

**The Hon Simon Crean MP  
Federal Shadow Minister for Trade & Regional Development  
ADDRESS TO SEGRA CONFERENCE  
NOVOTEL NORTHBEACH, WOLLONGONG  
TUESDAY 18 SEPTEMBER 2007**

Thank you Councillor Zanotto for your introduction.

It is with great pleasure I address your conference this morning and it is great to be back in Wollongong.

As the largest gathering of regional development practitioners in Australia today, this conference has given a voice to local issues since its inception in 1997.

Since 2001, there have been a few Federal programs directed at regional Australia, mostly in the lead up to the elections. With reason, they have had their fair share of controversy.

Last week's announcement of additional funding for regions which are being challenged by high growth through population change or the mining boom is welcome.

But again this commitment comes right before an election and without detail or strategy as to how the benefits to our regions can be guaranteed.

The Government has failed to explain how the Government will ensure funds are distributed across electorate, not just to marginal ones and how funding commitments will be approved.

These questions deserve answers, particularly given the Government has failed to adopt in full all of the recommendations from the 2005 Senate Inquiry into regional programs.

They have refused to do away with their secret set of guidelines, the Special Opportunity Notional Allocations (SONA), adopted in the lead up to the last election, which allow Ministers to make decisions to fund favoured projects without going through proper processes.

Extra funding is welcome, as funding is the leveraging mechanism for the delivery of individual projects.

But a piecemeal, politically-driven approach to regional development will not enable us a nation to genuinely harness the potential of our regions.

Our regions sustain our economy; they offer our nation huge diversity of experience, culture and lifestyle; they are the source of our natural resources base.

I believe a new direction in regional development is required to secure the sustainable future for our regions and to maximise the use of funding resources.

At the centre of this new direction there must be a commitment to empower local communities, coupled with national leadership.

All of my experience as a Minister in Government, whether in Science & Technology, Primary Industries or Employment, Education & Training, showed that with proper leadership, it is local solutions that produce the dynamic for change.

And that view has been cemented over the past 18 months as I have met with regional communities and regional development practitioners across Australia.

I do not need to explain to you that a one-size-fits-all approach will not work or that Canberra does not know what is best for your region, but I am committed to ensuring that empowering your community is key to Labor's regional development strategy.

I have also become familiar with the significant infrastructure challenges facing many regions.

Here in the Illawarra, there is a clear need to find the best solutions to improve transport linkages through projects such as the Illawarra Regional Airport and the Maldon-Dombarton rail link.

Sharon Bird, the Member for Cunningham participated in a House of Representatives Committee on Transport & Regional Services which has recently recommended the completion of the rail link.

The development of affordable housing and innovative developments such as that in Shellhabour at the Shell Cove marina are also clear priorities for this region.

These issues came to my attention in a regional development forum held here in July which was convened by the Member for Throsby, Jennie George and the Member for Cunningham, Sharon Bird.

National leadership on infrastructure issues is well overdue. We cannot delay a commitment to build the nation through crucial infrastructure, like broadband and affordable housing.

So, on the eve of the election I greatly welcome the opportunity to outline Labor's strategy and platform for regional development which has four key components:

- a commitment to bring regional development into the mainstream;
- recognition that a one-size-fits-all approach will not work and a genuine commitment to localism to drive lasting solutions to end the blame game between various levels of Government;
- giving regions a greater say through the creation of a stronger and more participatory regional development network, *Regional Development Australia*;
- national leadership on key infrastructure, including our commitment that all Australians, regardless of where they live, should have reasonable and affordable access to broadband services.

### **A new direction in regional development**

On coming to office, the then Regional Services Minister John Sharp, a National Party member no less, declared there was no role for the Commonwealth in regional development.

Not once has this statement been repudiated. The Coalition only acted on regional policy when it was under political pressure in regional seats.

Labor has welcomed the resources allocated to regional programs, but the Government has been exposed by the Parliament for using them for electoral rorting.

Rather than wasted opportunities, the programs must be more accountable and transparent.

Labor has committed to retain these programs but they cannot be a mechanism for political opportunism.

It is time regions had programs designed for their needs, not designed to meet the needs of Members of Parliament.

But the Government has not fully implemented the 2005 Senate recommendations or provided clear details to ensure that their new commitment will not be misused again.

However, if we simply fix the accountability and transparency in regional programs, and Labor has committed to do that by implementing all of the recommendations of the 2005 Senate Inquiry, we are still 'sidelining' regional issues and keeping them separate to the mainstream.

