

ATTACHMENT A

**The Hon Gary Gray AO MP
Parliamentary Secretary for Regional Development
and Northern Australia**

**SEGRA 2008
Sustainable Economic Growth
for Regional Australia**
Creative Solutions: expect them to be different

KEYNOTE ADDRESS

8:35am

Monday 18 August

3,150 WORDS APPROX

**Parliamentary Secretary to be introduced by
Dr Geoff Cockfield**

Thank you for the warm words of welcome Geoff.

I'd like to acknowledge the traditional owners of this land and pay my respects
to their elders, past and present.

ACKNOWLEDGEMENTS

Tony Kelly: NSW Minister for Lands, Rural Affairs and Regional Development

John Cobb: Shadow Minister for Regional Development and Water Security.

Kate Charters: Convenor SEGRA

Don Phillips: Chair of the Interim RDA Board

Stuart Baker: Mayor Albury City

Les Tomich: General Manager, Albury City

Nancy Rooke: Wiradjuri Elder

It is a pleasure to be here with you in Albury for this the twelfth national conference for SEGRA.

I would like to congratulate SEGRA convenor, Kate Charters and her band of helpers for arranging such an impressive program and I thank you all for taking time out of your busy work schedule – or your Olympic coverage schedule – to take part in this important forum.

Talking of the Olympics, many of Australia’s greatest athletes grew up competing in regional areas – including Albury – such as Basketball star Lauren Jackson, Swimmer Belinda Hocking and Rifle Marksman Ben Burge. Lauren Jackson and the Opals have yet to loose a game and have to be a good chance for Gold.

In fact, I recently was told that more than 60 per cent of Australia’s medallists in 2004 in Athens came from regional Australia – that says a great deal for the lifestyle available in our major regional centres.

The title of this conference is “Creative Solutions” – expect them to be different.

As we speak, the Australian Government is open to creative models for regional development.

Many of you know our work with the reinvigoration of the Area Consultative Committee, or ACC, network – soon to be redesigned as a more robust and broader organisation – Regional Development Australia. It will be different to the old ACC’s.

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Let’s get down to business.

The number and broad range of the initiatives I will touch on this morning is indicative of the Rudd Government's commitment to Regional Australia.

Regional Australia has an important role to play in our national economy; in many ways Regional Australia defines our national character.

The sustainable development of Australia's regions is everyone's business.

No one organisation, business or government can make it happen in isolation.

The Rudd Government's vision for regional development is about working together strategically, cutting through the old barriers and using an integrated planning approach across all levels of government and the community.

Organisations like SEGRA play a key role in bringing us all together to generate strategies and share ideas – to be creative.

As the conference theme signals, this gathering is about creative solutions and innovative ideas to put positive change in motion.

The challenges of sustaining the growth of our economy and particularly harnessing the transformed resource economy are real and they are significant, but we are committed to sustaining growth and the benefit it brings – benefits that give us better infrastructure, better environment, better jobs and more of them.

Being creative about Regional Development is not easy.

REGIONAL INITIATIVES

Over the past thirty years Regional Development has been a policy matrix in the making –

across the whole of the OECD no country can claim to have got it 100% right.

So in Australia too, we have been working on it.

Australian Labor Governments have a strong track record supporting regional Australia and working with local government.

The Whitlam Government was the first to provide untied financial assistance grants to local governments, and to support the establishment of the Regional Organisation of Councils.

The Keating Government's 1994 White Paper on Employment and Growth titled 'Working Nation' led to the establishment of the Area Consultative Committee (ACC) network and the Regional Development Program.

The role of the ACCs was to ensure that the Commonwealth employment programs complemented regional development initiatives.

The Regional Development program had two key components - the Regional Best Practice Program and the Regional Infrastructure Fund.

A key element of the Regional Development Program was funding to establish and operate Regional Development Organisations (RDOs) that were broadly representative of all key players in a region including local government, business, unions and community organisations.

The RDOs complimented the work of the ACCs, which at that time, were primarily concerned with labour market programs - employment and training programs relevant to local needs.

