has established an advisory body, the National Transport Secretariat, to recommend policy options to improve the environmental performance

of the transport system. One of the areas under consideration is the implementation of road use charges in high congestion areas, applying to both passenger and heavy vehicles, which directly relate to distances travelled and related impacts (eg air pollution, congestion) from driving.

Recommendation 53

The Committee recommends that the Commonwealth Government consider borrowing to finance major road infrastructure when other sources of funds are not available.

Response

Not supported

Expenditure on roads is considered within the parameters of the Budget process. The Government has implemented a responsible fiscal policy. Borrowing to fund major infrastructure projects could erode this position. However, if borrowing were to be undertaken, it would either be done globally rather than for specific programs or it would be part of a private financing arrangement that involved significant risk transfer to the private sector and offered value for money (see below).

Under current arrangements agreed with the states and territories, the Commonwealth is responsible for the NHS and RONI's. Within the context of the Government's overall economic and fiscal strategy, the Government provides an appropriate level of funding in the Budget for its road program. With all GST revenue going to the states and territories, these Governments will have greater capacity to fund their own roads and assist local government in the medium to long term.

Nevertheless, the Government has also recognised the importance of maintaining a sound local road network and to this end has announced the Roads to Recovery program. From this program, approximately \$850 million will be spent on local roads in regional and rural Australia. This will ensure the maintenance and repair of vital local roads.

The Commonwealth road program is funded by Budgetary appropriations like other programs. The Government is, however, considering scope for private financing arrangements where these provide value for money and is developing guidelines to assist in evaluating such proposals.

Recommendation 54

The Committee further recommends that the Department of Transport and Regional Services, in cooperation with Treasury, develop criteria for assessing road projects to be considered for funding by borrowing.

Response

Noted

Criteria already exist for the assessment of proposed road projects and these determine Government priorities. However, as noted in recommendation 53, the Government is developing guidelines for private financing arrangements.

Recommendation 55

The Committee recommends that three cents per litre of the excise collected from fuel sales be preserved for expenditure on transport infrastructure. Of this three cents, two cents per litre should be devoted to the construction and maintenance of regional roads.

Response

Not supported

The Government has accepted the recommendation of the Report of the House of Representatives Standing Committee on Communications, Transport and Microeconomic Reform 'Planning not Patching' that the existing hypothecation provisions of the Australian Land Transport Development Act 1988 be removed.

Recommendation 56

The Committee recommends that the Auditor-General, in conjunction with state and territory Auditors-General, examine, report and make recommendations on the operation of road BOOT schemes, and develop a best practice guide for BOOT schemes.

Not supported

As ownership of roads in Australia rests with the states, territories and local government, development of best practice guides for Build Own Operate Transfer (BOOT) schemes rest appropriately at that level of government. A number of states that have had experience with BOOT schemes have developed guides for future projects.

Recommendation 57

The Committee recommends that the Commonwealth Government encourage state and territory governments to support regional planning for roads by consortia of regional stakeholders. (see also recommendations 5 and 7)

Response

Supported

The Commonwealth is seeking to address the need for national transport strategic planning through the ATC of transport ministers. In November 1999, ATC agreed to

establish an advisory body, the National Transport Secretariat (NTS), to advise transport ministers on how to best address cross-modal, cross jurisdictional and strategic issues of national significance. In May 2000, ATC agreed to a work plan for the NTS, which included developing and establishing a more consistent transport planning process across Australia where a national approach will deliver significant benefits. (Cross reference with recommendation 68).

The regional minerals program, administered by the Department of Industry, Science and Resources, already largely implements this recommendation. Consultants carrying out studies under the program must consult with a wide range of stakeholders in developing recommendations to facilitate infrastructure development, including roads. (Cross reference with recommendation 7).

Recommendation 58

The Committee recommends that the Commonwealth Government respond without further delay to the recommendations made in 1997 by the House of Representatives Standing Committee on Communications, Transport and Microeconomic Reform in its report, Planning not Patching: An Inquiry into Federal Road Funding.

Response

The Government response to this report was tabled on 13 April 2000.

Recommendation 59

The Committee recommends that the Commonwealth Government work with the Tasmanian Government and the private sector in implementing the Bass Strait Sea Passenger Equalisation Scheme as soon as possible.

Response

Noted

The existing Tasmanian Freight Equalisation Scheme (TFES) and the Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES) have been successful in reducing the disadvantage associated with sea travel across Bass Strait and, in so doing, provide substantial benefits to travellers, industry, and the Tasmanian economy.

The Commonwealth has budgeted to provide an estimated \$60.6 million in TFES assistance and \$15.5 million in BSPVES rebates during the 2000-01 financial year. Funding for both schemes is appropriately directed to deliver the most effective and beneficial results for passengers and industry.

The TFES has operated successfully since 1976 providing shippers with assistance to alleviate the transport cost disadvantage incurred in transporting certain non-bulk goods across Bass Strait. The scheme was subject to an independent review by the TFES Review Authority in 1998. The Government adopted the recommendations of the Review Authority in full on 1 July 1999. This has seen assistance payments increase from around \$42 million per annum to \$60 million. The funding reduces the

cost of transporting eligible goods across Bass Strait to the notional cost of transporting the cargo by road over the same distance for some 1,100 Tasmanian businesses.

The BSPVES provides an up-front fare rebate to eligible passengers of between \$200 and \$300 for a return journey across Bass Strait depending on the season of travel. Since the introduction of the BSPVES in September 1996 the Commonwealth has provided some \$50 million in financial assistance to passengers crossing Bass Strait by sea with an accompanied passenger vehicle. This significant financial commitment has seen a significant increase in demand for travel across Bass Strait with passenger vehicle numbers increasing by some 97 per cent (from 63,000 to 124,000 per annum) and passenger numbers by 58 per cent (from around 216,000 to 343,000 per annum).

Bass Strait Sea Passenger Equalisation Scheme

With specific regard to the Report's support for the Bass Strait Sea Passenger Equalisation Scheme (BSSPES) it should be noted that in 1999, the National Sea Highway Committee (NSHC) submitted two proposals to Senator Ian Macdonald, the Minister responsible for the administration of the BSPVES. The NSHC contended that each would achieve full highway cost equalisation as an alternative to the BSPVES, but would be consistent with the Commonwealth's current financial commitment. The second of the proposals encompassed the BSSPES.

The Department of Transport and Regional Services assessed both proposals and found them not to be viable for various reasons including, overly optimistic demand projections, costs far in excess of the Government's current funding commitment, unacceptable levels of financial risk, and a lack of private sector interest in the proposals.

The viability of the NSHC proposal has not been proven to a sufficient extent for the Commonwealth to accept that they would benefit Bass Strait passengers. The NSHC accepted the Department's assessment and indicated that it would be willing to work towards a different solution to make the current BSPVES commitment more effective. This is being addressed within a joint working group process with the Tasmanian and Victorian governments that is seeking to address the issue of Bass Strait access.

The Department of Industry, Science and Resources has also funded a study into options for improving visitor access to and from Tasmania.

Recommendation 60

The Committee recommends that the Government respond without further delay to the recommendations:

- *in the 1997 House of Representatives Standing Committee on Communications, Transport and Microeconomic Reform report, Tracking Australia: An Inquiry into the Role of Rail in the National Transport Network;*
- *in the Productivity Commission's report, Progress in Rail Reform; and*
- *in the Rail Projects Taskforce report, Revitalising Rail: The Private Sector Solution.*

Response

The Government response to these reports was tabled on 13 April 2000.

Recommendation 61

The Committee recommends that the Commonwealth Government work with state and territory governments to encourage full competition in the delivery of ports services.

Response

Supported

The Government supports competition in the provision of services and infrastructure, particularly in response to the continuing trend toward privatisation and corporatisation of ports and the lower charges that may ensue. The Government works with state and territory governments on port issues through the Australian Transport Council.

Recommendation 62

The Committee recommends that the Commonwealth Government ensure that, where reliable alternative service provision is lacking, essential air services to regional and remote communities are maintained.

Response

Noted

The Government has confirmed its ongoing commitment to the Remote Air Service Subsidy (RASS) scheme, ensuring a continuation of regular air services to around 200 remote communities in Queensland, the Northern Territory, South Australia and Western Australia. The Government announced in the 2000-01 Budget that it would spend an additional \$5.2 million over four years on the RASS scheme, injecting an additional \$1.3 million per year from 2000-01.

The additional funding will enable all RASS operators to provide a regular passenger service as well as carrying mail and cargo. In December 2000 nearly half of the communities included in the RASS scheme had been served by operators holding Charter Air Operator Certificates (AOCs), a lower category of licence that correctly restricts operators' ability to carry passengers. Following a competitive tender process conducted jointly with Australia Post in the latter half of 2000, new RASS contracts were established from 1 January 2001. The new contracts require that all operators hold or must upgrade to the higher safety category Regular Public Transport (RPT) AOC, permitting a full range of passenger, mail and cargo services.

The additional Budget funding for the RASS scheme is also providing an opportunity for the inclusion of additional remote communities in genuine need of a regular air service.

Recommendation 63

The Committee recommends that:

- *the Australian Competition and Consumer Commission investigate charges at regional airports;*
- *the Commonwealth Government investigate, through its agencies, whether appropriate regulations are being applied to regional airports; and*
- *the Commonwealth Government work with the states, territories, communities and the private sector to facilitate and coordinate future investment in aviation infrastructure, and to ensure continued access to and maintenance of strategically located regional airports.*

Response

Noted

The Federal Government has provided Airservices Australia with a subsidy to help relieve the burden of air traffic control charges at regional airports, with the charge currently capped at \$7.24 per landed tonne. This is well below actual cost for these services. The Commonwealth supports investigation of charging at regional airports by the Australian Competition and Consumer Commission (ACCC) where there are justifiable claims that overcharging is occurring. There is currently no evidence of overcharging.

