



Local Government and Regional Development Australia Committees in New South Wales: Why Tensions Exist and How they Might be Resolved – An Insider’s Perspective

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In June 2009 and August 2009 respectively, the Commonwealth, in partnership with the NSW Government, commenced the operation of Regional Development Australia (RDA) Committees with the appointment of Chairpersons and members. Minister Crean confirmed broad roles for the Committees, including preparation of Regional Plans and significant involvement in the RDA Fund (RDAF) process. Commonwealth funding of vital hard infrastructure under RDAF has been well received by the local government sector. However, councils have been required to propose projects which, in Round One, were to align with RDA Regional Plans and demonstrate regional significance. Round Two funding required local government proponents to lodge Expressions of Interest (EOI's) for assessment by RDA Committees, which were required by the Commonwealth to select a maximum of three EOIs to go forward for more detailed consideration. These and other matters relating to RDAF have caused tensions between RDAs and local government. The paper discusses those tensions and suggests options to overcome the concerns of local government.

Kelly, Dollery & Grant (2009:185-186) argued that despite various experiments, regional bodies with political power have never become a fixed part of the enduring regional administrative landscape. Further, they suggest that Commonwealth regionalisation has always been controversial, with attempts at imposing regional institutions overwhelmingly failing due to a combination of poor planning, insufficient support, changing political climate and opposition from other spheres of government. Moreover, they argued that local government has traditionally displayed a negative attitude to such initiatives.

Following the election of the Rudd Labor Government in 2007, and formation of the Ministry of Regional Development Australia (RDA), 55 RDA Committees with specific roles were gradually formed across Australia. NSW was the first state to reach operational agreement with the Commonwealth and on 30 June 2009 the first NSW Committee appointments were announced (McKew and Costa 2009). State and territory governments gradually entered into agreements with the Commonwealth supporting the RDA Committee framework so that, for the first time, the higher tiers of government committed to working collaboratively with an RDA Committee structure, thereby affording the arrangement every chance of success.

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Local government was not consulted about the formation of RDA Committees, although, in December 2008, the Commonwealth guaranteed local government representation on these Committees when the Parliamentary Secretary for Regional Development and Northern Australia, Hon. Gary Gray stated:

The Australian Government values the contribution that local government makes to regional development and is committed to improving engagement through ensuring there is an appropriate level of local government representation under the new RDA arrangements (Gray and Costa, 2008).

The matter of tensions between the local government sector and regional institutions is not new. However, there is little doubt that RDA Committees, with a much broader constructive role and having considerable say in determining the fate of local government hard infrastructure proposals, has caused exacerbation of tensions for reasons which will be described.

Much has been written about the ongoing fiscal problems of Australian local government. The Hawker Inquiry (2002) concluded that the main impact of fiscal stress had fallen on infrastructure maintenance and development. This conclusion was reinforced by the South Australian Sustainability Inquiry (Financial Sustainability Review Board South Australia, 2005); the 2006 NSW 'Allan' Report into the financial sustainability of NSW local government (see, for example, Allan, Darlison and Gibbs, 2006); the 2005 Size, Shape and Sustainability (SSS) Report of the Queensland Local Government Association (Local Government Association of Queensland, 2005); the 2006 Western Australian Systemic Sustainability Study (WALGA, 2008) and the Price Waterhouse Coopers National Financial Sustainability Study of Local Government (2006). Evidence produced in these Reports indicated that large numbers of local councils were financially unsustainable.

The Reports highlighted the plight of many councils in regard to long-term financial sustainability, the need for a much greater focus on 'whole of life' public assets, management and renewal, and how to resource the gap between present asset value and replacement cost. McGovern (2011: 23) argued the importance of greater understanding of the conditions under which infrastructure, particularly in the regions, would be sustainable, and suggested it was time to move beyond an uncritical 'we need more infrastructure mantra to well-reasoned evaluation of affordable enabling infrastructure'. Many in local government now understand that successfully embedding infrastructure investment into an existing local economy requires a good fit, appropriate resources, and enabling engagement with what is already present.

