



GOVERNMENT OF
WESTERN AUSTRALIA

Structuring Regional Development for the Future

*A Review of the Functions and Responsibilities of
Regional Development Commissions*

November 2010

SUMMARY

Our Vision

In the eight months since I began as Chair of the Review into the Functions and Responsibilities of Regional Development Commissions (RDCs) the political landscape for regional Australia has changed significantly. The election of three regional Federal Members of Parliament to a balance of power position in Canberra has brought about increased political recognition of the economic importance of investment in sustainable and enduring regional development across the nation.

This national shift in regional focus follows the change of government in Western Australia in September 2008 that resulted in more robust regional investment through the Royalties for Regions program, which sets aside the equivalent of 25 per cent of all mining and onshore petroleum royalties for investment in regional infrastructure and community projects, over and above normal budgeted government expenditure.

I believe this review is timely because with significantly increased investment into the regions can come risk, as well as opportunity. The risks can include failure to deliver outcomes, duplications and overlaps, and lack of capacity. The review allows us to reflect on the delivery structures and systems of the RDCs and determine what can best support our future investments in regional Western Australia.

Regional governance is important to any change. Local decision-making should be a cornerstone for regional investment by all tiers of government. A focus of this review has been to ensure this mantra endures, especially in relation to Royalties for Regions (R4R) investment which is now enshrined in the *Royalties for Regions Act 2009*. By 2013-14, more than \$4.2 billion will have been invested in regional Western Australia through this program.

We need to bring regional government into the 21st Century and ensure that by empowering our communities they will thrive.

State Government, and just as importantly, local governments, the Commonwealth (through the Regional Development Australia organisations) and not-for-profit partners, need the capacity to work together on the ground for localised decision-making. This objective has been outlined in the State Government's Economic Audit Committee report, which was a catalyst for this review.

This review has allowed us to garner ideas from organisations and individuals right across the Western Australian spectrum. It has been a valuable reminder of the aspirations, insights, vision and ideas that can come from people in all walks of life: experts, community and industry leaders and local champions. The responses to the review have been overwhelmingly positive, constructive and ambitious.

As with any review of this kind, we have received a vast array of differing opinions and suggestions on how we can strengthen regional development for the future. Not all of these form part of our conclusions or recommendations, but they have assisted us in our deliberations and, importantly, in being informed on the different views of our communities.

Each of these recommendations is worthy of implementation. They have the advantage of providing:

- for a new peak body with its own executive chair and staff whose work will be focused on setting strategic directions, policy and prioritisation, and strategies common to all RDC-Regions;
- Ministerially appointed RDC-Regions boards with enhanced functional strength, greater strategic thinking, and wider regional development planning and decision-making roles;
- for the development of blueprints that will set the future directions of a region;
- efficiencies in non-core work being undertaken by the Department of Regional Development and Lands, that will better support RDC-Regions;
- a foundation for integration of players at the regional, state and Commonwealth levels;
- a basis for all government agencies to review their regional operations and boundaries;
- a way forward on the issue of making Aboriginal partnership and governance work in practice; and
- a more sound basis for R4R investments.

Our recommendations should be seen as a package leading to a coherent and comprehensive reform agenda for regional development, rather than read separately. Real reform on regional development will take time and considerable political will and administrative efforts.



Wendy Duncan MLC
Chair,
Review of the Functions and Responsibilities of
Regional Development Commissions

25 November 2010

Recommendations

A New Structure for Regional Development Commissions

The Review of the Functions and Responsibilities of Regional Development Commissions recommends that:

A new statutory authority be established named the Western Australian Regional Development Commission (WARDC)

1. A single statutory authority be established called the Western Australian Regional Development Commission (WARDC), with the current Regional Development Commissions (RDCs) becoming regional offices of the WARDC (to be known as RDC – and then the name of region, eg. RDC – Pilbara). The WARDC will be the employing authority of its staff, and some existing RDC staff will be transferred to the Department of Regional Development and Lands (RDL) with the transfer of ancillary and support services – see recommendation 4. Each regional office will retain its own board, guiding the functions and priorities of the regional office.