Airservices Australia follows applicable Civil Aviation Regulations at regional airports, in the same way as it does at all airports it services.

For airlines operating services in remote areas of Australia, the standard of aerodromes has been a significant constraint in operating services under a Regular Public Transport Air Operators Certificate (RPT AOC). New rules set by the Civil Aviation Safety Authority (CASA) specifically addressed concerns regarding the condition of aerodromes in remote regions by identifying “special category aerodromes,” from which RPT operations were authorised. CASA subsequently introduced safety regulatory changes that simplified the rules previously applying to special category aerodromes. As a result, all AOCs authorising RPT operations in other than high capacity aircraft are now subject to the same conditions.

Recommendation 64

The Committee recommends that the Commonwealth Department of Transport and Regional Services:

- *increase its efforts to facilitate resolution of logistics issues associated with international air freight; and*
- *work with state and territory governments and the private sector to facilitate development of an integrated, dedicated international airfreight industry.*

Response

Noted

Air Freight Councils, drawn entirely from industry, have been established by Federal and State Government funding in each State to assist in resolution of logistics issues associated with international air freight. The Freight Councils assist individual exporters and undertake project work to improve logistic performance more generally.

For example, the Air Freight Council of Queensland Ltd. and the Air Freight Export Council of NSW Inc., supported by Agri-Chain Solutions Ltd. and the Sea Freight Council of NSW, recently developed a new air sea service enabling the transport of perishable goods to Europe and the Middle East using a combination of air freight to Singapore and sea freight from that point on. The new service provides the opportunity for Australian producers/exporters to access European and Middle Eastern markets with products which previously were unable to withstand long sea freight transit times or where air freight was either too expensive or space (beyond Asia) difficult to access.

The Commonwealth, together with state and territory governments (the Integrated Logistics Network) and the freight councils have also recently undertaken a major project scoping the need for a National Export Logistics Framework (NELF). The NELF identifies the tools necessary within the international trade arena to provide baseline capacity to export, including regulatory requirements, infrastructure, technology and management. It also focuses on the functionality of the export process itself, through logistics, chain integrity, chain security and communication. In practical terms, the object of NELF is to introduce a uniform accredited cold chain management quality system which will meet the requirements of global supermarket chains and ensure Australian product passes technical barriers overseas.

The Government's international aviation policy objective for air freight is to ensure that air freight capacity is available to meet the opportunities for Australian exporters and importers in international markets. As part of its implementation of this policy the Government will continue to negotiate 'open skies' dedicated air freight arrangements in its air services arrangements where Australia's bilateral partners are willing. Where 'open skies' freight arrangements are not possible, the Government will negotiate significant increases in dedicated air freight capacity available under each air services arrangement.

Capacity is now unconstrained between Australia and 22 of its bilateral partners, and the equivalent of 113 B747 freighters per week are now available under Australia's other bilateral arrangements.

The Government is also negotiating more liberal arrangements for passenger services. Increased passenger services will in turn provide additional bellyhold capacity for Australian exporters.

Beyond the bilateral system the Government is pressing for a more liberal universal framework for dedicated air freight services in the World Trade Organisation, and is also pressing for more liberal freight arrangements in regional fora, including APEC.

Recommendation 65

The Committee recommends that the Commonwealth Government work with state governments, businesses, industry and communities to encourage the establishment and development of intermodal transport hubs in regional areas.

Response

Noted

The Government is working with state and local governments, business and regional communities to examine the feasibility of regional hubs and, where a business case is made, kickstart funding may be provided. However, the economics of regional freight hubs is complex and delicately balanced and each proposal needs to be considered carefully on its merits.

Recommendation 66

The Committee recommends that the Commonwealth Government extend the successful 'Supermarket to Asia' strategy to other parts of the world, and increase the funding and resources for the program.

Response

Noted

The extension of the Supermarket to Asia (STA) program was also a recommendation of the Processed Food Export Competitiveness Study commissioned by and recently completed for the Department of Agriculture Forestry and Fisheries - Australia. The recommendations of the study, including consideration of the extension of STA have been passed to the Business Competitiveness Working Group of STA to consider. However, Department of Agriculture, Fisheries and Forestry – Australia (AFFA) would be concerned if the STA's effectiveness in meeting its original goals were diluted.

It should also be noted that while STA has an important role for government in developing food exports, AFFA's objectives are also aimed at increasing the profitability, competitiveness and sustainability of Australian agricultural, food, fisheries and forestry industries. This incorporates responsibility for encouraging and facilitating competitiveness of the processed food industry and the food supply chain. These initiatives are closely linked and both are linked to rural and regional growth and development.

Recommendation 67

The Committee recommends that the Department of Transport and Regional Services work with agribusiness, the tertiary education sector and communities to develop targeted programs to provide business and marketing skills for people involved in the agrifood industry.

Response

Not supported

Under the Administrative Arrangements Orders, AFFA has responsibility for the agriculture, food, fisheries and forest industries. This includes responsibility for programs directed at improving the "business and marketing skills for people involved in the agrifood industry" and agribusiness generally. AFFA already has programs in place to address this issue.

Nevertheless, the Department of Transport and Regional Services works closely with AFFA, and a number of other agencies, in pursuing a whole of government approach to work on perishable foods. It has work programs dedicated to supply chain logistics for agrifood exports.

Recommendation 68

The Committee recommends that, through the Council of Australian Governments, and under the leadership of the Department of Transport and Regional Services, the Commonwealth Government work with the states to develop an integrated, national, sustainable transport infrastructure strategy covering all modes. Implementation of the strategy should result in development of a seamless, efficient national transport infrastructure network. The strategy should provide for flexible allocation of funds and not be dependent on existing or historical transport funding precedents. (See also recommendations 7 and 10)

Response

Noted

The Commonwealth has been at the forefront of efforts to reform and improve the Australian transport system.

The Commonwealth is seeking to address the need for national transport strategic planning through the ATC of transport ministers. In November 1999, ATC agreed to establish an advisory body, the NTS, to advise Transport Ministers on how to best address cross-modal, cross jurisdictional and strategic issues of national significance. In May 2000, ATC agreed a work plan for the NTS which included the following:

1. *An Improved National Transport Planning Process* - Develop and establish a more consistent transport planning process across Australia where a national approach will deliver significant benefits.
2. *Improving the Strategic Freight Corridors of Australia* - Develop a cross-modal approach to strategically analyse the capacity and operating performance of transport freight corridors critical to the national economy, from the particular perspective of logistics chains.

3. *Transport Contribution to Regional Australia* - Undertake a project which will identify opportunities to improve transport services in regional Australia and to scope a “regional transport effectiveness” template.
4. *Improving the Environmental Performance of the Transport System* - Provide a strategic review of greenhouse policy and risks facing the transport sector and assess the implications from the introduction of a domestic emissions trading system.
5. *Addressing Cross Modal and National Land Transport Policy Issues* - Develop an action plan for strategic land transport infrastructure based on analysis of national rail and road reform reports.

The NTS will enhance ATC’s ability to progress national planning and reform in the transport sector. The Commonwealth will use the cooperative ATC processes to develop a coherent national planning process for strategic land transport infrastructure.

This approach will create an environment for land transport operations and infrastructure development, which enables all levels of government and the private sector to plan in greater certainty and to enter into long term commitments.

CHAPTER 8: ENERGY

Introduction

Electricity

Prior to 1990, the electricity supply industry in each state and territory was dominated by a single vertically integrated state owned authority or a combination of State owned authorities responsible for the generation, transmission and distribution of electricity. There was little interconnection between states and territories and no effective competition.

Since 1991, Federal, state and territory governments, through Council of Australian Governments (COAG), have been working cooperatively to pursue national based electricity reform. The primary objective of energy market reform is to increase efficiencies in the electricity supply and distribution industries. While the pace and extent of reform has varied by jurisdiction, generally the states and territories have been involved in commercialisation, corporatisation and in some cases privatisation, a lessening or the removal of cross subsidies, and planning and preparation for the National Electricity Market (NEM).

The reform of the structure, ownership and regulation of the electricity supply industry aims are:

- Promote a more competitive industry which delivers more efficient and sustainable use of capital and energy resources, thereby improving Australia's domestic and international economic competitiveness and performance, particularly in the manufacturing sector. Competition is regarded as the main driver for industry efficiency.
- Increase efficiency in the electricity industry by introducing competition into the generation and retail sectors and indirectly into network investment decisions. Economic benefits will flow from greater opportunities for new technology (such as combined cycle gas, solar, etc) and for new market entrants.
- Introduce more direct competition into electricity networks where potential augmentations will have to compete directly with generation and demand side options in an open market at the point of sale. Network access provisions, for example, will open up major opportunities for smaller scale generators to site themselves close to major industrial customers, reducing potential network augmentation costs and the cost of electricity transmission losses to customers.
- Eradicate monopolies and utilities with dominant market power, thereby increasing pressure on utilities to reduce costs, align tariffs/prices with costs, and use their assets more efficiently.
- Reduce reserve plant margins by the sharing of plants between States/Territories and provide for better capacity utilisation of generation assets. Regions with access to lower cost fuels can provide cheaper energy to other regions.

- Create incentives for retail innovation to meet customer needs, such as tailored tariff structures, and energy packages covering electricity, gas and energy efficient appliances.

Natural Gas

Prior to the recent gas market reforms, most Australian natural gas markets were characterised by monopolies in the production, transmission, distribution and retail stages of gas delivery. One major gas pipeline connected each gas market to a single gas supply basin in which there was generally a single joint venture producer and supplier of gas.