In NSW, concerns about infrastructure financing have not been ameliorated, principally because of the continuation of rate pegging. In most years the permissible annual increase has been less than the local government sector's real increases in cost. However, the Commonwealth has increased its financial support to Australian local government by direct funding measures, including Roads to Recovery, Community Infrastructure Grants, especially as part of their response to the global financial crisis, and more recently through the RDAF. The local government sector looked to the RDAF as a means of addressing infrastructure financing problems, given the Fund's focus on provision of hard infrastructure. To date, the reality has not matched the expectation. This paper provides a perspective of a long-term and current elected councillor who has been an RDA Committee Chairperson in NSW since the inception of the Committee structure.

The paper is divided into 6 main parts. Section 2 briefly considers two regional entities which preceded RDA Committees and tensions with local government which existed during the operation of those entities. Section 3 describes the evolution of RDA Committees and their emerging roles and mandate. Section 4 addresses RDA Regional Plans, the introduction of RDAF Rounds One and Two and the subsequent additional responsibilities of RDA Committees. Section 5 considers the emerging tensions between local government and RDA Committees, in part attributable to the competitive nature of RDAF, and suggests possible solutions to tensions. The paper ends with brief concluding remarks.

New South Wales precursor entities to RDA committee structure and early tensions with local government

Brown and Bellamy (2010: 177) demonstrated the centrality to regional governance of actors from all existing levels of government, especially state and local government, even when 'regions' and regional bodies are separately identifiable. They argued that shifts and conflicts in roles and resources within the region were important to understanding the nature of its governance, given the evidence that more effective devolution of resources, authority and coordinating capacity into regions were required.

Conway and Dollery (2009: 3) described how the NSW government has pursued a 'balanced' regional development agenda, with regional offices and, until 2009, 13 Ministerially appointed Regional Development Boards (RDBs) operating as incorporated associations as part of a strategy to keep 'balance' between development in large metropolitan areas and the regions. RDBs were established in the early 1990s and discontinued at 30 June 2009 as a consequence of the Agreement between the Commonwealth and NSW governments to establish 14 RDA Committees.

Also in the early 1990s, federally funded Area Consultative Committees (ACCs) were established. They continued during the Howard government years and were also phased out on 30 June 2009 and replaced by the RDA Committee structure.

The broad role of the RDB network was to encourage economic development throughout the region and to create jobs in local communities (Conway, et al., 2009: 17). Boards were allocated a fairly meagre annual administration budget and had limited access to pilot project and other seed funding arrangements. The ACCs were principally involved in matching projects from across their region to the Regional Partnerships Program which, in 2007, was criticised by the Auditor General for lack of transparency, poor accountability and on cost effectiveness grounds (Conway, et al., 2009).

As a member of the Northern Rivers RDB from 2003 to 2009, and of the Northern Rivers ACC between 2001 and 2005, the writer was experienced in the modes of operation of these entities and was aware that local government had little connection with, or interest in, the activities of the RDB. However, local councils promoted their own projects and those of other local entities, such as business, sporting and cultural groups through the Regional Partnerships Program as a mechanism for securing capital funding for new local infrastructure facilities.

There was evidence of some tensions, particularly at the ACC level, in terms of 'jockeying' for support for local projects. These tensions surrounded equity issues concerning the distribution of Regional Partnerships Program funding between the local government areas of the region. However, tensions were relatively muted by comparison to those emerging after the introduction of RDA Committees.

Evolution and role of RDA Committees

The formation and operation of RDA NSW was underpinned by a Memorandum of Understanding (MOU), executed in early 2009, between the Commonwealth and NSW Governments (Australian Government and New South Wales Government, 2009). The Agreement enabled integration of NSW RDBs and Australian ACCs to create the RDA NSW network. The MOU included the following ten underpinning operational principles:

