

Response to Pride of Place: Senate Standing Committee Inquiry into the future of Regional Australia

It is with optimism and deep interest that the Foundation for Rural and Regional Renewal (FRRR) notes the release of *Pride of Place: Inquiry into the future of Regional Australia*. This is one of several major reports and platforms focussed on remote, rural and regional communities at the moment, which open the door for potentially significant shifts in policy and funding that acknowledge the value and importance of a sustained and coordinated approach to investing in these communities.

When it comes to strengthening remote, rural and regional communities, there is no magic wand, no simple solution. It's a complex issue and requires a multifaceted approach. The recommendations and findings of *Pride of Place* are a part of that response – and FRRR is broadly supportive of these ideas. However, there are several factors we believe should be considered when implementing these recommendations, which we outline below.

We note that much of the information gathering and certainly timing of submissions coincided with the bushfires, and suggest perhaps allowances or extensions and expansion of calls for input would have been appropriate. We noted the Inquiry received only 89 submissions and 27 exhibits – a relatively low number considering the scope of the Inquiry, which suggests that perhaps the overall process was low-profile.

We wish to record our disappointment at not being invited to provide a submission to this Inquiry. As the only national foundation specifically focused on ensuring social and economic strength in remote, rural and regional areas of Australia by aligning government, philanthropic and local community purpose and investment, and with 21 years of insights, we feel our contribution would have provided valuable insights to the Inquiry's recommendations.

We welcome the opportunity however, through this response, to be a part of the conversation going forward, and to contributing to the transformation required to see remote, regional and rural Australia considered at the decision-making table and those communities put front and centre. We know this work is important and if we don't get this right, Australia and our remote, rural, and regional communities will bear the brunt - as they have many times before.

The recommendations and findings of *Pride of Place* are just one piece of the puzzle for the sustained improvement of Regional Australia. Delivering on these goals - the right way, with the right consideration of the right settings - will take us a step closer to ensuring that our rural, regional and remote population get the funding and support they need.

We trust that you will take the comments below in the spirit of sharing our learnings and reflecting the voice of our communities. They are intended to be constructive and to help build an even better solution.

We welcome the opportunity to elaborate on these in any forum, and should you have questions, please do not hesitate to contact me.

Natalie Egleton
Chief Executive Officer
On Dja Dja Wurrung country



FRRR's broad response to the findings

We are pleased that the Committee took on board the work of a previous Inquiry into 'best practice approaches to regional development, the decentralisation of Commonwealth entities and supporting corporate decentralisation' – in particular, the importance of 'long term, flexible, and committed policy making'. FRRR would welcome the adoption of this principle, and would also like to see an alignment of longer-term funding alongside longer-term policy. We believe these go hand in hand and are critical to underpin true transformation and meet well-established community need.

In our 2021 [Heartbeat of Rural Australia study](#), community organisations signalled longer-term or ongoing funding as a critical need, allowing them to plan more effectively and to use resources more efficiently. The study also highlighted other feedback on systemic funding changes that could make a real difference, including:

- Funders getting to really know community organisations and to better understand their unique situations;
- Representatives seeking the opportunity to be consulted and listened to on issues that affect their communities. In our study, only around half of respondents agreed that they are able to influence decisions made about their area; and
- A call for greater flexibility in how and when funding can be used, and a simpler application process, with less red tape. Government programs were cited most frequently as being the most complex.

The Inquiry suggested the development of a program to highlight the advantages of doing business in regional Australia. FRRR is supportive of this approach, however cautions there is a critical need to develop solutions with a strong Environmental, Social, and Governance (ESG) lens, for example, sustainable and affordable housing and infrastructure development that complements natural assets.

FRRR reiterates the Inquiry's finding that place-based decision making is critical for the successful development of remote, rural and regional Australia. Place-based decision making is essential to ensuring appropriate services and opportunities. FRRR would particularly like to see a firm focus on smaller towns and remote areas, in addition to regional towns. There is currently a risk that the benefits of the movement to regions will not be felt by smaller towns, which in many cases don't have the service access and systems, housing stock and affordability, and facilities to sustain sudden population growth. Community leadership, locally-led community visioning, and investment in advocacy and know-how will be critical if long-term benefits are to be realised.

We support the position of the Australian Local Government Association (ALGA) who noted for the Inquiry the important role that local governments play in regional areas. FRRR also believes that local government should be better resourced and given greater autonomy to work with their communities on complex, long-term issues that require local capacity and



knowledge. In our experience, a lot of our funds support the work and assets of local government, which have been devolved to community organisations over time. With increasing consolidation of rateable properties – the primary income source for local authorities – we expect to see more and more facilities and services devolved. Yet, without support for those groups and their volunteers, those services will disappear, or the burden will fall to other tiers of Government.