The COAG commitment of February 1994 to achieve 'free and fair trade in natural gas' had the following underlying objectives:

- to remove policy and regulatory impediments to gas retail competition;
- to remove restrictions on interstate trade in natural gas;
- to encourage the development of a nationally integrated and competitive natural gas market by establishing a national regulatory framework for third party access for natural gas pipelines and facilitating the interconnection of pipeline systems.

Through the implementation of the Natural Gas Pipelines Access Agreement of 7 November 1997 and the National Gas Pipelines Access Code, governments have addressed the monopoly situation in the gas transmission, distribution and retail sectors.

The Gas Policy Forum has been established to enable high level scrutiny of progress with the implementation of elements of the Natural Gas Pipelines Access Agreement and to facilitate consensus between governments and industry on outstanding gas reform issues. Priority issues for the Gas Policy Forum are retail contestability in the gas market, regulation and access arrangements, convergence of gas and electricity into a national energy market and competition in the upstream sector.

Since the mid-1990s, a number of new gas transmission pipelines and distribution networks have been constructed bringing gas to a number of regional centres and interconnecting the pipeline network in south eastern Australia. Regional centres. Regional centres along the gas pipeline routes are benefiting from access to an alternative and competitive energy source. This is leading to new job-creating industries and is enabling existing industries to improve their competitiveness by fuel switching to cheaper natural gas.

Recommendation 69

The Committee recommends that the Commonwealth Government, in conjunction with state and territory governments:

- *monitor the impact of energy reforms to ensure that infrastructure is provided that will adequately supply projected demand in the long term; and*
- *identify energy projects that need financial assistance to supply appropriate infrastructure for long term regional development.*

Response

Noted

Consistent with reforms over the past decade, investment decisions in the electricity and gas sectors should continue to be made on a commercial basis. If governments decide to pursue other objectives, such as facilitating regional development, any assistance should aim to create the least distortion to commercial market outcomes and minimise the cost to consumers and/or taxpayers.

Nevertheless, the reforms cannot by themselves ensure that infrastructure is provided that will adequately supply projected demand in the long term. The market should ensure that balance.

The Commonwealth is monitoring the progress and impact of energy reforms, including through participating with the states and territories in the Energy Markets Group of officials. More broadly, on 3 November 2000, the Prime Minister, Premiers and Chief Ministers agreed that a paper on energy policy would be prepared for the next meeting of COAG.

The National Electricity Market Management Company (NEMMCO) provides estimates of the adequacy of current electricity supplies to meet future demand and long term system development data in its annual "Statement of Opportunities". The aim of this document is to highlight development opportunities in the National Electricity Market for market participants and other interested parties.

Recommendation 70

The Committee recommends that the Commonwealth Government work with the state and territory governments to develop coordinated planning of energy infrastructure and the integration of these plans with those for infrastructure for other services. Particular attention should be paid to planning for a national gas pipeline network.

Response

In-principle support

Commercial factors should continue to drive investment decisions in the electricity and gas sectors.

The Commonwealth is not directly responsible for managing infrastructure development in the states and territories. The Commonwealth Government does, however, have well established frameworks through COAG and the Australian and New Zealand Minerals and Energy Council to facilitate cooperation and coordinated planning between the states in both the gas and electricity forums.

The Interregional Planning Committee comprises representatives from National Electricity Market jurisdictions. The committee undertakes an annual planning review with respect to transmission systems, in consultation with the National Electricity Market Management Company and other interested parties.

Implementation of the gas reform agenda by the Federal Government, in cooperation with states and territories, is contributing to investment in the expansion and linking of the natural gas pipeline network. This is improving supply security and facilitating interstate and inter-basin competition in the sale of natural gas, and indicates that all jurisdictions should complete implementation of the November 1997 COAG agreement to achieve 'free and fair trade in natural gas'.

Recommendation 71

The Committee recommends that the Commonwealth Government, in conjunction with state and territory governments, review and streamline the regulatory regime that applies to the energy market and recommend improvements to its efficiency, including:

- *simplifying the regulation; and*
- *expediting regulatory decisions by, among other measures, providing additional resources for the Australian Competition and Consumer Commission, the National Competition Council and the Australian Competition Tribunal to improve the speed at which appeals are heard.*

Response

Noted

While there are some arguments for a review of the regulatory arrangements in the energy sector, many reforms are not yet fully implemented. Accordingly, the Government proposes that this matter be kept under review at present.

Harmonisation of electricity and gas regulatory frameworks is a component of the accelerating energy market reform agenda contained in the Prime Minister's November 1997 Statement and in the National Greenhouse Strategy.

On 16 October 2000 the Treasurer, Peter Costello, and the Minister for Industry, Science and Resources, Senator Nick Minchin, announced their in-principle support for an independent review of the operation of the National Third Party Access Code for Natural Gas Pipelines Systems following completion of the first round of access arrangements and the outcome of the Productivity Commission's Review of Part IIIA of the TPA and Clause 6 of the Consumer Protection Act (CPA). The intergovernmental Energy Markets Group of officials is considering the scope, terms of reference and arrangements for the conduct of the gas Code review.

The Government considers the level of resources for the Australian Competition and Consumer Commission (ACCC) and National Competition Council (NCC) to be appropriate. It will continue to assess funding requirements in the budget context.

Recommendation 72

The Committee recommends that the Commonwealth Government work with state and territory governments to develop national uniform requirements in relation to the environmental impacts of infrastructure development. (see also recommendations 5 and 7)

Response

Noted

Under the Constitution, state and territory governments have primary legislative and regulatory responsibility for natural resource management within their jurisdictions. They are thus the primary points for setting natural resource management policy and regulatory parameters and for establishing the necessary decision-making and institutional structures and arrangements.

The Commonwealth's role is to coordinate a national approach to natural resource use and management and to take action where it is in the national interest.

The Commonwealth Environment Protection and Biodiversity Conservation Act 1999 regulates all actions, including infrastructure developments, which impact significantly on any matter identified in the Act as being of national environmental significance. The Commonwealth's regime introduces a streamlined assessment and approvals process and provides the capacity for the Commonwealth to accredit State and Territory processes and, in appropriate cases, State and Territory decisions. Where such accreditation occurs single environmental assessments will meet the environmental requirements of all jurisdictions.

Recommendation 73

The Committee recommends that the Commonwealth Government develop measures that reduce the uncertainty due to international environmental obligations to reduce greenhouse gas emissions, including:

- *the early establishment of an emissions trading scheme; and*
- *early indication to industry of future requirements for emissions reductions.*

Response

Noted

The Government is committed to meeting Australia's international greenhouse obligations. The strength of this commitment is shown by the allocation of nearly \$1 billion over five years for a range of greenhouse gas emissions abatement measures. In August 2000 the Government released a statement explaining key Government decisions relating to the future development of greenhouse policy that are aimed at providing Australian industry with greater certainty. These decisions were seen as critical to continued investor confidence in world class Australian industries and securing on going wealth creation and jobs, particularly in regional and remote Australia. They related to the general thrust of Australia's greenhouse policy, including the Government's position on a domestic emissions trading scheme and recognising early action, and involvement and consultations with industry. The relevant specific commitments were:

The Government recognises that the national interest lies in maintaining the competitiveness of Australian industry, and commits that future greenhouse gas abatement policies and measures will promote cost-effective actions that minimise the

burden for business and the community, so that Australian industry can remain competitive. In relation to an emissions trading scheme, the Government states that it would only implement a mandatory domestic emissions trading scheme if the Kyoto protocol is ratified by Australia and enters into force, and there is an established international emissions trading regime.

On domestic greenhouse policy the Government is committed to actions that will be least cost to the national economy and recognise the need for equity by ensuring that any undue burden of adjustment potentially borne by a particular sector or region is taken into account. The Government will:

- *involve industry from the inception through to the implementation phase of greenhouse gas abatement policies and strategies that impact on industry;*
- *avoid greenhouse gas abatement policies and measures that will distort investment decisions between particular projects and locations. In particular, the Government will:*
 - *pursue the development of a consistent approach across Commonwealth, state and territory governments and their agencies;*
 - *avoid greenhouse gas abatement policies that unduly limit access to the most cost effective greenhouse gas mitigation options; and*
 - *avoid greenhouse gas abatement policies and measures that discriminate against new entrants to Australian industry or disadvantage "early movers" in Australian industry who have previously implemented greenhouse gas abatement measures.*

In March 2001 the US Government announced that it was reviewing its response to international climate change negotiations as it considered the Kyoto Protocol did not adequately address its concerns about involvement of the developing countries. The Government shares the concerns of the US that a workable international framework to address climate change needs to be economically manageable and include developing countries. Australia will continue to participate constructively in the global climate change negotiations.

The Government has been considering the feasibility of introducing a national emissions trading scheme as a potential element of a longer term greenhouse response strategy. The Australian Greenhouse Office has conducted a series of consultations on the feasibility of establishing a national scheme and will provide an initial report to Government on the issues associated with establishing such a scheme. The Government will at that time consider how this issue might be taken forward, recognising that this will require careful consideration of the many complex technical, economic and equity issues.

The Government has also been considering the form of recognition it might give to industry that has been early movers in actively pursuing emissions reductions and are concerned that such actions may result in an economic disadvantage for them under future greenhouse policies or measures relative to those that have not taken any abatement actions. Senator Hill has released a discussion paper on 13 November 2000 on the design options for possible crediting arrangements for early action by

industry, and comments on that paper along with discussions with industry will help inform the Government on the possible options for implementing such a scheme.