1. Integrated arrangements: the Australian, State, Territory and Local Governments will continue to work towards the eventual adoption of more integrated and aligned arrangements for regional engagement and economic development, recognising that alignment is necessarily a long term process;
2. A commitment to collaboration: where possible, the three levels of government collaborate at the regional level;
3. Common boundaries: review existing boundaries to align ACCs, RDO and local government boundaries wherever possible;
4. Acknowledging the differences: regional engagement and economic development structures vary across the Australian Government and States and Territories;
5. The intention for tripartite arrangements: local regional development structures to involve the three spheres of government, including joint membership of committees and governing bodies;
6. Sharing of information: improve information sharing on regional development activities and outcomes;
7. Purpose and role of ACCs, and RDOs: work towards a shared purpose;
8. Cross-membership: as opportunities arise, work towards a degree of cross-membership of committees;
9. Joint funding: where possible collaborate through joint funding of regional development bodies to enable an increase in the scope of their activities; and
10. Co-location: where possible co-locate regional development offices to facilitate better communication and minimise duplication of facilities (Australian Government and New South Wales Government, 2009: 3).

On 7 August 2009, NSW membership of RDA Committees was announced (Costa, McKew and West, 2009) and at least two local government representatives were included on each of the 14 NSW Committees in an acknowledgment that local government was to be an important and active participant through membership of Committees. Some councillors, including the writer, were appointed as Committee Chairpersons. The membership announcement included a statement that 'RDA NSW will be a first point of contact for regional communities across all levels of government and will promote regional initiatives and partnerships'. Furthermore, Committees had the broad brief of consulting with the community and working with business and industry to develop the region's economy, to create new jobs, drive change and development and focus on sustainability and climate change issues (Costa, et al., 2009). At the time it was also stated (McKew M, et al., 2009,: 2) that RDA was an

Australian Government initiative that brought together all levels of government to enhance the growth and development of regional Australia, and would:

- Provide advice to government about regional issues;
- Provide strategic input into Australian and NSW government programs;
- Provide information to regional communities on National and NSW government initiatives;
- Help to coordinate regional planning and regional development initiatives; and
- Establish links and cooperative alliances as appropriate by closely working with other regional development organisations, neighbouring RDA committees and local government to promote regional development (McKew M, et al., 2009).

The September 2009 RDA Charter (Regional Development Australia, 2009) stated that RDA was a partnership between the Australian, State, Territory and local governments to develop and strengthen the regional communities of Australia, assuming the pivotal role of ensuring the long-term sustainability of Australia's regions. A key focus of RDA was to be the economic, social and environmental issues affecting communities, and RDA would be a contributor to and a driver of:

- Regional business growth plans and strategies, which will help support economic development, the creation of new jobs, skills development and business investment;
- Environmental solutions, which will support ongoing sustainability and the management of climate change (including the impact of drought, flood or bushfires); and
- Social inclusion strategies, which will bring together and support all members of the community (Regional Development Australia, 2009: 1).

The concluding Charter statement asserted that RDA would be an effective conduit between governments and regional communities, and would enable all communities to provide input to governments about the strengths and weaknesses of regional Australia (Regional Development Australia, 2009). RDA Committees established under this Charter were allocated a broad role, which was extensively publicised and promoted. This caused considerable discussion within local government. Elected colleagues expressed apprehension concerning what appeared to be the creation of an additional, unelected tier of government with considerable roles and power.

In April 2010, to support local government and regional development, a National Partnership Agreement was signed by the Commonwealth and all States and Territories. The Agreement allocated specific roles and responsibilities to the parties and nominated that the primary objective was to improve the capacity, resilience and infrastructure in communities and build capacity and resilience of local governments (Council of Australian Governments, 2010, p. 4). The outcomes sought in achieving this objective were:

- (a) increased capacity within local government in asset and financial management, workforce planning and adaption to demographic and climate change;
- (b) resilience to economic downturn;
- (c) improved local infrastructure;
- (d) a more skilled workforce; and
- (e) improved social capital in local communities (Council of Australian Governments, 2010: 4).

Early tasks of Committee Chairpersons included the winding up of the former RDBs and ACCs, formation of RDA Committee Executive groups, establishing an Executive Officer appointment process, supporting the new EO in making other staff appointments, and addressing former RDB transition reports and recommendations (Tiley, 2009). Furthermore, in the early period of operation of Committees, establishing contact and effective working relations with the media, Commonwealth and State political representatives, and bureaucrats from both levels of government, placed a considerable workload on the newly appointed Chairpersons and Committees.