To fully realise our regions potential, a new direction in regional development is required.

An approach which has localism at the heart of its agenda.

That is Labor's commitment.

A commitment to localism will end the blame game between the various levels of Government, holding our regions back.

Federal Labor has have firmly committed to end the 'blame game', and buck passing which has blighted service delivery and infrastructure development for too long.

We must not only differentiate the various responsibilities between the levels of Government.

This is important, but it is not the only solution.

We cannot afford to just end the 'blame game' in a structural sense.

We must also commit to partnerships with local communities.

By working together, we would be much further down the road to finding the sustainable solutions to meet regional development challenges.

We must also enable a whole-of-Governments approach and genuinely embrace local solutions.

And we must bring regional issues into the mainstream.

It involves requiring the mainstream portfolio budgets to identify how much they are spending in each region.

This would develop the concept of 'regional budgets'. Breaking down the mainstream portfolio expenditures for each region and presenting this information for the region as a whole.

This would not only produce greater accountability in the budget papers, but also allow for the spatial allocation of funds.

It also enables comparisons between regions to be made to show where resources are going.

It will also allow regions themselves to have a greater say about resource allocation to their region.

We will also develop a mechanism within the mainstream portfolios like health and education so they can respond to innovative, local solutions for better service delivery.

Promoting the results as best practice models and encouraging local communities to develop creative solutions which stack up.

Labor want communities to have an input on how their service needs can be better met. An input for example to their health, aged care, skills, infrastructure, schools and higher education needs.

It is why Labor has committed to invest \$220 million to establish *GP Super Clinics* in local communities to bolster frontline health care.

Central to this program is Labor's commitment to provide infrastructure funding to establish a greater range of health services by supporting the local solution that best suits a local community.

This is particularly important in rural and regional areas, where Medicare has not been utilised to its fullest due to workforce shortages.

Just yesterday in Ballan, Victoria, I had the pleasure of joining Nicola Roxon our Federal Shadow Health Minister, in announcing \$1 million for a *Super Clinic* to enable the provision of a greater range of specialist services to that community.

And later today, I will be announcing \$2.5 million for a Super Clinic in Shellharbour to increase provision of general and specialist services in that fast growing community.

We have also recognised the need to reform the Rural Medical Infrastructure Fund (RMIF), to further support health solutions developed by local communities.

The Government established the Fund in 2004 to improve access to medical infrastructure – but this program has been a dismal failure.

Despite promising \$15 million at the last election to the Rural Medical Infrastructure Fund, it was revealed in the last round of Estimates that only \$3.5 million of this program has been allocated since 2004.

Federal Labor will reform this program to:

- broaden eligibility for funding to towns with populations of up to 20,000;
- allow Divisions of General Practice and local government organisations to apply for program funding for facilities which are located on hospital or health campus grounds;
- allow private practices to apply for funding where it will be used for training facilities for medical students; and
- increase the cap on grants to \$500,000 per application, and relax the requirements for matching funding to recognise that many communities – particularly in drought affected areas – have difficulty raising the matching funds.

Together with *GP Super Clinics*, these specific health commitments form part of Labor's announcement last week of a \$2 billion *National Health and Hospitals Reform Plan* to improve Australia's health system.

These programs clearly demonstrate that Labor supports local solutions to meet the needs of our regions, across all portfolios, not just one portfolio.

## **Better engagement with regional communities**

Labor understands that to achieve this strategy, we must develop mechanisms to engage effectively with regional communities.

There are three key steps that must be taken to achieve this:

- 1) Resourcing and empowering a viable and more participatory Commonwealth regional development structure.
- 2) Recognition of Local Government's role in service delivery and sustainable resourcing of it.
- 3) Better dialogue and improved communications with Local Government.

### *A revitalised regional development structure*

Federal Labor will also create a stronger and more participatory federal regional development structure.

This will be of huge benefit to regional communities and your ability to work strategically across regions.

It will provide for Labor also a key link with regional communities.

Labor will create *Regional Development Australia*. It will widen the mandate and strengthen the role of the existing network Area Consultative Committees. It will also better resource the network.

The creation of *Regional Development Australia* is not to replace Local Government, but to value-add the work Local Government is already doing to build partnerships and regions.

*Regional Development Australia* will give Local Government a focal point in their region and give Local Government a greater input into the regional strategy and to identify their infrastructure priorities.