Recommendation 74

The Committee recommends that the Commonwealth Government continue to fund renewables R&D, commercialisation, venture capital, and subsidies to customers beyond the anticipated four years.

Response

Noted

The Government is committed to supporting the development of the renewable energy industry in Australia. This commitment includes a range of support mechanisms which provide direct financial assistance for the commercialisation of innovative renewable technology, the provision of rebates for installation of renewable energy systems, and support for measures that overcome industry barriers. These include the Renewable Energy Commercialisation Program, the Renewable Remote Power Generation Program and the Photovoltaic Rebate Program which are administered by the Australian Greenhouse Office. They are designed to promote the wider use and acceptance of quality renewable energy systems which will displace fossil fuel based electricity.

Renewable energy projects that bring about major greenhouse gas abatement cost-effectively are also supported by the Greenhouse Gas Abatement Program (GGAP). Projects such as the BP ethanol plant which is being funded under GGAP will provide the basis for longer term penetration of renewable fuels in the transport market.

Venture capital raising for renewable energy projects is also supported by the Renewable Energy Equity Fund.

In addition to these direct support programs, the Government is putting in place a robust framework to support the longer-term sustainable growth in renewable energy use in Australia. A key element of this approach is the Mandatory Renewable Energy Target legislation, which requires liable parties to progressively source an additional 9,500 GWh of renewable energy annually by 2010. This will be a major ongoing driver for investment in the renewable energy industry well beyond the life of existing government programs.

The Government is also working with industry in the implementation of the Renewable Energy Action Agenda, which includes immediate actions and longer term strategies for the development of a sustainable renewable energy industry in Australia, including both stationary and transport uses.

Any decision to fund present programs beyond the anticipated four years will be dealt with in the context of the annual budget process, and with due regard for the impact of the suite of measures in place to promote the long term uptake of renewable energy.

CHAPTER 9: EDUCATION

Introduction

The Federal Government recognises the role education, and access and opportunities to education, has in shaping the future for regional Australians. The Government is working with state and territory governments, other bodies and interested groups to ensure that the education system is of the highest quality and fully responsive to the changing needs of our society.

The House of Representatives Committee's Report calls for a greater emphasis on vocational education and training and that the importance of regional universities and TAFEs in vocational education and training be reflected by appropriate funding. The Report also calls for the review of telecommunications regulatory arrangements and the removal of barriers to the shared use of facilities between universities and TAFEs.

Primary responsibility for the funding of vocational education and training Vocational Education and Training (VET) lies with the state and territory governments who provided approximately \$2.9 billion for this purpose in 2000. In addition to the funding provided by the states and territories, the Federal Government provides a significant contribution to VET nationally. In 2000 it provided \$931 million under the *Vocational Education and Training Funding Act 1992* for allocation by the Australian National Training Authority (ANTA), primarily to the states and territories. A similar amount has been appropriated for 2001.

States and territories have significantly increased training opportunities through efficiency gains. Final figures for 2000 are not yet available, but states and territories estimate that they will collectively deliver approximately 268,000 additional student places above the revised planned 1997 level, the agreed base for assessing growth.

States and territories determine the allocation of resources for training delivery to TAFE and other registered providers at state and territory level. Planning takes into account the training needs of regional areas and prevailing labour market conditions.

The Federal Government is also working closely with the states and territories to improve VET opportunities for all school students, including those in regional areas. More detail is provided under specific recommendations.

Between 1996-97 and 2000-2001 the Federal Government has provided over \$276 million to support effective and reliable pathways from school to further education and employment including the expansion of vocational education and training in schools and New Apprenticeships in schools. Programmes include \$80 million ANTA funds for VET in School; \$27 million for the School to work Programme; \$100 million to the Australian Student Traineeship Foundation (now the Enterprise and Career Education Foundation), and around \$70 million to the Jobs Pathway Program.

Recommendation 75

The Committee recommends that the Commonwealth Government:

- *review its response to the report by the House of Representatives Standing Committee on Environment, Recreation and the Arts on the funding of community sporting and recreational facilities; and*
- *advise the House of progress in encouraging the sharing of school facilities in regional and remote communities.*

Response

Noted

The Government agreed that a national audit of all sporting facilities should be conducted subject to satisfactory arrangements with state, territory and local governments. Once the results of the audit are known, the parties will be in a position to determine what, if any, further action is required to ensure that all Australians have the opportunity to avail themselves of sporting and recreational facilities.

At the Sport and Recreation Ministers' Council (SRMC) meeting held in Canberra on 20 November 1998, members agreed to undertake a national audit of facilities. The Standing Committee on Recreation and Sport (SCORS) was tasked with working out the details.

On 2 September 1999, SCORS agreed to development of a standard national database incorporating facilities at a state, national and international level. A national access database system and survey instrument, have been developed. States and Territories were required to collect data and to forward collated material to the Department of Industry Science and Resources by 28 February 2001. The states and territories have provided around 500 surveys. Data is currently being entered into a database. A report to the SRMC is scheduled for mid-2001.

The Federal Government is supportive of the intention behind the proposal for the sharing of school facilities in regional and remote communities. It is consistent with issues raised at the Regional Australia Summit in October 1999 in relation to forging stronger links between schools in rural and remote areas and local communities.

However, responsibility for government school assets rests with state and territory governments and, in the case of private schools, with school authorities or the individual schools.

Recommendation 76

The Committee recommends that the Department of Education, Training and Youth Affairs place greater emphasis on providing vocational education and training for Year 11 and 12 students in regional areas.

Response

In-Principle Support

The Federal Government supports the need for improved vocational education and training opportunities for Year 11 and 12 students in regional areas.

Responsibility for vocational education and training funding and curriculum in schools rests with state and territory governments. Over recent years the Federal Government has worked closely with the states and territories to improve vocational education and training opportunities for all school students, including those in regional areas. Federal Government support has included funding a range of vocational education and training programs, national agreed goals for schooling and working closely with the Ministerial Council for Employment, Education, Training and Youth Affairs (MCEETYA) on all of these issues.

The National Goals for Schooling in the Twenty-First Century, agreed to by all education ministers in April 1999, include the goal that all students should have access to vocational education and training programs as part of their senior secondary studies.

The MCEETYA Task Force on VET in Schools, in its March 2000 report to MCEETYA, reported significant growth in participation in VET in schools programs and school-based New Apprenticeships. In 1999, the number of students undertaking VET in Schools programs was 136,710 compared with 117,000 in 1998. The number undertaking school-based New Apprenticeships increased from 1591 in 1998 to 3994 in 1999. In addition, 90% of schools with senior secondary school programs were offering VET in Schools programs in 1999, compared with 84% in 1998.

Schools in regional areas will continue to be a focus for further growth in these areas.

The Task Force Report refers to a number of strategies being used in various regions to improve access for students in rural and remote areas:

- new partnerships being formed between government, business, industry and Regional Boards;
- the development of new models of delivery (such as via the internet) to ensure the needs of country students are met; and
- piloting flexible delivery of VET programs, especially involving on-line delivery of at least some components, eg hospitality and electronics in Victoria.

Over the last two years, MCEETYA has endorsed a range of work done through its Task Force on VET in Schools. The most critical aspect of the work of this Task Force has been the development of a new framework to promote the broader goal for vocational education in preparing all students for the world of work. The new Framework for Enterprise and Career Education (previously titled the new Framework for Vocational Education in Schools) was endorsed by MCEETYA

Ministers in March 2000 for implementation in 2001. MCEETYA Ministers have indicated their broad support for the implementation strategy for the new framework.

The issue of access to vocational education and training for students in regional areas will be taken up in implementation of the Framework, having regard to strategies being developed in the various state and territory jurisdictions and those arising from funding by the Commonwealth, such as the School to Work Program.

ANTA ministers have agreed to an extension of the ANTA VET in Schools funds for the year 2001. This provides an additional \$20 million in 2001 for state and territory training authorities for allocation to school authorities to support VET in Schools.

The Government is continuing its substantial investment in improving young people's transition from school to further education, training and employment. As well as the Commonwealth's existing commitments for 2001 and the potential for further funding through ANTA, the 2000-01 Budget provided additional funding to support young people's transitions. Specific initiatives include:

- \$25 million over four years for the Enterprise Education Program. The funding will assist schools, businesses and community organisations to work together in partnership to create a culture of entrepreneurial learning during the compulsory years of schooling and to develop innovative enterprise education projects that will benefit young people and their communities.
- \$43.7 million over the period 2000-01 to 2003-04 to the Enterprise and Career Education Foundation for Work Placement Coordination, which will continue the Government's commitment to support work placement coordination and community partnerships that build effective pathways from school to adult independent life for young Australians.
- Additional new funding of \$10.3 million to service the strong demand for services provided under the Jobs Pathways Program. This increases the total funding available under the Jobs Pathway Program in 2000/01 to \$21.959 million.

Recommendation 77

The Committee recommends that the Commonwealth Government ensure that reliable and inexpensive internet connection is available to all schools in rural and regional Australia (see also recommendation 28)

Response

In-Principle Support

The Federal Government endorses the underlying intention of the recommendation. While the responsibility for school infrastructure (including internet connection) resides primarily with state and territory governments, the Federal Government sees scope for developing a more coordinated approach to the provision of internet connections in regional areas.

To this end, the Federal Government has already begun to consider the issue of information technology and its emerging role in providing quality education and training in regional areas.

