

Millions in rural grants wasted: Nationals Bureaucracy 'soaking up funds'

By FARRAH TOMAZIN and PAUL AUSTIN, THE AGE, June 18, 2010

Days after unveiling a \$631 million plan to revitalise the bush, the Brumby government has been accused of wasting millions of dollars that should have gone to some of the neediest rural communities.

Figures from the Auditor-General show that of the \$10 million fund set up by the government four years ago to improve life in rural towns, only \$5.1 million in grants has been given out so far, while a further \$2.6 million has been funnelled into "administrative and operating costs".

The fund, known as the Community Building Initiative was designed to run between 2006 and 2010 in a bid to strengthen rural towns, particular those experiencing growth, population decline or disadvantage. Under the scheme, the Department of Planning and Community Development provides grants to dozens of regional towns for small projects that will benefit their communities, such as park upgrades, new bike tracks or tourism brochures.

The program is meant to empower locals by giving them a say in the kind of projects they want to pursue, while leveraging extra support from business and community groups. But the way the funding has been spent has left the government vulnerable to Coalition accusations of waste and mismanagement.

Nationals leader Peter Ryan likened the spending to the Building the Education Revolution schools program, which has also come under fire for the amount of money that gets soaked up in administrative costs.

"Brumby government bureaucracy has wasted taxpayer money that could have funded a range of community projects across rural Victoria. It's appalling," Mr Ryan said.

A spokeswoman for Community Development Minister Lily D'Ambrosio rejected Mr Ryan's claims. She said most of the administrative costs — or about \$1.5 million worth went on wages, and that these costs were kept low despite the fact staff were overseeing projects in more than 100 towns. The operating budget — about \$1.4 million — went towards planning workshops as well as smaller

projects such as installing AFL goal posts at sports ovals or lights in recreational parks.

The stoush came as Premier John Brumby travelled to Ballarat to announce a jobs coup for the regional city. International information technology company Vertex will spend about \$11.5 million on a new customer support centre in Ballarat, creating about 600 jobs over the next three years.

The state government is understood to have provided millions of dollars worth of incentives to the company to clinch the deal, but Mr Brumby said the precise amount would not be made public because it was commercial-in-confidence. He said the project would inject about \$15 million a year into the local economy. Ballarat mayor Judy Verlin said Vertex's decision was a vote of confidence in the city.

LISA Comment: Waste and mismanagement is rife within the DHS, Disability Services. They buy, not manage their way, Money is certainly soaked up in administrative costs – We have wall to wall practical examples.