Labor supports the work of the regional groupings of Councils, as I mentioned earlier, and *Regional Development Australia* would be endorsed to strengthen these partnerships.

Partnerships across the three levels of Government, the private sector, the not-for-profit sector, service delivery bodies and local communities, to develop a strategic approach to service delivery and the development needs of a region.

For example, Advance Cairns, founded by the Cairns City Council and Port Authority to coordinate the efforts of regional organisations, to facilitate new and existing business development and monitor key components of the regional economy.

As Minister for Employment, Education and Training, I set up the ACCs as part of the Working Nation program to ensure training programs met the demands of local communities.

I saw that local leadership together with the resources of Government, worked to deliver real outcomes.

Labor also established Regional Development Organisations (RDOs) to deliver regional development solutions.

The RDOs were abolished by this Government shortly after they came to office, but the Government held on to the ACC network.

But the Government has wasted the opportunity the network presents to genuinely empower regions to develop local solutions and make the most of the invaluable link to local communities.

*Regional Development Australia* offers a real opportunity to not only value-add the work of Local Government but to provide a mechanism to support community champions who have a vision they want to share in their region.

There are many people in communities who don't necessarily want to stand for local Council or get elected to Parliament, but who nevertheless have a passion and commitment to their local community and want to make a significant contribution to it.

*Regional Development Australia* will tap into the work of those champions.

By better resourcing the network we can better empower these community champions to develop the local solutions which stack up.

That's the role I see for *Regional Development Australia*.

Tapping into this vital resource. Empowering local communities to make better use of Government programs.

Labor will also find a mechanism to fund the network beyond the political cycle.

While we welcome the recent change to a three-year funding model, this still leaves the network to the whim of political opportunism.

These bodies must have greater certainty so they can plan over the longer term.

*Recognition of the role for Local Government*

Labor recognise that there are challenges facing Local Government, such as financial sustainability and an increasing expectation to do more at the local level.

This is particularly true in your communities which are also coping with high levels of population coast and greater influxes of visitors during the tourist season.

The PricewaterhouseCoopers review into the National Financial Sustainability of Local Government, published last year and commissioned by ALGA, found that between up to 30% of councils could be financially unsustainable.

They also found that many Councils have made significant progress in recent years to become more efficient.

The bottom line is there must be a mix of solutions.

I have met with and visited a number of dynamic groupings of Councils that go beyond their own municipal and shire boundaries to achieve strategic regional outcomes.

For example, the Geelong 21 group in Victoria and the Cradle Coast Authority in Tasmania. Both groupings are about levels of government and communities working together in the interest of their region.

These grouping highlight that issues cannot be addressed by simply looking at the structure of Local Government.

Labor's long-standing commitment to the Constitutional recognition of the autonomous role of Local Government is the essential precursor to address a range of issues.

When we were in Government both in 1974 and 1988 Labor sought Constitutional recognition through referenda. On both occasions the Coalition refused to provide bi-partisan support and actively campaigned for a 'no' vote.

These include the vexed financial arrangements of Local Government caused by fiscal imbalance and cost-shifting.

It would also enable the Commonwealth/Local Government structure to be reviewed to ensure that a commitment to greater cooperation and consultation isn't just a token gesture, but can have real meaning.

The Parliamentary recognition established last year is welcome, but it does not go far enough. At the time, Labor moved an amendment calling for a referendum to provide constitutional recognition of local Government. But again, the Coalition refused to provide bi-partisan support.

Our commitment to Constitutional recognition is not only long-standing, it is genuine. We will act on it.

This position was again affirmed in Labor's platform at the Party's National Conference in April.

#### *Better dialogue with Local Government*

We also recognise that a precursor to any decision of this nature to ensure a better level of engagement between local, state and federal Governments.

Is it why we have given the commitment that in its first term of office, a Rudd Labor Government will establish a Council of Australian Local Governments.

The Council of Australian Local Governments will provide a forum that allows local and Federal governments to meet to discuss issues of national importance and will ensure that local government representatives have a more effective voice at the Council of Australian Governments.

Local government organisations including the national and state local government associations, the Capital City Lord Mayors, regional bodies and other stakeholder organisations to nominate representatives for the Council.

The Council will also include other Federal portfolio Ministers.

Federal Labor recognises that there are now many shared areas of policy and program responsibility between the Commonwealth, the States and local government.