Limitations on access to bandwidth have been identified by the education and training sector as the single most important constraint on its ability to capitalise on the benefits of online delivery of education and training services. These concerns are noted in the Education and Training Action Plan for the Information Economy entitled: *Learning for the Knowledge Society*, which articulates the education and training industry's response to the Federal Government's *Strategic Framework for the Information Economy* (December 1998), in particular to strategic priority 2: 'to deliver the skills and education Australians need to participate in the information economy.' At the March 2000 meeting of MCEETYA, Ministers endorsed the broad directions of Action Plan. It was published by Department of Education, Training and Youth Affairs (DETYA) in September 2000, and is available on the Web at: <http://www.detya.gov.au/edu/edactplan.htm>.

DETYA is funding a study on the feasibility of adopting innovative approaches to meeting the bandwidth needs of schools and others in regional communities. A consultant is undertaking the first stage which involves reviewing innovative approaches being used in Sweden, Canada and the United States, and assessing their applicability to Australia. If the overseas approaches are found to be applicable to Australia, more detailed examinations of how these approaches might be applied in Australia will be undertaken in State 2. It is anticipated that the first stage of the project will be completed by June 2001 and Stage 2 undertaken between July 2001 and January 2002.

MCEETYA ministers released a joint ministerial statement on Education and Training in the Information Economy in December 2000. It sets out a shared national vision and ministers' agreements to work together on the issues identified in the Action Plan.

The highest priorities for cooperation over 2001-2003 include:

- . providing effective and affordable access to the internet for all learners, regardless of their geographic location; and
- . working across government agencies to ensure policy framework supports the uptake of information technology in education and training.

The joint ministerial statement is available on the Web at:

<http://www.curriculum.edu.au/mceetya/public/pub3313.htm>.

As an outcome of the Federal Government's tender for the provision of untimed local calls in the extended zones, reduced internet charges and improved bandwidth access will make a significant difference for people living in remote Australia, including in the field of education and training.

The recent report of the Telecommunications Service Inquiry (TSI) recommended (recommendation 8) that the Government establish a national communications fund to

assist significant communications projects by key users such as education or health. The TSI considered that a core criterion for funding such projects should be the extent to which they will also improve communications services generally available to surrounding regional, rural and remote communities.

The Government has announced it will establish such a fund, and has allocated \$52.2 million for this purpose. The National Communications Fund will invite applications from government and non-government organisations, including for-profit organisations, and will encourage co-operation between them. Projects funded under the program could include significant infrastructure or applications based projects, with the requirement that they be demand-driven and based on strategic priorities identified by the education, health and community services sectors. Representatives from the Commonwealth's service delivery agencies, including the Department of Education, Training and Youth Affairs, will help to develop the detailed guidelines for the program, as part of a reference group that will also include State and Territory representatives.

Recommendation 78

The Committee recommends that the Commonwealth Government:

- *review and extend its financial assistance programs for rural and remote students with a view to increasing secondary school participation and completion rates in regional Australia; and*
- *ensure that the distribution of funds from programs such as the Country Areas Program is in accordance with Commonwealth criteria.*

Response

In-Principle Support

The Federal Government acknowledges and supports the intention of this recommendation. Programs designed to provide financial support for rural and remote students are already reviewed on a regular basis and, where appropriate, further enhanced. In the 2000-01 Budget the Government announced changes to the Youth Allowance assets test which will enable more rural and remote students to access the Youth Allowance, and significant increases to allowances under the Assistance for Isolated Children Scheme. From 1 January 2001:

- the discount for farm and business assets under the Youth Allowance family assets test will increase from 50 percent to 75 percent; and
- the Assistance for Isolated Children's Scheme Basic Boarding Allowance will increase by 10 percent while maintaining the current level of the Additional Boarding Allowance. The Second Home Allowance will increase to the same funding level as the Basic Boarding Allowance and the Distance Education Allowance will also be increased slightly. Both the Second Home and Distance Education Allowances will be indexed in future years by inflation. This will ensure that the value of these two allowances do not erode over time.

The Government also provides the Country Areas Program (CAP) for which funds are directed to those students most disadvantaged by geographic isolation. The Federal Government utilises an allocation mechanism based on student numbers and student remoteness. A higher weighting is allocated to those students attending schools in more geographically isolated areas.

CAP funds are paid to government and non-government education authorities which make their own decisions on the allocation of funding to schools. Funds, however, must be allocated according to the program objectives, on a transparent basis and with appropriate targeting. To ensure that participating education authorities distribute funds to eligible schools effectively and fairly, CAP guidelines require the education authorities to advise the Federal Government in writing of:

- the principles for allocating funding within systems and to schools; and
- arrangements for consulting with the relevant educational and community groups on program priorities and targeting.

The distribution of Federal Government funding provided directly to students or their families is already subject to eligibility criteria set by the Commonwealth. Where funding under specific programs is provided through state and territory authorities, the distribution must be in accordance with Commonwealth guidelines.

Federal and state governments share responsibility for public funding of schools in Australia. Since 1985 the Federal Government has assumed primary responsibility for public funding of non-government schools, while the states and territories have continued their primary responsibility for public funding of government schools. Major initiatives such as improving the school participation and completion rates in regional Australia can only be achieved by all levels of government working cooperatively.

The new National Goals for Schooling in Australia, agreed by the Federal, state and territory governments, give a strong emphasis to improved outcomes for educationally disadvantaged students, including rural students, stating that the learning outcomes of educationally disadvantaged students should improve and, over time, match those of other students.

The Government is also currently supporting a number of initiatives including funding 23 Education Centres, most located in rural or remote areas; \$20.1 million in 2001 for the Country Areas Program; and \$77 million over three years for the Quality Teacher Program.

Recommendation 79

The Committee recommends that the Commonwealth Government takes greater account of the contribution by regional universities and TAFEs to regional economic development and redress the disadvantage suffered by regional institutions by increasing regional tertiary and vocational education and training funding.

Response

Noted

The Federal Government recognises, and supports, the vital role played by TAFE colleges and universities in the life of regional communities. As indicated above, the Federal Government provides a significant contribution to VET nationally. However, the allocation of funding to individual TAFE colleges is the responsibility of the states and territories. The vital role of universities is reflected in the present allocation of resources.

Regional universities have benefited from a number of Commonwealth initiatives which provide support to regional universities and enable them to continue to provide high quality tertiary education in our regions.

The Government provides more than \$1 billion to regional universities in operating grant funding alone and has provided more than 100,000 fully funded undergraduate places in regional areas. Between 1996 and 2003, almost \$160 million will have been provided through the higher education Capital Development Pool for physical and electronic development at regional campuses.

The Government's 1999 statement on research and development, *Knowledge and Innovation*, recognised the particular needs of regional universities and their communities through a dedicated component of the Strategic Partnerships with Industry – Research and Training (SPIRT) scheme. Under this scheme, the Government has provided \$10 million a year from 2001 for collaborative research to address the issues of concern and direct benefit to regional and rural areas. A further \$6 million will be provided over 3 years from 2001 to assist regional institutions to adapt to the new research arrangements.

Also, in *Backing Australia's Ability*, the Government's recent \$2.9 billion innovation plan, \$583 million has been provided over five years for research and research training infrastructure in universities. Regional universities stand to benefit from this.

In addition, the Government has provided considerable support for regional universities through the Restructuring and Rationalisation (R&R) program which was established to assist universities with rationalisation initiatives designed to achieve long term efficiency improvements. Almost \$26 million was allocated under the program for the four years from 1997, of which \$19 million related to regional education delivery.

On 20 July 2000, the Commonwealth Minister for Education, Training and Youth Affairs announced additional funding (\$1.6m) for regional universities in Queensland, the Northern Territory and New South Wales to upgrade their bandwidth.

There is no evidence to suggest that regional universities are disadvantaged compared to other higher education institutions. University funding levels were adjusted under the 1990 Relative Funding Model, which took into account factors such as remoteness, size and differential leasing costs. Under the present Government,

funding per student has increased in real terms and rural and isolated student numbers have increased.

Recommendation 80

The Committee recommends that the Department of Family and Community Services amend the Youth Allowance criteria to increase the discount for farm and business assets under the family assets test from 50 per cent to 100 per cent for students from rural and remote areas.

Response

Not Supported

The Government considered this issue in the context of the 2000-2001 Budget, and, as of 1 January 2001, the discount for farm and business assets under the Youth Allowance family assets test increased from 50 per cent to 75 per cent.

Recommendation 81

The Committee recommends that the Commonwealth Government review the telecommunications regulatory arrangements applying to AARNet and remove barriers to the shared use of facilities between universities and TAFEs in rural and regional areas.

Response

Noted

Universities and TAFEs in rural and regional areas have identified these issues as important to the sharing of telecommunications facilities amongst institutions.

AARNet received its telecommunications carrier licence in November 2000 and is presently working through processes to ensure it and associated universities have the flexibility to share facilities. When these processes are complete (June 2001) educational institutions such as TAFEs will be able to access the services and facilities provided by universities.

Recommendation 82

The Committee recommends that the Commonwealth Government establish a telecommunications trust fund for higher education with sufficient funds to subsidise regional universities for their broadband data expenses for three to five years. (see also recommendation 34).

Response

Noted

The Federal Government already assists regional universities to improve and develop their communications and information technology capacity, including their bandwidth capacity, through a range of grants made under the *Capital Development Pool* and the *Restructuring and Rationalisation* programs. In addition, institutions fund infrastructure projects from their general Federal Government operating grants.

The funds from the Capital Development and Restructuring and Rationalisation programs assist with the start up costs of infrastructure developments but do not provide recurrent funds for on-going usage costs. Institutions are expected to manage their funding and ensure they are able to meet these costs internally.

The Federal Government has announced it will establish, as part of its response to the Telecommunications Service Inquiry, a \$52.2 million National Communications Fund for significant telecommunications projects in rural and remote Australia involving the education, health and community services sectors. One of the core criteria for funding projects from the Fund will be the extent to which these projects not only deliver real benefits for these sectors, but also improve communications services generally in regional communities.