In 2009, RDA Committees were structured as incorporated associations. Members were appointed for two or four year terms, with three year funding agreements with State and Commonwealth governments providing the income for administrative and management functions (Luckie, 2009). Accomplishing these roles, as well as the preparation of Regional Plans and addressing other government requirements, such as social inclusion, created considerable capacity constraints and resources scarcity for RDA Committees. For example, the Northern Rivers Committee had annual income sources of approximately \$450,000, of which \$358,000 was committed to inflexible costs, including salaries, superannuation contributions and office rent. Less than \$100,000 was available for projects (Luckie, 2009).

RDA Regional Plans and RDA funding, rounds one and two: additional responsibilities for RDA Committees

Regional Plans

In June 2009, a report to the Commonwealth regarding principles for future funding of regional and local community infrastructure was, in late 2010, the catalyst for introduction of the first round of RDAF. This seminal Report (House of Representatives Standing Committee on Infrastructure Transport Regional Development and Local Government, 2009) made several recommendations, including that the Government:

- Replace the Regional Partnerships Program with a new program designed to provide ongoing funding support for regional and local community infrastructure;
- Consider the need for clarity and simplicity when structuring guidelines that address an application's eligibility and the manner in which it is assessed and the funds awarded; and
- In establishing a new regional infrastructure funding program, considers the needs of program applicants and ensures that the program is accessible by providing useful information through a variety of sources and access to an application development process which places an emphasis on personal support provided by knowledgeable staff (House of Representatives Standing Committee on Infrastructure Transport Regional Development and Local Government, 2009).

Some of the emerging tensions between RDA Committees and local government, which are explored in the following section, may be traced to inadequacies emanating from the lack of implementation and adherence to the above recommendations.

In late 2010 and early 2011, on several occasions Hon. Simon Crean, Minister for Regional Australia, Regional Development, Local Government and the Arts, described the Government's vision of a better future for regional Australia and the importance of enhancing localism and empowering communities as the key to unlocking the region's economic and social potential

(Crean, 2010a; Crean, 2010). He advocated that the role of local government would become ever more important in the government's new approach to regional Australia (Crean, 2010). A major early task of NSW RDA Committees was to prepare Regional Plans to identify the key issues in the 14 regions. The Commonwealth instructed that the plans were a key deliverable for RDA Committees, that they would provide a framework for Committee engagement, and that Committees had responsibility for delivery of priorities identified in the Regional Plan (Regional Development Australia, June 2010). The Department offered Committees support of consultants, at no cost, in the preparation, refinement and implementation of Regional Plans.

In late 2010, the Commonwealth endorsed the NSW Regional Plans immediately prior to the announcement of Round One of RDAF. In 2011, RDA Committees were required to 'streamline' Regional Plans before the announcement of the RDAF second round. The greater part of the first two years of RDA Committee operations were engaged in preparing initial Regional Plans and, within a short period, the refining of those plans.

In October 2010, after assessing the endorsed Regional Plans, the Commonwealth (Curry, 2010) advised NSW RDA Chairpersons that the Plans included 40 regional issues, from which the five major issue or theme areas were identified: a strong and cohesive community (74% of total Plans); transport infrastructure (74% of total Plans); economic development; education, training and pathways to jobs (65% of total Plans); population growth and management including telecommunications and connectivity (65% of total Plans); and environmental sustainability (63% of total Plans) (Curry, 2010).

RDAF Round One

With this information, and immediately following the October 2010 Commonwealth endorsement of most RDA Regional Plans, the first round of RDAF was announced by Minister Crean (2010a, 2010b). He nominated that his approach to regional development was guided by the three principles of localism, transparency and national leadership (Crean, 2011). Further, he argued that regionalism and localism were concerned with accessing local input, arriving at creative solutions that 'stacked up – not wish-lists', that had been subjected to rigour and creativity, so that greater efficiency could be achieved in delivering better services and outcomes (Crean, 2011b). His desire was to entrench localism in the way that the nation was governed and in a manner that it could not be 'unpicked' (Crean, 2011c).