The Inquiry touched on a number of areas that have been the focus of FRRR's work for two decades. Pride of Place called attention to recent disasters such as the 2019/20 bushfires and the COVID-19 pandemic as a demonstration of the resilience of regional communities. In many cases, this resilience has been tested, time and again – and while communities will keep getting back up, it is taking a significant toll on the diminishing number of volunteers – particularly in those areas that have experienced back to back disasters. FRRR has actively supported communities to invest in their resilience since its inception. Programs such as [Heywire](#), [Strengthening Rural Communities](#), [Disaster Resilient: Future Ready \(DR:FR\)](#) and [Investing in Rural Community Futures \(IRCF\)](#) are just some of the examples of catalytic models that are helping FRRR drive positive change across different cohorts and communities in remote, rural and regional Australia. The DR:FR and IRCF models in particular focus on building capacity in a place-based context, and the impacts of that approach are proving significant, and sustained.

We note that several submissions argued for specific funding models for regional communities. The challenge of funding as highlighted by the Inquiry is an area that FRRR can most immediately provide support and guidance, as it goes to our formation. Since we were founded in 2000, we have become a trusted partner, connecting common purposes and funding from government, business and philanthropy, with the genuine local needs of rural people and places. Since inception, we have channelled more than \$135 million, mostly in small grants, to more than 12,000 community-led projects. On average, those funds were further leveraged around 2-3 times – resulting in a significant impact in those communities.

We would welcome the opportunity to build on the strength of the FRRR model and its capabilities and further develop and leverage our work to ensure that the right kind, and levels, of support can be provided in a timely and impactful way. We have seen firsthand that community needs and priorities will constantly differ, change and evolve, which is why there needs to be resilient, sustainable systems, organisations and networks – and sustained investment in local capacity.

Evidence of the impact of FRRR's funding model is highlighted by the Inquiry through the case study of The Unconformity – a now internationally recognised arts festival celebrating the spirit of its community on the west coast of Tasmania. Through our [Seeds of Renewal](#) program, funded in partnership with ANZ, The Unconformity received a grant in 2018 to help them develop their community arts hub in Queenstown. Contributing to building this inclusive arts space for exhibitions, performances, workshops and meetings, the Seeds of Renewal grant helped to stimulate the local arts sector and economy. Often FRRR's funding is catalytic,



giving others confidence to support the program and local groups confidence to keep seeking funding and doing their important work.

FRRR noted the Inquiry's analysis of the disadvantages of the current system, including the matter of DGR status for Community Foundations. FRRR has long championed the important role of place-based philanthropy and we have actively supported the establishment and development of community foundations, as a structure through which to focus local place-based giving. Leveraging FRRR's DGR-1 status, we have directed more than \$22M into communities through our partnerships with and support of community foundations. We welcome the recent extension of DGR-1 status for Australia's rural and regional community foundations, as confirmed in the 2022 Budget announcements. This special status means that the rural and regional communities that have a local community foundation in operation that is affiliated with the peak body, Community Foundations Australia, can now directly accept tax deductible donations from a broader range of donors to channel toward their local community needs.

We are proud to have been able to help these groups raise those funds, and to have played a key role in the establishment, development and promotion of the sector as a whole. We will continue to back regional community foundations and facilitate funding and collaborations to advance resilient, vibrant, sustainable regional communities.

The Inquiry also noted a benefit to a DGR status change for Community Foundations as easing the process for local families to gift their communities with lasting legacies through an estate donation. FRRR welcomes any opportunity to improve access to funding for Regional Australia but notes that a DGR status change would only be relevant for estate transfers, where sales of assets might occur. To our knowledge, a lack of DGR-1 does not preclude a gift in a will.

Response to key recommendations

Recommendation 1

1.36 The Committee recommends that the House of Representatives establish a Standing Committee on Regional Australia.

FRRR welcomes this recommendation and sees the effective implementation of such a body as helping to resolve some of the tensions that can exist across portfolios such as drought/agriculture, emergency management, environment/climate, infrastructure, social services and multicultural and Indigenous affairs. This body could provide opportunities to streamline policy-settings across these portfolios, where they directly impact regional Australia. It would also offer a Forum where ideas could be brought forward and considered, with a view to determining a holistic Government response.



Recommendation 2

2.90 The Committee recommends that the Australian Government implement mechanisms to allow regional community groups to more easily receive tax deductible gift recipient status so that private philanthropic funds can be donated to, and stay in, regional communities.