The Regional Development Program was wound up by the Howard Government in August 1996.

The ACCs continued under Howard in the portfolio of Employment and Workplace Relations. Appropriately the Howard Government placed ACC's under the Transport and Regional Services portfolio in 2002-03.

We saw the role of ACCs become more and more focused on the regions – this was a good thing. Then later they became focused on gathering and recommending funding for small grants. What has come to be known as pork barrelling.

That is not to say that the projects promoted by ACCs were not frequently worthy, but this is not a sustainable approach.

I have to concede the pork barrel has afflicted both sides of politics. I cannot ignore the whiteboard and the Australian National Audit Office could not ignore the Regional Partnerships program.

Pork barrelling is not a fair approach.

Pork barrelling is not regional development.

A strategy focused on influencing votes does not lend itself to building strong and sustainable regional communities.

It is not creative.

The Rudd Government is transitioning the **Area Consultative Committees** into a new network, **Regional Development Australia or RDA** which will have a much broader and more strategic role than the previous network.

By building on the ACCs, RDA offers a real opportunity to provide a supporting mechanism for communities with a vision and the determination to make that vision a reality.

Minister Albanese and I have met with the interim board of RDA – chaired by Don Phillips, who I am very pleased to see is here today – and we are continuing consultations in order to ensure the most effective engagement possible when the new structure comes into effect on the 1st of January next year.

I would like to thank the thousands of people who have served on ACC's over the years and to acknowledge that many will not want to stay on in the new and different world.

Many will not want to serve on a committee that does not approve grants or fund any local groups. Many have told me this.

I accept their frank and honest concession.

We have a unique opportunity to implement a more strategic, responsive, flexible and creative approach to regional development and I look forward to working closely with all RDA committees and, through them, the people of regional Australia in implementing our agenda.

Here today are representatives of RDAs from the Pilbara, southern Queensland, the WA Goldfields, Central Murray, New England, Greater Brisbane, Mackay, Moreton Bay Coast and Country, the Northern Territory, Geelong, the Riverina and I am sure many others.

Again, I would like to thank all of you who have contributed to the ACC network and I look forward to working with RDA.

We have asked RDAs to conduct community consultations to provide the Government with feedback on a number of fronts including:

- reporting back by the end of this month on improving the way we structure regional engagement;
- setting principals and priorities for the new Regional and Local Community Infrastructure Program; and
- prioritising the sort of local community infrastructure projects that could encourage economic development in local communities.

The Interim Board of the RDA will report on the last two tasks by the end of October.

Most of the RDAs are well underway with their consultations, and I am attending as many as I can.

I have been pleased with the professionalism and enthusiasm with which many RDAs have approached the three tasks.

We are meeting with the Interim RDA Board on the 15th of September to discuss their consolidated response to Government on the first task regarding improving communication and engagement.

The Government is also seeking input into its regional agenda in other ways.

The House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government, has accepted a request from the Minister that it conduct an inquiry into regional funding.

The Committee is also to report on the Australian National Audit Office's Performance Audit of the Regional Partnerships Program.

It will make recommendations on the ways the Australian Government should invest in **genuine** regional economic development and community infrastructure to enhance the sustainability and liveability of Australia's regions.

The report is due this November. By January 2009 we will have begun recruiting to fill new positions on RDA, appointing new teams and going forward.

We are also consulting with State, Territory and local government.

Minister Albanese and I have recently returned from the north west of Western Australia where we attended a meeting of regional development Ministers - the Regional Development Council (RDC).

It was pleasing to see the Australian Local Government Association present at our Ministerial Council. ALGA's views are important to us.

Among other things, we discussed better alignment between Commonwealth and state regional development arrangements and structures. Our consultations have taken me around the country a few times.

We have also established a **Regional and Local Community Infrastructure Program** - to deliver major investments in appropriate infrastructure projects including recreational and environmental initiatives.

In line with the Rudd Government's national approach to infrastructure investment, our new program:

- will be accountable;
- will be transparent;
- will be based on community needs;
- will link to Local Government and regional initiatives.