Minister Crean also advised that, in its Agreement with the Independents (Gillard, Swan, Oakeshott, & Windsor, 2010), the Government had committed that \$573 million of the Regional Infrastructure Fund would be allocated to fund projects identified by RDA Committees, to expand the development and growth of regional economies (Crean, 2010a, 2010b). This funding pool became known as RDAF Round One.

Committees were informed at the March 2011 RDA National Forum, in relation to Round One RDAF, that the Commonwealth would commit funding of \$1 billion to June 2015 (Regional Development Australia, 2011a). RDAF was to apply to all parts of Australia including large metropolitan areas, and would operate on a competitive basis, placing an onus on RDAs to identify high-quality infrastructure projects that met program criteria, the most important of which was that proposed projects must be backed by RDA's and their Regional Plans.

Grants of over \$5 million required matching funding from other-than-Commonwealth sources. Proposed projects were required to be 'investment ready' with all necessary planning approvals. The first RDAF allocation under the five year program was to commence on 1 July 2011 (Regional Development Australia, 2011a: 1). The Commonwealth sought to fund strategic projects with a reach across each LGA and RDA boundaries and regional infrastructure projects that would significantly improve economic outcomes; social inclusion and liveability; and build on the 'unique capabilities' and potential of each region (Regional Development Australia, 2011c: 6). Further, projects had to support at least one of the national priorities of skilling Australia, lifting productivity, maximising the opportunity of broadband, sustaining the environment, social inclusion, and water and energy efficiency (Regional Development Australia, 2011b: 11).

RDA Committees were required to provide written advice to eligible proponents, including local councils, incorporated not-for-profit organisations, or other organisations as members of a consortium led by an eligible applicant (Regional Development Australia, 2011c: 11), as to whether a priority infrastructure project was endorsed and why and how projects aligned with the Regional Plan. However, in Round One Committees did not have the role of assessing projects (Regional Development Australia, 2011c: 5) and could endorse a number of projects (Department of Regional Australia, 2011: 7). For example, to assist the first round process, RDA Northern Rivers (RDANR) provided potential or intending proponents a template which listed approximately 44 components of the Northern Rivers Regional Plan, against which proponents could demonstrate Regional Plan alignment. Furthermore, RDANR separately identified projects of regional significance, projects aligning to the Regional Plan, and projects that related to the Regional Plan (Regional Development Australia Northern Rivers, 2011c: 5, 6).

On 7 September 2011, Minister Crean announced an increase in RDAF Round One from \$100 million to \$150 million for 35 approved projects valued at \$418 million (Crean, 2011d: 8). Over 550 applications were received, such that the success rate was a low 6.4 per cent. Nine projects were approved for NSW, of which two were located in the Northern Rivers region (Crean, 2011a). For example, RDANR received 16 requests for letters of endorsement, of which six were from not-for-profit organisations (Regional Development Australia Northern Rivers, 2011a: 5). The total value of the projects was \$111.6 million and requests for funding support amounted to over \$64 million (Regional Development Australia Northern Rivers, 2011c: 3). After the funding announcement, the writer received several representations from local government representatives expressing disappointment at the small number of approved projects. This disquiet represented the commencement of underlying tension between the Committee and local councils.

Following the Round One funding announcement, some Committees, including RDANR, made submissions to the RDA Fund Advisory Panel suggesting improvements to RDAF. Primary RDANR concerns were that its Regional Plan had not been prepared for the eventuality of the determination of the alignment, or degree of alignment of potential projects; that the Committee was required to respond 'on-the-run' with very little notice; and that determination as to the regional significance of projects was required. Subsequent to the Round One RDAF announcement RDANR and other Committees consulted widely to develop a rationale as to what might constitute regional significance (Luckie, 2011) and how it might be assessed and measured (Regional Development Australia Northern Rivers, 2011c: 4-5).