Membership of the WARDC

2. The membership of the Board of the WARDC be comprised of an executive chair, appointed by the Minister for Regional Development (the Minister), chairs of the regional offices board, and one non-voting ex-officio member: the Director General of RDL.

Executive leadership of the WARDC

3. The WARDC chief executive officer be employed under section 45 of the *Public Sector Management Act 1994*.

Service-level agreement between the WARDC and the Department of Regional Development and Lands

4. Given the strategic role of the WARDC, and the geographical service areas, consideration be given to entering into a service-level agreement with RDL for ancillary and support services, such as corporate services, grant administration and assistance with policy, research, strategic issues and co-ordination. For regional offices of the WARDC, this will enable them to focus on priority work areas.

WARDC regional office board membership

5. Each regional office board membership be comprised of a minimum of five members appointed by the Minister based on experience, skills and competencies related to the region.

Location of the WARDC

6. To ensure collaboration across departments and agencies, the WARDC be initially located in the metropolitan area.

WARDC roles and responsibilities

7. The Minister develop the WARDC's roles and responsibilities to include:

- 7.1 coordinating and consulting with key government and non-government agencies, organisations and stakeholders on regional development policy;
- 7.2 developing a state-wide perspective on regional conditions, including market failures and opportunities for growth;
- 7.3 providing state-wide views, plans, advice and recommendations to the Minister;
- 7.4 creating a framework for the development of a regional blueprint to manage growth in a sustainable way, ensuring the integration of government planning, and as a resource for industry and not-for-profit organisations;

- 7.5 delivering on policy requirements and facilitating joint regional office initiatives relating to regional development that individual offices cannot meet;
- 7.6 recommending to the Minister prioritisation of Royalties for Regions grants allocation for disbursement by the regional offices of the WARDC, working with the Western Australian Regional Development Trust;
- 7.7 providing a general managerial and administrative oversight role for the regional offices of the WARDC, including —
 - 7.7.1 endorsement of the appointment and deployment of staff;
 - 7.7.2 strategic financial resource management;
 - 7.7.3 endorsement of strategic, business and operational plans;
 - 7.7.4 endorsement and monitoring of regional objectives; and
 - 7.7.5 peer assessment and evaluation.

Regional offices of the WARDC — roles and responsibilities

- 8. The Minister develops regional offices of the WARDC with roles and responsibilities to include:
 - 8.1 being the lead coordinator in the regions, for the purpose of coordinating the multiplicity of government and non-government efforts;
 - 8.2 proposing economic and social growth initiatives, including through Royalties for Regions grant funding;
 - 8.3 monitoring regional social and economic development, including market failure, in order to identify specific agency or whole-of-government actions;
 - 8.4 planning to enable the development of a regional blueprint within the framework developed by the WARDC, ensuring the integration of government planning, and as a resource for industry and not-for-profit organisations.

The blueprint should serve the following purposes —

- 8.4.1 it should be the pre-eminent regional development plan for the region, beyond any other plan, and include all government agencies in order to break down silo mentality;
- 8.4.2 it should reflect the input from, and have the endorsement of, all levels of government and the community in the region;
- 8.4.3 it should have mandated authority to ensure that the regional office of the WARDC brings people together to develop a blueprint; and
- 8.4.4 it should be a reference point for any relevant plan for a government department or agency.

- 8.5 leading on regional development integration of government, business, industry and community partners, through data collection, information provision, promotion, coordination and facilitation;
- 8.6 providing regional, strategic, high-level advice and recommendations to the WARDC, and through the WARDC to the Minister;
- 8.7 addressing regional policy matters referred by the Minister through the WARDC.