Funding will be available in the 2009-10 Budget.

The processes to consider proposals for funding will be proper and transparent.

I want to stress that there will be no pork barrel – there will be a proper process. We await the views of the Parliamentary Inquiry and our broad consultations before going further on the design of this program.

LISTENING TO LOCAL GOVERNMENT

Before I go on, I'd like to say that one of the things all successful sustainable regional communities have in common is a sense of self reliance. Most often it's a grumpy and strong sense of self reliance.

We need strong and dedicated local governments capable of developing strategic regional plans and working to them. It's not easy, indeed it is one of the most difficult jobs in local government. It's about leadership, about pragmatism, it's about creativity, and it's the job of local government.

The Rudd Government has a strong commitment to securing the future of a viable and independent local government structure in Australia.

This year almost \$1.9 billion will be provided to local government in untied financial assistance grants plus almost \$350 million from the Roads to Recovery program.

In Albury, over \$500,000 in Roads to Recovery Funding will be spent by the local government on local road maintenance and upgrades.

Minister Albanese is currently considering the membership and charter of the Council of Australian Local Governments (CoALG).

We are establishing CoALG because we believe there needs to be a direct conversation between local government and federal government on issues of national significance.

Issues such as:

- Education;
- Housing affordability;
- Constitutional recognition;
- Water;
- Climate change; and
- Community infrastructure.

These areas will all benefit through a new cooperative approach.

One of the first items on the CoALG agenda will be to discuss a process for constitutional recognition.

This is the Rudd Government delivering on another commitment we took to Australian voters at the election.

CoALG will provide a forum that allows local and Federal governments to meet and discuss issues of national importance and will ensure that the views of local governments are properly understood.

BETTER REGIONS

During the election, we also committed to providing direct investment into much needed community facilities and services in regional Australia.

As shadow Minister, Simon Crean engaged with local communities and local government, creating the Better Regions projects, which he built through genuine consultation, by bringing all parties to the table, by listening to the advice of the locals.

Simon's vision was that the Better Regions projects would go to the heart of community development needs:

- the revitalisation of main streets;
- multi-purpose community and resource centres;
- sport and recreational venues; and
- transport infrastructure.

We are committed to implementing these projects with the highest standards of public administration, and are currently developing a set of guidelines so they can be contracted and commence.

In line with the Government's approach to all of our infrastructure investments the Better Regions program will be accountable, transparent and based on community needs.

Like Regional Partnerships, the Better Regions program is now closed and we are designing our new program the Local Community Infrastructure Program as the replacement.

THE OFFICE OF NORTHERN AUSTRALIA

There are a number of people here from Northern Australia

and the Government's newly established Office of Northern Australia – which I am very proud to say I have stewardship of – will be of significant interest.

This initiative underlines the seriousness with which we take the development of sustainable opportunities in the north – which makes up a big chunk of regional Australia.

We define Northern Australia as that part of our land mass North of the Tropic of Capricorn.

It's critical we gain a better understanding of the values associated with this special part of Australia.

Gaining this understanding is crucial to Northern Australia's ongoing development, and its economic, social and environmental prosperity.

To do this I have been travelling throughout Northern Australia undergoing a series of consultations.

Many of the issues we are discussing here today are manifest in various ways across Australia's regions. These include:

- water;
- skills shortages and shifting employment patterns;
- housing affordability;
- transport infrastructure needs and routes to market;
- access to broadband; and
- sustainable indigenous business opportunities.

But there are no quick fixes or one-size-fits-all solutions.

And what works in Bundaberg may not work so well in Launceston.

While the challenges are similar, the solutions must be tailored to fit specific community needs.

This is why this conference, and conferences like it, which bring together representatives from all our regions is important.

It's why RDA is important – besides anything else RDA does, it provides funding for many of you to be here today.

The Rudd Government recognises that support for regional Australia needs to have its base in the empowerment of local communities.

When local people drive the agenda, it's local people who make the decisions about the world they live in and it is local people who can reap the benefits.