RDAF Round Two

In November 2011, the Commonwealth released the guidelines for Round Two of RDAF, advised that RDA Committees would have a new role and stated that the Round would provide \$200 million to regional projects (Department of Regional Australia Regional Development and Local Government, 2011a: 1). The principal changes in Round Two included a two-stage application process with a short paper-based Expression of Interest (EOI); RDA Committees to review all EOIs from their region and select a maximum of three viable priority projects to proceed to full application; one EOI application per applicant for a single project; a maximum grant value of \$15 million; preference to applications that demonstrated partnership funding on a dollar for dollar basis for grant requests of \$ 5million or less, and on a 1:2 basis for grant requests of more than \$5 million; at least 50 per cent of partnership funding to be cash; and not-for-profit organisations should have a minimum annual income of \$1.5 million (Department of Regional Australia Regional Development and Local Government, 2011a: 3).

The EOI form listed five questions, each to be answered in not more than 350 words, including an overview of the project; the benefits that the project would deliver for the community and economy; how the project would benefit the broader region, what consultation had been undertaken with local communities and whether there was broad community support for the project; and how the project would be delivered (Department of Regional Australia Regional Development and Local Government, 2011a). RDA Committees were required to provide feedback to all proponents who submitted an EOI including establishment and maintenance of a Proponent Feedback Register. Furthermore, Committees had to provide factual, positive and constructive feedback to all proponents, provide feedback as a priority to proponents proceeding to full applications; and document comment given to proponents (Department of Regional Australia Local Government Arts and Sport, 2012: 3). These requirements meant that Committees had to establish and retain justification documentation of meeting discussion in the EOI assessment process. Unlike Round One, the Commonwealth placed RDA Committees in the role of 'gate keepers' in that EOI applications from all eligible proponents were required to be placed before, and assessed by Committees.

In the case of RDANR, the Round Two process occurred comparatively smoothly. Eight EOI's were lodged, five from local government and three from not-for-profit organisations (Regional Development Australia Northern Rivers, 2011b: 3-4). Using the Commonwealth mandated application format, the Committee decided on three projects to progress to the Commonwealth and to full application. The process was aided by the fact that the Committee had available a second 'streamlined' Regional Plan which defined 13 key regional issues and priorities. Furthermore, the Plan, for the first time, included nine principles of regional significance and 11 criteria to secure evidence that proposed projects or activities were consistent with the principles of regional significance (Regional Development Australia Northern Rivers NSW, 2011: 7-8: 11).

Emerging tensions between local government and RDA Committees - and potential solutions

RDA Committee capacity constraints, substantially caused by small administrative and management budget allocations from the Commonwealth and NSW governments, have resulted in limited operational resources and the necessity for Committees to rely on voluntary contributions of members in order to achieve desired outcomes. To some extent this has

created a perception within Committees of being 'toothless tigers'. Three-year funding contracts concluded on 30 June 2012, will be renewed for one year and then possibly for a further three years to 30 June 2016 (Lynn 2012). This has engendered uncertainty and internal tension within Committees. The evidence of tension and uncertainty was, for example, demonstrated at RDANR, with only two of the seven two year term members seeking a second Committee term. Substantially increased administration allocations from the Commonwealth and States, and commitment to extended term funding contracts would assist in addressing present capacity constraints and enable Committees to plan projects and activities over a longer period.

Local government held aspirations that RDAF would provide substantial Commonwealth assistance to address the infrastructure backlog and augmentation needs in the sector. Local councils are at the coalface of population growth, especially on the coastal fringe, and their ability to adequately provide basic infrastructure for more people affects how Australians perceive the costs and benefits of population growth (Creighton & Hartwich, 2011: vii). Given the well documented state of the Australian local government infrastructure backlog and renewal requirements, allocations of \$150 million and \$200 million respectively in the first two rounds of RDAF will have a minor impact in addressing major infrastructure and population planning requirements.

The first round of RDAF was oversubscribed, with only 35 of 550 applications funded (Crean, 2011d). Moreover, only 23 of the 35 funded projects were to local councils (Department of Regional Australia Regional Development and Local Government, 2011b: 1-9), highlighting the inadequate level of Commonwealth RDAF to local government and explaining the disappointment experienced in the sector. In the current Australian economic climate, with the Gillard government focus on returning the budget to surplus, the important matter of achieving a substantially higher level of Commonwealth RDAF commitment is likely to remain unresolved. Under present RDA agreements, state governments have not made any commitment to contributions to RDAF. A requirement of state government contributions would provide a much needed increase in this grant source, but is considered an unlikely development.

