



GOVERNMENT OF
WESTERN AUSTRALIA

Government Response to the Review of the Functions and Responsibilities of Regional Development Commissions

14 July 2011

Background

The Western Australian Government welcomes the report *Structuring Regional Development for the Future* which reviews the functions and responsibilities of Regional Development Commissions (RDC).

The Government acknowledges that the Review Committee, chaired by the Hon Wendy Duncan MLC, undertook a comprehensive examination of regional development and the RDCs through wide-ranging investigative and consultation processes.

The report represents a well-researched and considered examination on the structure, trends and nature of regional development and importantly underlines the fact that it is integral to building the future prosperity of Western Australia.

Cabinet noted the report on 13 December 2010 and on 11 July 2011 endorsed this Government response.

The Minister for Regional Development; Lands released the report on 14 December 2010, inviting public comment on the implementation of the recommendations.

In summary, the feedback indicated that there was a need;

- to fully consider the structural proposals that would adversely affect RDCs status, governance, reputations and operations
- to be clear about the status of the RDCs in the future, especially under the proposed structure, in terms of their future roles, influence and regional autonomy
- for more detail and consultation on implementation.

The messages provided as part of the public comment have been fully considered and responded to, and are reflected in this Government response to the report. The submissions presented to the review were also considered.

Essentially, Government does not accept the review's recommendation on changing the structure of the RDCs and the proposal to create a new Western Australian Regional Development Commission (WARDC). It was clear from the 207 submissions to the review, and public comments on the recommendations, that there was very strong support for maintaining the existing structure for RDCs, with the associated level of autonomy and direct reporting to the Minister. These arguments outweighed the restructure option put forward by the review committee, although importantly Government strongly supports the non-structural change recommendations.

Through the wider framework and structure supporting regional development, regional boards need to be assured that their time commitments and efforts translate to making real differences for their regions, ensuring future prosperity and wellbeing.

Response to Recommendations

Recommendation 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.

Response: Government does not support recommendation 1.

Recommendation 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.

Response: Government supports membership of the Regional Development Council (Council) and Regional Development Commission (RDC) boards reflecting the more effective and flexible approach to boards suggested by the review in recommendations 2 and 5, including the Council having a full-time Executive Chair. Feedback from local government raised concerns on loss of representation but it is anticipated that by virtue of local knowledge and understanding of issues that there will be participation in future RDC boards. The Minister should nonetheless monitor local government membership. There is opportunity for a wider range of skills on RDC boards, such as through Regional Development Australia organisations participation.

Recommendation 3

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

Response: Government does not support recommendation 1 and so recommendation 3 is no longer relevant.

Recommendation 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.

Response: See Government response to recommendation 9.1 below.

Recommendation 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.

Response: See Government response to recommendation 2 above.

Recommendation 6

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

Response: Government does not support recommendation 1 and so recommendation 6 is no longer relevant.

Recommendation 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; and

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.

Response: The Regional Development Council (Council) jointly working with and supported by the Department of Regional Development and Lands (RDL) will be responsible for developing drafting instructions for the legislative change, ensuring that there is full consultation with the community. Legislative change will include:

- the roles and responsibilities of the Regional Development Commissions (RDC) and the Council being updated through amended legislation to create a new operating model. Such updating will reflect for the Council the direction set by the review committee through recommendations 7 and for RDCs recommendation 8.
- gaining agreement from the Western Australian Planning Commission (WAPC) on the development of Regional Investment Blueprints to avoid any potential for confusion and role conflict with the development of regional planning frameworks and strategies. The WAPC has asked for a clear distinction between roles and functions, recognising the emphasis in the review recommendations on regional economic and community development, and industry attraction, responsibilities. In developing such preeminent blueprints RDCs will have mandated authority to bring together stakeholders.

The Council will be provided with additional dedicated and ongoing support, to be located in RDL, as it will have a key role in setting strategic directions, policy prioritisation and strategies common to all RDCs for regional economic and community development responsibilities, including industry attraction, from 1 July 2011. To further strengthen the Council an Executive Chair will also be appointed on a contract for services arrangement from 1 September 2011, providing full-time leadership.

Recommendation 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.

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; and

8.7 addressing regional policy matters referred by the Minister through the WARDC.

Response: See Government response to recommendation 7 above.

Recommendation 9

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.

Response: Based on the need to further support Regional Development Commissions (RDC) enhanced and refocused roles and responsibilities, to minimise risks with having small agencies (as identified by the Economic Audit Committee) and building on the review's recommendation that a skills assessment be undertaken (9.1) a wider assessment should be carried out. The Premier and Minister for Regional Development; Lands will be provided with the assessment led by the Public Sector Commission, supported by the Regional Development Council (Council) (through which RDC CEOs would be expected to be involved) and RDL. Essentially, this will develop a new operating model for RDCs. It will:

- assess the RDCs current skills, including analysis of any gaps in capabilities, in order to meet roles and responsibilities based on recommendation 8 of the review
- propose new positions and establishments for RDCs, including the reclassification or change to existing positions, including CEOs
- review RDC Board member entitlements
- assess how RDL can provide some non-core work and support for RDCs, recommending a generic Service Level Agreement. This would particularly cover corporate services, such as human resources, finance and reporting, and grant administration, and
- detail any funding implications.

The Council, jointly working with and supported by RDL, will implement the review's recommendations 9.2, 9.3, 9.5 and 9.7. RDL will implement the review's recommendation 9.4. The Aboriginal Affairs Coordinating Committee will progress recommendation 9.6.

Recommendation 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.)

Response: RDL leading in implementing Recommendation 10 as Government will 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. There is great potential in having the Commonwealth, through the Regional Development Australia organisations, join this partnership. If successful, the model could be applied to other regions.

Conclusions

The Government response sets the foundation for the future of a more integrated, strategic and focused regional development.

The direction on integration and consolidation of regional development reflected in this Government response is also being discussed with the Australian Government in relation to its Regional Development Australia organisations. There exists potential to build a stronger foundation whereby both governments can cooperate and make decisions together to strengthen our regions.

The Government welcomes an expanded role of the Council and RDL, and refocused RDCs. This will strengthen regional development and the delivery of the Royalties for Regions program.