CHAPTER 10: WATER RESOURCES

Introduction

It is crucial that water infrastructure development options are identified to provide good quality, reliable water to regional Australia within the context of a sustainably managed resource. Benefits include population increases, increased irrigated farmland, increased supply of domestic water to small towns, increased employment and the development of supporting industries.

The primary responsibility for the development and management of water resources rests with the states, territories and local government. However, the Federal Government also has an interest in development and sustainable management of water resources, because of equity, natural resource management and national resource allocation issues.

The Council of Australian Governments (COAG) Water Reform Framework was developed in 1994 to address the need for coordinated action to stop the widespread degradation of Australia's freshwater resources. The framework recognises the importance of a consistent approach to water reform throughout Australia and also allows each state and territory the flexibility to adopt an individual approach to implementation that suits the specific circumstances within each jurisdiction. The full framework is to be implemented by 2005.

The key elements of the framework are:

- all water **pricing** is to be based on the principles of full cost recovery and transparency of cross-subsidies;
- any future **new investment** in irrigation schemes, **or extensions** to existing schemes, are to be undertaken only after appraisal indicates it is economically viable and ecologically sustainable;
- state and territory governments, through relevant agencies, are to implement **comprehensive systems of water allocations or entitlements**, which are to be backed by the separation of water property rights from land and include clear specification of entitlements in terms of ownership, volume, reliability, transferability and, if appropriate, quality;
- the **formal determination** of water allocations or entitlements, including allocations for the environment as a legitimate user of water;
- **trading**, including cross border sales, of water allocations and entitlements within the social or physical and ecological constraints of catchments;
- an **integrated catchment management** approach to water resource management be adopted;
- the **separation**, as far as possible, of **resource management and regulatory roles** of government from water service provision;
- **greater responsibility at the local level** for the management of water resources;
- greater **public education** about water use and consultation in the implementation of water reforms; and
- appropriate **research** into water use efficiency technologies and related areas.

Recommendation 83

The Committee recommends that:

- *the Commonwealth Government work with the state and territory governments, the private sector and communities to identify water infrastructure development that would ensure sustainable regional development; and*
- *the Council of Australian Governments adopts the assessment processes for water infrastructure development proposals outlined in the report by the National Land and Water Resources Audit. (see also recommendation 10)*

Response

Noted

The Federal Government supports the principle of sustainable regional development.

Although there may be scope for additional water infrastructure in some less developed areas, the Commonwealth's focus, through the COAG water reform agenda, is on using existing water resources more effectively. In many instances rivers and streams are highly regulated, large infrastructure has changed the natural river flows, water is over-allocated and the riverine environment has degraded. Remedial action is now being put in place through, for example, the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality and through the Murray Darling Basin (MDB) Commission in the case of the MDB states. The COAG water reform agenda has also been developed in response to these issues.

The National Competition Council's third tranche assessment for water is based on the COAG Water Reform Framework, and specifically on implementation of water reforms to achieve sustainability and through a more efficient water industry. In particular, states have been asked to demonstrate achievements in relation to implementing water property rights legislation and water pricing regimes, implementing water trading regimes to encourage the movement of water towards higher value uses, and making adequate provision of water for environment needs and values, especially riverine.

Where new infrastructure development is being proposed, COAG requirements are that development proceeds only after appraisal indicates it is economically viable and ecologically sustainable. Needs for additional infrastructure in this respect should be determined on a regional basis by the states/territories concerned in the context of the water reform agenda and local catchment management plans.

Recommendation 84

The Committee recommends that the Commonwealth Government, in consultation with state and territory governments, local government, industry, environment and community groups, develop a national plan for water infrastructure that includes identifying key investment priorities. (see also recommendations 5 and 7)

Response

Noted

There are constitutional constraints on the role of the Federal Government in water management. However, where appropriate and when an issue crosses state/territory boundaries, there is a role for the Federal Government to coordinate activities across levels of government. This has been seen in the past in relation to natural resource management, for example, in the Murray Darling Basin Commission.

The COAG Water Reform Framework should be considered in any future development of Australia's water resources as it addresses the efficient and sustainable management of Australia's water industry as well as state/federal responsibilities across both urban and rural Australia.

The Federal Government could play a role in facilitating streamlined approaches to private investment/partnerships in water supply and in developing processes where such partnerships between state and/or local government and private industry are supported and encouraged where they meet COAG Water Reform Framework obligations. Collaboration with the Australian Council for Infrastructure Development, the Australian Local Government Association and state and territory governments to develop a structure and process for such partnerships would be essential.

CHAPTER 11: HEALTH

Introduction

A distinguishing feature of the Australian health care system is the extent to which responsibilities are split between different levels of government, and between the public and private sectors. Thus, the Federal Government funds universal benefits schemes for private medical services (via the Medicare Benefits Scheme) and for pharmaceuticals (via the Pharmaceutical Benefits Scheme), while state and territory Governments have the major responsibility for the financing and public provision of health services, including public and psychiatric hospitals and for public health. Although the Commonwealth, in fact, funds most of the health care system, since it indirectly funds acute care services operated by the states and territories via hospital funding under the Australian Health Care Agreements. Local government mainly focuses on environmental health and the provision of community-based and home-care services.

It is acknowledged that some rural communities experience difficulties in attracting doctors and medical services on a long-term basis. The Federal Government is committed to ensuring that the growth, distribution and standard of the medical workforce is appropriate to the needs of the Australian community.

The 2000-01 Federal Budget showed the Government's commitment to regional health initiatives with an extensive and integrated package of measures designed to provide more doctors and better health services, at a cost of more than \$550 million over four years through:

- changes to general practitioner (GP) vocational training to favour rural areas;
- an expansion of the Regional Health Services Program;
- new scholarship schemes for medical students who agree to practice in rural areas;
- a medical specialist outreach program taking specialists to the bush;
- support for rural general practitioners;
- support for the employment of community-based, allied health professionals;
- a new program targeting chronic disease in rural areas;
- a new Rural Pharmacy Maintenance Allowance to support existing pharmacies, as well as start-up assistance for new pharmacies in areas of need;
- a new support program to help secure the viability of small rural private hospitals; and
- grants to improve the viability of small rural aged care facilities.

Recommendation 85

The Committee recommends that the Commonwealth Government allocate a percentage of provider numbers to regional geographic areas.

Response

Not supported

While the introduction of geographic allocation of provider numbers is potentially an effective means of distributing the medical workforce more equitably across rural and remote areas of Australia, it is not a mechanism which is currently supported by the Government. It is preferable to develop strategies which encourage and support doctors to experience the advantages of rural practice, rather than force doctors to work in rural areas where their skills and interests may not benefit the community in which they work.

To this end, a number of initiatives and funding programs are being implemented to address the current medical workforce maldistribution in rural and remote areas of Australia. It is recognised that some of these initiatives will take time to impact directly on rural communities, considering the length of medical training and the need to effect cultural change in the medical profession in regard to attitudes toward rural practice.

Existing provider number restrictions enable the Government to restrict temporary resident doctors, and overseas trained doctors subject to the 10 year moratorium, to areas of workforce shortage, primarily in rural and remote areas of Australia. Similarly, those Australian trained doctors without post graduate qualifications who are subject to the 'provider number legislation' (section 19AA of the *Health Insurance Act 1973*) are only able to work in private practice in areas of workforce shortage under the Rural Locum Relief Program.

Recommendation 86

The Committee recommends that the Department of Health and Aged Care develop incentives to attract dentists, visiting medical specialists and allied health professionals to regional areas.

Response

Not supported for dentists

In-principle support for medical specialists and allied health professionals

Dentists

The funding and provision of public dental services is the responsibility of the State and Territory Governments.

The Federal Government did provide limited funding as a short term measure from 1994 to 1996 under the former Commonwealth Dental Health Program (CDHP) to assist the states and territories to reduce excessive waiting times and to improve access for financially disadvantaged people. With the cessation of the CDHP, the states and territories have again assumed full responsibility for funding public dental services within their jurisdictions.

Visiting Medical Specialists

The 2000-2001 Federal Budget provided \$48.4 million over four years for the Medical Specialists Outreach Assistance Program, which aims to improve the access of rural, regional and remote communities to specialist services. The Program will address some of the disincentives (such as, the costs of time, travel and accommodation) for visiting specialists to conduct outreach specialty work in selected areas of identified need, and to provide support and training for local general practitioners and specialists. The approach to implementing this initiative has been developed in consultation with key stakeholders and advisory groups have been established at the state level to provide advice on regional needs for outreach services.

This initiative complements other regional health strategies, such as advanced specialist training posts in rural areas, to increase the presence of specialists in such areas. It will contribute to the broader strategy to recruit and retain health professionals to work in rural and regional areas and retain their services in these areas.

Priority Assessment for Area of Need Positions

The Department is currently working with the Australian Medical Council and the Committee of Presidents of Medical Colleges to streamline the assessment and registration process for recruiting overseas trained medical practitioners to fill identified specialist positions in "areas of need". These positions would be located in rural and remote areas of Australia and within the public hospital system. A national forum on this issue was held in December 2000, which brought together representatives from Commonwealth, state and territory governments, specialist medical colleges and medical boards. A proposed model for priority assessment for "area of need" position was endorsed by all stakeholders at the forum, and fine-tuning of details regarding the implementation of the model across jurisdictions is currently being progressed.

The establishment of a national network of medical education and training (as detailed in recommendation 92) will play a critical role in the attraction and retention of medical specialists and other health professionals to rural and remote areas.