NATIONAL INITIATIVES

Now I am conscious that time is getting on, but before I close this morning, I want to touch on the creative, sound and practical national initiatives that fall within my portfolio: Infrastructure Australia, The Building Australia Fund and the Major Cities Unit.

These are the drivers which will help guide sustainable development and productivity right across the country – in our cities and regional centres, in our ports, in our rural and mining communities, in our world class tourism centres and ultimately, in YOUR backyard.

The twelve member **Infrastructure Australia** council headed by Sir Rod Eddington includes representatives from private industry, local, state and federal government.

Infrastructure Australia has a busy time ahead of it.

The audit of nationally significant infrastructure, incorporating Commonwealth, State and Territory submissions, together with other input, including from Infrastructure Australia's review of Public Private Partnership Guidelines, is to be completed by the end of this year.

The next step will be to provide the Council of Australian Governments with a national infrastructure priority list.

This is set to be delivered in March 2009.

The list will provide governments and industry with a pipeline of projects to facilitate better long-term planning.

And it will assist in guiding future investments we make from the **Building Australia Fund**.

The Building Australia Fund shows we are putting our money where our mouth is when we say the Government is back in the business of nation building.

We have already made a \$20 billion down payment into the fund which will be used to get a head start on critical projects such as roads, rail and ports.

Infrastructure Australia is also working to identify ways industry and government can be smarter in using existing infrastructure and how we can best implement long overdue changes to regulation to remove barriers and encourage investment.

And in the background, the COAG Infrastructure Working Group is meeting on a regular basis to provide ongoing guidance, national coordination and support to Infrastructure Australia.

As you can see, the Government is adopting a systematic, pragmatic and creative approach to implementing our infrastructure agenda.

It is one based on thorough research and consultation, engaging the brightest minds, and making decisions in Australia's best long term interests.

Working closely with Infrastructure Australia will be a new body called the Major Cities Unit that I'd like to take a few moments to talk to you about.

Australia's major cities, and by this I don't just mean the capitals, but major regional centres like Townsville, Newcastle and the Gold Coast are facing their own infrastructure challenges.

What doesn't help is that cities and regional centres currently have to deal with a range of federal government departments and agencies on issues affecting them, which can be confusing, cumbersome and costly.

A more coordinated and integrated approach is needed.

The Major Cities Unit will address these issues.

And as I said, the Major Cities Unit will work closely with Infrastructure Australia.

I should also point out the Government is not sitting idle while we wait for the \$20 billion from the Building Australia Fund to come on line.

We are fulfilling each and every one of the election transport commitments we took to the people at the last election.

We are investing \$3.2 billion in road and rail projects next financial year, including over half a billion dollars to make an early start to our election commitments.

We are also providing \$75 million so the states can undertake a series of extensive studies aimed at tackling urban congestion.

You may be wondering why I am talking about urban congestion at a regional conference.

Well, as I said when talking about the Major Cities Unit, there is a connection.

For instance, in Queensland we are investing \$13 million for a number of studies to enable the upgrade of the Bruce Highway.

Overall we intend to spend nearly \$2.2 billion to upgrade the highway over the next five years. Getting it right the first time will serve all of our interests.

Projects for which planning will be brought forward include the sections of the highway servicing the major regional centres of Cairns and Townsville, Mackay and Gladstone.

EDUCATION AND HEALTH

The Rudd Government is committed to building this nation through the initiatives I have outlined above.

We are also ensuring that we invest in education and health.

The Rudd Government's education revolution is well underway. In this area over 1000 computers were recently awarded to 12 schools from round one of the National Secondary School Computer Fund. In Albury City alone, 5 schools have received 610 computers.

Health reform is another key Rudd Government policy area and we have established a \$10 billion Health and Hospitals Fund to equip Australia's health and hospital system for the future.

CLOSING

The Government is committed to engaging with you because we know empowered rural and regional communities make the greatest contribution to the wellbeing of their residents and to the national interest.

We are committed to a fresh approach and we are genuinely interested in the creative and innovative ideas you will generate at this conference.

I wish you well with your discussions and workshops.

Thank you