FRRR was established by the Australian Government and philanthropic partners, for the purpose of enabling private philanthropic funds to be donated to and stay in regional communities. FRRR's remit and DGR-1 listing explicitly supports regional Community Foundations and community groups to raise funds without the requirement and compliance burden of holding DGR-1 themselves.

As noted above, FRRR has been a long-standing supporter and advocate of Community Foundations, and welcomes the recent extension of DGR-1 status to 28 Community Foundations that are affiliated with the peak body, Community Foundations Australia. FRRR also plays a critical role in reaching the many remote and rural communities that don't have a local Community Foundation and which have local organisations without DGR-1 status.

We do note that the level of compliance required of DGR-1 entities is significant and requires an appropriate level of scale, governance experience, and understanding of charitable purposes. Capacity building support will continue to be needed as Community Foundations evolve, new foundations emerge, and innovations in philanthropy occur. FRRR will continue to offer its support in this regard, but also encourages further investment from government to ensure success.

Recommendations 3, 4 and 5 should be considered within a place-based lens and with consideration to smaller and more remote towns and the burden placed on volunteers to ensure essential services are maintained and available. FRRR understands the importance of local, community-led solutions. Through our grant programs, communities have been able to fund projects specific to their needs. It could be a bus for disadvantaged children to access preschool education or providing health and medical services to communities impacted by bushfires – whatever the idea, we believe targeted, well-informed investment in people and organisations that are in and of their place will make the difference for our remote, rural and regional population.

Recommendation 3

3.90 The Committee recommends that the Australian Government provide increased funding for regional universities and greater support for their students.

Localised higher education pathways are a vital ingredient to moving the Australian mindset about where and how to access world-class higher education. FRRR supports greater investment in Regional Universities, and notes that FRRR currently supports the network of Country University Centres to raise tax deductible funds – an important element to enabling place-based participation in higher education.



Recommendation 4

3.91 The Committee recommends that the Australian Government investigate means of improving access to medical and allied health services for regional Australians including greater investment in regional universities and other health training organisations to ensure interested young people stay in the regions; providing incentives for trainee practitioners to study, practice, and stay in our regional communities; funding for regional clinical placements for students and mid-career professional development; greater investment in the specialist capacities of regional hospitals and medical research facilities in the regions; and increasing the number of Medicare funded visits for regional patients.

FRRR notes it is also critical that policy settings work on the persistent challenge of attracting and retaining health and allied health workforce. A promising model, supported by FRRR, is through organisations such as the Community Health Infrastructure and Resilience Fund Incorporated (CHIRF) and the Services for Rural and Remote Allied Health (SARRAH). As part of their focus on delivering allied health services, these organisations promote a whole-of-community approach to supporting health professionals to stay or move to remote and rural towns, encouraging a sense of belonging, opportunities to become socially connected and settle their families, all identified as essential conditions for retention. There are lessons here that could be replicated more widely, if adopted and supported as policy.

Recommendation 5

3.94 The Committee recommends that the Australian Government encourage its State and Territory counterparts to prioritise the release of government land for housing developments; look at ways to increase new and maintain existing public housing stock; and streamline the process to allow development of Aboriginal Land Council parcels of land.

FRRR highlights the need for this recommendation to be designed with robust ESG metrics to ensure town amenities are strengthened, not compromised. Housing stock needs to be of sustainable and affordable standards and ensure that the quality of life sought by people living in the regions is not lost. Consideration should also be given to the mix and location of developments – these should not occur in high-risk areas such as floodplains, low lying areas near flood-prone river systems, or bush with limited access.

Recommendation 6

4.77 The Committee recommends that the Australian Government develop a nationwide Regional Development Plan which considers the current and future infrastructure needs of regional Australia. The Regional Development Plan should focus on telecommunications and internet connectivity, road, rail, ports and airports along with soft infrastructure.

FRRR supports a Regional Development Plan and agrees with the intended focus. Our [Heartbeat of Rural Australia study](#) found that the pandemic had highlighted the 'digital divide' between capital cities and country areas, in particular the unreliable nature of internet access.



FRRR has also seen an increase in smaller infrastructure projects in recent years, indicating a need for stronger focus on these areas from Government support and funding. Place-based energy security should also be included to influence affordability, reliability, continuity of supply during emergencies, and climate resilience.

Recommendation 7

4.78 The Committee recommends that the Australian Government develop mechanisms to encourage private public partnerships to fund regional infrastructure.

FRRR supports this recommendation and notes the opportunity it presents to collaborate with impact investment markets to foster outcomes with a solid ESG lens focussed on projects such as sustainable and affordable housing and infrastructure development that complements natural assets.