Allied Health Professionals

The Government has in place a number of programs to assist allied health and nursing students to gain rural experience and to encourage them to take up rural practice. These include the Rural and Remote Pharmacy Workforce Development Program and the Rural and Remote Nurse Scholarship Scheme, both of which offer scholarships for students wanting to undertake placements in rural and remote areas.

Federal Government funding is provided to support university departments of rural health in developing and implementing rural curricula; promoting and providing support for rural placements; ensuring high quality rural experience through training and support of educators; and undertaking rural health research across a range of disciplines.

The Rural Health Support for Education and Training Grants Program complements these initiatives by working to improve the rates of recruitment and retention of rural health workers through the promotion of support, education and training for these workers.

In addition, the *More Allied Health Services* measure in the 2000-2001 Federal Budget provides \$49.5 million over four years. Through rural Divisions of General Practice, communities will be able to access allied health services not previously available in some areas, including practice nurses, psychologists, physiotherapists and podiatrists, complementing the services provided by doctors. This Program will provide additional opportunities for employment of allied health professionals in rural areas.

The Regional Health Services Program is a Federal Government initiative which provides funding for small rural communities (less than around 5,000 people) for primary health care services.

A wide range of services can be supported under the Program including health promotion, general practitioner services, illness and injury prevention, substance abuse and misuse, women's health, children's services, community nursing, aged care, community-based palliative care, mental health, podiatry, radiology and immunisation.

Allied health professionals play a fundamental role in the coordination and delivery of services in small rural areas. A significant number of communities have identified allied health as a priority and have subsequently received funding for allied health professional positions.

This is where the Regional Health Services Program plays a role in the broader strategy of recruiting and retaining allied health professionals to work in rural communities.

Recommendation 87

The Committee recommends that the Department of Health and Aged Care work with state and territory governments to review patient assistance travel schemes, particularly in relation to eligibility criteria, escorts, return travel, cross-border issues, pre-payment and access to allied health, dental and other non-medical services.

Response

Not supported

The Federal Government considers it would be more appropriate for any reviews of patient assistance travel schemes to be undertaken on an individual state basis.

Since 1987, the states and territories have been responsible for determining their own arrangements, based on the distribution of specialist services and the specific needs of their rural populations.

Recommendation 88

The Committee recommends that the Department of Health and Aged Care:

- *provide funding for appropriately located telehealth facilities; and*
- *approve Medicare payment for telehealth services.*

Response

In-principle support

The Enhanced Primary Care Package, introduced on 1 November 1999, specifically provides case conference items for general practitioners, which can be conducted either face to face, by telephone or by video link, or a combination of these. The package also includes care planning items for general practitioners, in which contribution to a care plan may be made in a face-to-face meeting, by telephone, fax, e-mail or written correspondence.

Items which allow for the use of telehealth technologies will be introduced onto the Medicare Benefits Schedule, as submissions are received from the various professional groups and as they are assessed as being safe, efficacious and cost effective.

The Department of Health and Aged Care is currently considering the option of Medicare funding for telepsychiatry services in rural and remote areas, following a submission from the Royal Australian and New Zealand College of Psychiatrists (RANZCP). However, telepsychiatry is a new and rapidly changing form of technology, and the available evidence to support the clinical and cost benefits is generally limited. Accordingly, the Department has sought further details from RANZCP in support of their submission. The Federal Government is concerned to ensure that should Medicare funding be provided for telepsychiatry services, it would be for the purpose of making additional private services available and, to the extent that psychiatry and telepsychiatry services were previously provided free of charge as public hospital services, those services would continue to be provided.

Recommendation 89

The Committee recommends that

- *the accreditation process for aged care facilities be made more flexible; and*
- *a new version of the Aged Care Assessment Team assessment formula be developed for regional areas.*

Response

Noted

The accreditation process for aged care homes was developed in broad consultation with residents, carers and aged care providers. Overall it has been highly successful in raising standards of care and accommodation in aged care homes within a continuous improvement framework.

The Aged Care Standards and Accreditation Agency and an external committee appointed by the Minister for Aged Care are currently examining the lessons learned in the first round of accreditation. The experience in the process of accreditation of rural and regional aged care homes is part of this examination.

The role of Aged Care Assessment Teams (ACATs) is to comprehensively assess the individual care needs of frail older people and to facilitate their access to services that meet their needs and whether they may enter high or low care in a Commonwealth funded residential aged care home.

ACATs are not responsible for the distribution of new aged care places in each State and Territory. This allocation process begins each year when the Government makes new residential care places and Community Aged Care Packages available in each State and Territory for allocation on a regional basis across aged care planning regions. The number of new aged care places and Community Aged Care Packages is based primarily on regional forward population projections and current residential aged care provision ratios.

The Secretary of the Department of Health and Aged Care decides on the distribution of these places after considering recommendations from a separate Aged Care Planning Advisory Committee (ACPAC) in each State and Territory.

ACPACs are advisory committees that are appointed each year by the Minister for Aged Care to provide advice to the Department of Health and Aged Care on the distribution of new places within their State or Territory that best meets comparative aged care needs across planning regions. ACPAC members are selected because of their understanding of the communities within which they live and their knowledge of aged care needs.

In developing its recommendations an ACPAC considers all available relevant information on the supply and demand for aged care. This includes statistical and other information provided by the Department of Health and Aged Care, special needs and information from community groups and organisations on the identified needs of particular areas. ACATs may, and often do, provide information to the ACPAC in their State or Territory.

This distribution process takes place within a comprehensive planning framework which the Commonwealth Government has established to ensure an equitable distribution of residential care places and Community Aged Care Packages across Australia. The planning framework applies across the whole of Australia in both city and country areas. It aims to provide 100 aged care places for every 1,000 people aged 70 years and over in each region.

The places are planned and allocated on a regional basis, targeting services to where the clients live. Around a third of aged care places are already located or allocated to rural and remote Australia, which is broadly equivalent to the proportion of older people living in these areas. In the last two annual planning rounds special attention has been paid to regional and rural areas, with 40% of all new places being allocated to regional rural and remote areas in the 1999 round and 44% in the 2000 round. 74%

of capital funding for residential aged care in the Year 2000 Round was allocated to rural and remote areas.

Of the 14,000 new places allocated in the 2000 planning round, this resulted in more than 6,200 new places being directed to regional, rural and remote areas. This record level of activity is to make up for the deficit found by the Auditor General of 10,000 aged care places left by the previous Labor Government and to meet the need for growth.

Recommendation 90

The Committee recommends that the Department of Health and Aged Care work with state and territory governments, local governments, communities and health professionals to assist with redevelopment of health services in regional communities by:

- *facilitating establishment of Multi Purpose Services or similar models;*
- *improving coordination and cooperation within and among agencies and jurisdictions; and supporting and encouraging the development of community leadership to ensure local involvement in and ownership of regional health solutions.*

Response

Supported

The Regional Health Services Program was greatly expanded in the 2000-2001 Federal Budget. An additional injection of \$68.9 million for 85 additional services over four years was an important part of the Budget, under the *More Doctors, Better Services* package of initiatives. The Program aims to work with small rural communities to identify local area health priorities and develop and support services designed to address these priority issues.

Progress with the Program has been good with 51 new services approved. There are also 34 planning projects approved and underway (these planning projects are often the necessary pre-cursor to service funding).

The Multipurpose Services Program is closely linked to the Regional Health Services Program, with the focus on providing Commonwealth aged care funding in a flexible manner, better suited to the operating needs of small rural facilities. To date, there are 52 operational Multipurpose Services, with a further 12 under development (these have in-principle approval for flexible care places).

The success of Regional Health Services is, in part, dependent on the development of effective partnerships between the three levels of government. While some services may involve activity supported only by the Federal Government, it is anticipated that many will reflect a collaborative partnership between the various levels of government.

A framework for collaborative arrangements between the Federal and all state and territory governments is outlined in the *National Principles for Commonwealth/State Collaboration on Rural Health Matters (including Regional Health Services)*. In

addition, the Australian Health Ministers Advisory Committee has established a sub-committee on rural health. This Federal/state consultative committee will consider national policy and program issues in this area.

The role of the community is fundamental to improving health in rural Australia. Developing community capacity to undertake planning and identify innovative solutions to address service access problems is a recognised priority.

The Regional Health Services Program aims to encourage communities to play a significant role in the planning and management of health services. The use of government resources (both people and funds) will facilitate community action rather than replace it.

The Federal Government recognises that often communities in highest need have the least capacity to articulate their health needs. A range of systems is in place to assist those communities access funding under the Program.

Recommendation 91

The Committee recommends that the Commonwealth Government extend the services provided by nurse practitioners in regional areas.

Response

Noted

The Federal Government is considering these issues. Regulation, registration and industrial awards for nurses are the responsibility of state and territory governments. Several state and territory governments are currently moving towards establishing a role for nurse practitioners in urban and rural areas.

Recommendation 92

The Committee recommends that the Department of Health and Aged Care:

- *develop partnerships with the private sector to fund and develop tertiary training and placement for health professionals, including medical practitioners, nurses, pharmacists, health service managers and other health professionals; and*
- *extend the rural medical scholarship scheme to cover all health professionals.*

Response

Noted

The 2000-2001 Federal Budget has committed \$117.6 million over the next four years to develop a national network of medical education and training across rural and regional Australia, through the establishment of new rural clinical schools and University Departments of Rural Health (UDRH).

The rural tertiary training opportunities will ensure a minimum of 25% of medical students to undertake a minimum of 50% of their clinical training in a rural setting by commencement of the 2004 academic year.

Additionally, the establishment of rural clinical schools and UDRHs will focus on encouraging medical professionals to take up rural practice, provide education and training for health science students, as well as support for rural health professionals working in rural and remote areas.