The Council will help end the blame game by providing a forum in which different spheres of government could work together to achieve better outcomes for local communities.

One of the first tasks for the new Council will be to plan for a national referendum on the Constitutional recognition of local government.

#### **National leadership on infrastructure**

Key infrastructure challenges that have the potential to not only put the brakes on ensuring sustainable regional development in regional communities.

Addressing these infrastructure challenges requires national leadership.

In many cases, action is now well overdue.

Labor has committed to set up a national infrastructure council, *Infrastructure Australia* with input from the public and private sectors, experts and professionals to provide recommendations to Government on the nation's infrastructure needs.

The Council will complete an audit of our nation's infrastructure needs. It will analyse, prioritise and monitor the delivery of major projects.

The Council will also be required to consult with regional communities, through *Regional Development Australia*, who will have an input on their regional infrastructure priorities.

This is an enormous opportunity for your communities to have a greater input into meeting vital infrastructure challenges.

There are a range of infrastructure priorities to be determined, but the most critical infrastructure investment Australia must make in our regions is the rollout of high speed broadband.

The Australian Local Government Association (ALGA) found in its State of the Regions Report last year the cost of inferior broadband in 2006 alone was \$2.7 billion in foregone gross domestic product and 30,000 regional jobs.

Put simply, the Report found that those regions that had high speed broadband are doing well and are more productive than those that don't have access.

The increased connectivity offered by broadband will overcome the tyranny of distance that is experienced by many Australians.

Broadband services will allow regional businesses to grow and prosper giving them immediate access to new markets in different regions, the major cities as well as overseas.

High speed internet access will also enable telecommuting to workplaces around Australia, and even the world.

Through improved broadband services Australians living in regional and rural areas will have vastly improved health care services.

Using high definition video conferencing Australians living in regional and rural areas will have direct access to medical expertise that is predominantly found in the major cities.

Remote patient monitoring systems will enable Australians to manage their own health better, avoid hospitalisation and allow older people to retain independence.

Broadband will seamlessly interconnect different health services, and improve efficiency in the health care sector in general resulting in improved outcomes for patients.

Broadband services will also have a profound effect on our education system. By interconnecting our schools, our children will benefit from web-based learning, and virtual classrooms.

The use of high definition video conferencing in classrooms will address the chronic shortage of teachers in regional and rural Australia, in areas such as maths and foreign languages.

Broadband will enable our children to have immediate access to the very best educational material from around the world. Virtual libraries and museums will be brought into the classrooms, and are prime examples of how broadband overcomes the tyranny of distance. Finally broadband services will enable Australians in rural and regional areas to stay in touch with friends and family across the globe.

Only Labor's plan can provide a true broadband guarantee so all Australians, regardless of where they live, have the same social and economic opportunities that this vital technology can deliver.

Labor's commitment is that all Australians, regardless of where they live, should have reasonable and affordable access to broadband services, which Labor will deliver through its commitment to roll out a national Fibre-to-the-Node network.

It will connect 98% of Australians to high speed broadband services – at a minimum speed of 12 megabits per second, a speed almost 40 times faster than most current speeds.

The remaining 2% of Australians in regional and remote areas not covered by this network will have improved broadband services.

Labor is about creating a world-first system for all Australians, not a second rate system for Australians who don't live in the five mainland capital.

This is what the Government's pre-election broadband bandaid proposes and what the Minister for Telecommunications has signed up to in a \$1 billion contract.

It will leave rural and regional Australia with a mix of unspecified wireless technologies, not a superior fibre network.

I recently met State Regional Development Ministers who called on the Government to not sign the contract until first rate services for rural and regional Australia can be guaranteed.

But the Minister has sneakily signed up to the contract late during the APEC weekend, to avoid public scrutiny.

We can no longer leave regional Australia to do with a second best solution. If we do, we are denying them the opportunity for sustainable development.

## **Conclusion**

A genuine commitment to localism, together with Labor's commitment to take the national leadership on key infrastructure will harness the potential of our regions and allow them to move forward to ensure a good quality of life for all.

Labor also recognises a one-size-fits-all approach will not work.

We must as a nation capitalise on the creativity and enthusiasm within our communities and empower them to develop local solutions to meet regional challenges.

There must also be greater cooperation between all tiers of Government and recognition of the role played by local government as a partner in ideas and a partner in development.

I thank you for the opportunity to share Labor's new vision to enable genuine regional development.