Other recommendations relating to the structural reforms

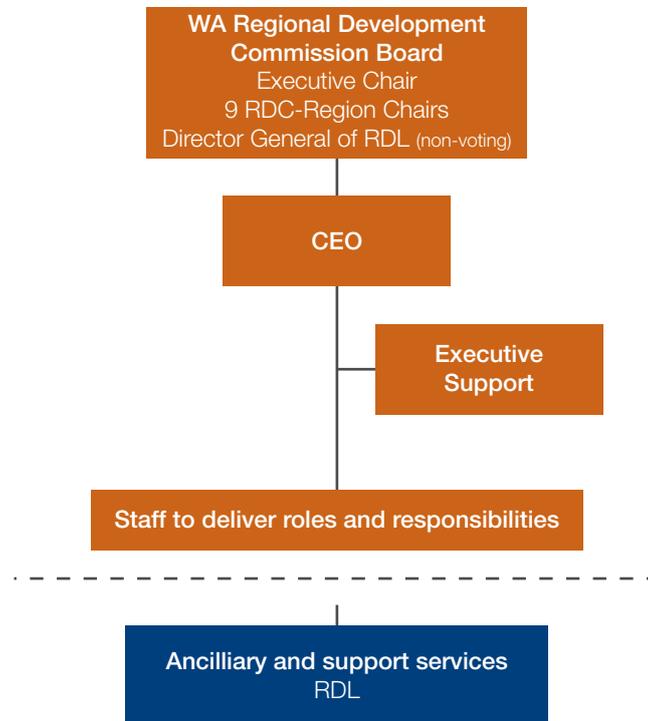
- 9. In supporting the structural reforms above, that the Minister considers the following:
 - 9.1 that as part of the transition to the new arrangements, a skills assessment of roles and responsibilities of the current arrangements be undertaken to ensure the new WARDC and RDL are equipped to deliver the intended outcomes of the new model;
 - 9.2 that the Minister develop a performance management and accountability framework for agencies under the portfolio;
 - 9.3 that the Minister arrange a review of government agency regional boundaries, with a view to consolidating and possibly standardising the boundaries;
 - 9.4 that an existing group be used to facilitate cross-agency collaboration on regional development at a chief executive officer level e.g. the Royalties for Regions Directors General Reference Group;
 - 9.5 that the Minister develop a framework for monitoring regional partnerships and forums to ensure their efficiency in achieving horizontal integration and providing ongoing support and guidelines, particularly relating to Regional Development Australia organisations, Natural Resource Management offices, Community Resource Centres, tourism and the Small Business Development Corporation;

- 9.6 that RDL and the Department of Indigenous Affairs identify solutions to enhance Aboriginal partnership and governance, to realise human capital for the state, and develop a policy position for the Minister and the Minister for Indigenous Affairs, and Cabinet; and
- 9.7 that a review of Government agency regional locations be undertaken by all agencies, to assess the option of collocation for smaller agencies or those with limited regional presence.

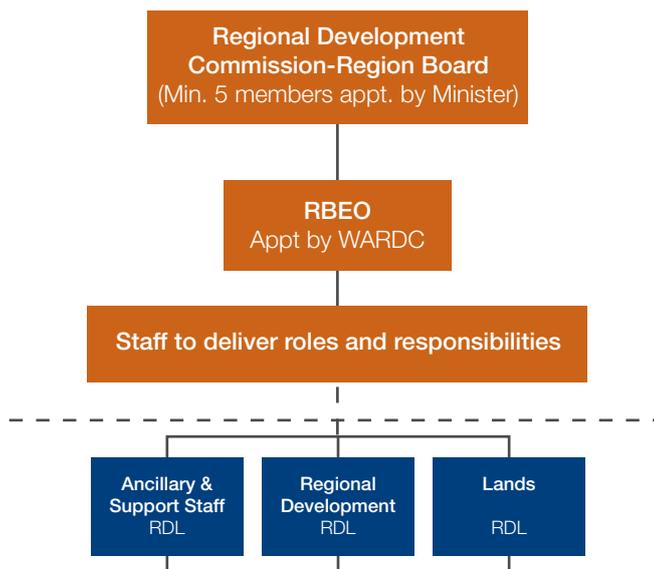
Working party to strengthen the integration and alignment of statutory land use planning, and regional development and local government service delivery in the Pilbara Region

- 10. Establish a Ministerially endorsed and mandated working party to strengthen the integration and alignment of statutory land use planning, regional development, and local government service delivery within existing legislative planning frameworks for the Pilbara region. (This accords with Economic Audit Committee recommendations 6 and 10.)

The WARDC



RDC-Regions





Review of Regional Development Commissions

PO Box 1143
WEST PERTH WA 6872

Telephone: (08) 9217 1699
Free call: 1800 620 511 (country only)

Email: rdcreview@rdl.wa.gov.au

Website: www.rdl.wa.gov.au