This initiative will also build on the success of the existing UDRHs based at Broken Hill, Shepparton, Whyalla, Launceston, Geraldton, Alice Springs and Mt Isa, as well as the Wagga Clinical School. University Departments of Rural Health are developing as credible academic units and bases of intellectual capital which facilitate the application of knowledge and skills to the health problems of rural and remote Australians comparable with urban Australia.

The initiative relies strongly on the development of partnerships with Australian medical schools, medical practitioners, specialists, other health professionals and the broader community within those areas rural clinical schools and UDRHs are established. Funding provided to the universities towards the establishment of the rural clinical schools will include the appointment of rural and regionally based academic and teaching staff, as well as the formation of a community advisory board.

The community advisory board will establish partnerships with representatives of local health professionals, area health services, State Health Authorities, the Commonwealth Department of Health and Aged Care, relevant universities, the local government and community and will ensure the successful development of implementing this initiative. There is capacity, therefore, for universities to develop partnerships with the private sector in regard to training placements and utilisation of health and research resources.

Allied health and nursing are primarily a state rather than Federal Government responsibility. However, the Commonwealth does provide substantial direct funding for a number of projects, including scholarship schemes, that assist rural nurses. In relation to allied health see also the comments under recommendation 86.

**COMMONWEALTH, STATE AND TERRITORY
REGIONAL DEVELOPMENT MINISTERS AND THE
AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION**

FRAMEWORK FOR COOPERATION ON REGIONAL DEVELOPMENT

Preamble

Regional development is a priority across all three levels of government. Community expectations of governments in this regard are high.

Regional development is about regional communities improving their economic, social, cultural and environmental well-being by fully developing the potential of the region and its people. Key elements underlying successful regional development include cooperation between all levels of government in building community capacity to adjust to change, retaining and developing existing businesses, diversifying regional economies and working cooperatively on public and private sector infrastructure development and regional investment.

Whilst regional communities need and want to take responsibility for their own future, government support critically underpins the development process. The support required from the three spheres of government has several important dimensions:

- Vision – a shared vision to strengthen the perspective of regional Australia in government decision making, include ‘bottom up’ regional thinking as an integral part of government policy development processes and to create a sense of community ownership in the future of the region
- Commitment – a long term commitment that provides regional communities with the certainty they require to develop and implement strategic development plans, working in partnership with industry and government
- Policy and Programs – while regional development policy must support and be consistent with national and State/Territory economic, social and environmental objectives, targeted regional initiatives can improve economic performance, address industry restructuring pressures and provide equitable access to services.

This Framework for Cooperation sets out the roles of each sphere of government in regional development and the principles governments will adopt to achieve better economic, social and environmental outcomes for regional Australians.

Respective roles of Australian governments in regional development

The Federal Government’s primary focus in assisting Australia’s regions to realise their enormous potential is to deliver sound macro and micro-economic management of the Australian economy. Strong economic foundations provide the launching pad for sustainable economic and employment growth and facilitate the provision of

Commonwealth programs and services. As the benefits of economic growth do not always flow evenly throughout the Australian community, the Commonwealth delivers services targeted specifically at the needs and circumstances of people living in regional Australia and which contribute to the national benefit. These services aim to provide regional communities with equitable access to services, promote economic and business development and enhance the capacity of regions to determine their own future.

State and Territory governments have primary responsibility for regional development within their jurisdictions. Each government has a range of policies, programs and services that aim to enhance economic performance, business development, access to services and the environmental quality of regions. There are significant differences in approach to the issues and in the delivery of programs and services, reflecting the wide variety of circumstances facing regional communities and the natural intrinsic advantages experienced in different regions of Australia.

Local government participation is vital to the success of regional development initiatives, and local councils, singly or in groups including regional organisations of councils, have long been at the forefront of such activity. They have allocated large amounts of time, energy and resources to promoting development in their areas and have forged valuable partnerships with other spheres of government, business and community groups. Local government participates actively in intergovernmental approaches to economic development and will continue to foster progress through a range of local and regional activities.

Local government supports the use of multilateral agreements between governments and agencies to improve service planning, funding and delivery and to prevent the multiplicity of single purpose administrative structures being established for specific functions and programs.

Recognising the diverse needs of different regions, governments have become aware of the need for greater flexibility and more effective use of limited resources in addressing regional issues. This Framework for Cooperation engages all spheres of government in adapting and developing services that better respond to the needs of regional communities.

Principles

Australian Federal, State, Territory and local governments are committed to working together in a spirit of partnership to deliver government policies, programs and services tailored to the needs of regional communities. In view of the strategic importance of regional Australia and the structural economic differences between regions and major metropolitan areas, governments recognise and accept that this is a long-term commitment and will work to address the objective through the principles set out below:

1. Governments will seek to minimise duplication and overlap. The three levels of government agree to clarify roles where there is confusion and duplication, and to work together in areas where there will be significant benefit to regional development.
2. Governments will encourage communities to set their own priorities. Government policies and programs will foster community empowerment and mobilise community resources to enable regions to better develop the capacity to determine their own future. Leadership and skill development are especially important issues in addressing systemic improvements in community capacity.
3. Governments will cooperate with each other. Governments will share best practice and develop innovative, flexible and cooperative arrangements to improve access, streamline and enhance the range of government services available to meet the circumstances and needs of different regions better. Examples of such arrangements include joint funding, co-location, agency agreements and bilateral agreements.
4. Governments will cooperate with the private sector. Governments and regional communities will work closely with local industry to facilitate an environment conducive to private sector investment.
5. Governments will seek to use existing systems. Government policies, programs and services developed in partnership with regional communities will seek to identify and build on existing structures within regions.
6. Governments will seek to build on the competitive and comparative advantage of regions. Governments and regional communities will work closely together so that government assistance is effectively channelled to further develop regional competitive and comparative advantage.
7. Governments will consult with each other, wherever possible, where new programs and services are being developed. Governments will establish consultative mechanisms to ensure effective and practical implementation of new programs and services.

RECOMMENDATIONS

1. **New South Wales and the Commonwealth agree to work together on the Government Access Centres and Rural Transaction Centres programs to ensure as many regional communities as possible enjoy access to a wide range of local, State and Commonwealth government services.**
2. **New South Wales and the Commonwealth agree to consult on the assessment of applications under their regional development programs (eg the Regional Solutions Program) and leadership and community economic development initiatives to assist regional and rural communities build their capacity to identify and implement development opportunities.**
3. **Victoria and the Commonwealth agree to continue the location of appropriate Commonwealth functions in Victorian Business Centres on a case-by-case basis.**
4. **Victoria and the Commonwealth agree to facilitate improved cooperation and a stronger consultative mechanism between the Rural Transaction Centres and State-based programs.**
5. **Victoria and the Commonwealth agree to collaborate on the ongoing development of programs, with a view to providing complementary leadership development opportunities to regional communities in Victoria.**
6. **Queensland and the Commonwealth agree to collaborate on shopfront service delivery programs to ensure as many Queensland regional communities as possible enjoy access to a wide range of local, State and Commonwealth government services.**
7. **Queensland and the Commonwealth agree to work together to provide leadership and community development support to Queensland's regional, rural and remote communities including a focus to better meet the needs of indigenous people.**
8. **Queensland and the Commonwealth agree to work together to assist regional and rural communities access regional Commonwealth programs to build their capacity to identify and implement development opportunities.**
9. **Western Australia and the Commonwealth agree to work together on the development and implementation of strategic level policy for regional development.**
10. **Western Australia and the Commonwealth agree to work together on the Telecentre, Rural Transaction Centre and Collocation initiatives with a view to collocating services where possible.**
11. **Western Australia and the Commonwealth agree to facilitate a relationship between relevant agencies, including the WA Department of Commerce and Trade, Agriculture WA and Office of Youth Affairs, as well as local**

government, with a view to regular and formal information exchanges about their respective leadership programs and activities.

- 12. South Australia and the Commonwealth agree to set up formal cooperative arrangements for strategic development and delivery of shopfront services to regional communities through Service SA and Rural Transaction Centres.**
- 13. South Australia and the Commonwealth agree to collaborate on the strategic development and delivery of leadership and community development programs to regional communities in South Australia.**
- 14. Tasmania and the Commonwealth agree to collaborate on the strategic development and delivery of shopfront services to Tasmanian regional communities.**
- 15. Tasmania and the Commonwealth agree to collaborate on the strategic development and delivery of leadership and community development programs to Tasmanian regional communities.**
- 16. The Northern Territory and the Commonwealth agree to collaborate to assist the local government sector access information technology and establish Rural Transaction Centres, thereby improving government services for the Northern Territory's rural and remote communities.**
- 17. The Northern Territory and the Commonwealth agree to work together to provide leadership and community development support to the Territory's regional, rural and remote communities, especially in relation to better meeting the needs of indigenous people.**
- 18. The Australian Capital Territory, New South Wales and the Commonwealth agree to work together to promote Commonwealth programs more widely and more effectively throughout the Australian Capital Region.**
- 19. The Commonwealth agrees to provide a single entry point for users of services and simplify its programs and services, leading to a more integrated view across agencies that facilitates delivery at the local level, in consultation with State, Territory and local governments.**
- 20. All parties agree to collaborate on development of their publications and information dissemination processes, with a view to providing a streamlined and easily accessed source of information on government programs to people living in regional Australia.**
- 21. Through the ALGA, local government agrees to work together with State, Territory and Commonwealth Governments on economic, social and environmental objectives to ensure communities achieve sustainability.**
- 22. Regional Development Ministers and the ALGA agree to review progress on implementing the Framework for Cooperation and the above recommendations within 12 months.**