Tensions between local government and RDA Committees have resulted from a range of factors, one being that smaller local governments have expressed concern they are unlikely to receive RDAF because of their comparative inability to propose projects of regional or inter-regional significance. A more equitable method of RDAF allocation could be to provide each council a base grant, with the balance being available for contestable strategic projects. A precedent exists in the Regional and Local Community Infrastructure Program (RLCIP), which was part of the 2008-09 Rudd Government Economic Stimulus Plan. RLCIP provided over \$1 billion to local government to build and modernise community infrastructure, with each council receiving base \$100,000 grants (Department of Regional Australia Local Government Arts and Sport, 2010). A base grant allocation to all councils, as occurred under the RLCIP, would be a relatively straightforward measure to ensure that all local governments received at least some proportion of RDAF.

Another local government concern is that incorporated not-for-profit organisations are eligible proponents and are able to share RDAF with approximately 560 local councils. The pool of available funds to local government is thereby diminished. Furthermore, the not-for-profits have expressed the view that they are not as well equipped or competent as local

government in terms of applying for grants. Removing not-for-profit organisations from the RDAF 'pool' would increase grants available to local government.

Local government perceptions concerning the lack of democratic legitimacy of RDA Committees have impeded the capacity to develop working relationships. For example, in November 2011, NOROC, the peak local government entity on the Northern Rivers, was approached to match \$40,000 RDANR Committee funding to undertake a regional infrastructure audit and \$10,000 towards a Regional Digital Economy Strategy. NOROC declined to support the regional infrastructure audit, demonstrating an unwillingness to engage in regional cooperation with the RDA Committee (Luckie, 2011).

RDANR has ensured that regular consultation and information provision occurs with local government. RDANR Committee meetings rotate around the councils in the region and take place in the host council's chambers with presentations to the Committee by the council and other local community groups. These interactive sessions assist in overcoming local council perceptions that RDA Committees do not understand local issues or respect council infrastructure priorities. From a local government perspective, for RDA Committees to obtain greater legitimacy it would be desirable that local government representation be increased from the present minimum of two members on committees of twelve, to at least four members, with such members preferably being elected councillors.

There has long been evidence of a 'can do' attitude to advancing rural and regional capacity and development. In the context of RDA Committees and their interaction with local government, policy changes may provide sustainable solutions to tensions as described. Charters, Vitartas and Waterman (2011: 8) suggest that regional capacity to respond proactively to change is embedded in a rich 'bush tradition' of innovation and responsiveness to challenges. Furthermore, these challenges need to be met with strong, inter-related and sustainable frameworks that work within regions and articulate across regions. It is fundamental that regional Australia has specific and unique characteristics and qualities needing to be considered outside the policy frameworks that are commonly applied to densely populated areas (Charters K, et al., 2011). Beer, Crowther, Haughtow and Maude (2005: 57) have argued that

The neoliberal belief in privatisation and competition has made it difficult for regional development organisations, whether within local government or separate from it, to control and coordinate the range of services needed for effective regional development, because they have limited influence over private and often competitive service providers.

Conclusion

Since 2009, the Commonwealth and states agreement to establish 55 RDA Committees across Australia has created an additional layer of governance and new entities with substantial responsibilities and roles. It has been suggested that RDAs effectively comprise a fourth tier of Australian government. Perhaps the RDA Committees' major impact on local government has been the Commonwealth's requirement that Committees now determine which local council infrastructure projects go forward to the Commonwealth for RDAF allocations.

The paper has identified tensions between RDA Committees and local government which have emerged since the formation of RDAs. From an insider perspective, the writer has made suggestions for policy changes to ameliorate tensions. Ultimately, effective, ongoing dialogue between RDAs and the local government sector is the best avenue to ensure that good outcomes are achieved for local communities.

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