

Review of functions and responsibilities of Regional Development Commissions: Terms of Reference

Purpose of the review

The Economic and Expenditure Reform Committee (EERC) has requested that the Minister for Regional Development conduct a review of the functions and responsibilities of Regional Development Commissions (RDCs) and to report back to the EERC before the 2010-11 mid-year review.

Background

The nine Regional Development Commissions (RDC) and the Regional Development Council are established by the *Regional Development Commissions Act 1993* (the Act).

Regional Development Commissions (RDCs) are a unique model in Australia. They are state government statutory authorities whose role is to facilitate and coordinate the development of the region in which they are based. The Act defines the role of RDCs as facilitating regional solutions through coordination across organisational and sectoral boundaries (i.e. both within the public sector and across the community and private sectors).

They have a direct relationship with their communities through their proximity and their leadership by local people and they are directly accountable to the Minister responsible for administering the Act.

In accordance with Section 45 of the Act, a review of the Act was undertaken and the report tabled in Parliament in 2004. Over the last several years possible amendments have been identified and considered for inclusion in a draft Amendment Bill.

However, the machinery of government arrangements that support Western Australia's regional development have changed since the election of the Liberal National Government in 2008.

The Department of Regional Development and Lands (RDL) was established on 1 July 2009 as a department of state dedicated to progressing regional development across Western Australia. The administration of 93 per cent of Western Australia's land mass has now been combined with funding and policy support for regional development in Western Australia. The working group that oversaw its establishment recommended that the Director General consider the relationship between RDL and RDCs; and RDL is also considering how best to increase its regional presence and service delivery.

The Royalties for Regions Fund enabled by the *Royalties for Regions Act 2009* has secured a dedicated funding source for regional development. Royalties for Regions disburses the equivalent of 25 per cent of the State's mining and offshore petroleum royalties back to the regions. The overall scheme is administered by RDL but the delivery of some components of the fund has been assigned to state government agencies, including the RDCs.

Within RDL, the Community Resource Centres network (formerly known as telecentres) are being expanded and reinvigorated to provide a community based resource for information and services in many regional areas.

A number of related machinery of government changes are being effected in other portfolios. The Department of Local Government is supporting structural reform of local government and the Minister for Planning has appointed the statutory regional planning committees to support the Western Australian Planning Commission prepare regional planning frameworks. The Economic Audit Committee also made a number of observations and recommendations that, if endorsed by Government, could affect the operation of Regional Development Commissions, and will be addressed in this review.

The Australian Government has established Regional Development Australia (RDA) committees across the nation. In Western Australia, these committees have similar boundaries as RDCs and some overlapping membership with the aim of increasing local collaboration, decision making and alignment of State and Commonwealth funding priorities within the regions.

In 2009 Cabinet commissioned a review by Ministers of all boards and committees with a view to reducing the number.

The Minister for Regional Development has concluded that it is timely to examine options for the most efficient and effective machinery of government arrangements for regional Western Australia.

These funding and machinery of government changes are profound and the Royalties for Regions expenditure through the Regional Development Commission structure has been significantly increased, bringing with it additional capacity requirements and increased scrutiny for decision making process as well as risk.

At its meeting on 17 March 2010, the Economic and Expenditure Reform Committee (EERC) requested the Minister for Regional Development to conduct a review of the functions and responsibilities of Regional Development Commissions and to report back to the EERC before the 2010-11 mid-year review.

Scope of review

The review committee will consider and report on the functions, responsibilities and structures of RDCs, having regard to

1. the effectiveness and cost efficiency of the RDCs in achieving their objects and functions specified in Section 23 of the Act
2. the effectiveness of the existing model in achieving the Liberal National Government's commitments to regional development, having regard to any overlap, duplication of effort and approaches in other jurisdictions
3. any improvements in government service delivery for regional development considering governance arrangements, administrative operations, regional decision-making, regional accountability, avoidance of duplication and the roles and responsibilities of other agencies and organisations
4. legislative amendments that may be required

Taking all of the above into account and the Liberal National Government's commitment to a strong regional presence and local decision making, the review committee will identify options to strengthen government support for regional development in Western Australia. The options will include the comparative strengths and weaknesses of each option, their resourcing, administration and legislative requirements.

Conduct of review

The Minister for Regional Development has appointed a review committee consisting of:

Hon Wendy Duncan, MLC	Parliamentary Secretary to the Minister for Regional Development (Chair)
Mr Mal Wauchope	Public Sector Commissioner
Mr Paul Rosair	Director General, Department of Regional Development and Lands
Mr Graham Thomson	Chair, Regional Development Council
Mr Doug Cunningham	Chief of Staff, Office of the Minister for Regional Development and Lands

RDL will provide executive support at the committee's direction. The committee will determine whether it requires additional research or consultancy support.

Consultation will be undertaken in an open and transparent manner and include release of an issues paper inviting public submissions which persons can request to remain confidential, subject to the provisions of the *Freedom of Information Act 1992*. The committee will consult widely with interested parties including the RDCs, Departments of the Premier and Cabinet and Treasury and Finance and other government agencies and stakeholders.

Reporting requirements

The review committee will deliver its report in September 2010 to the Minister for Regional Development for Cabinet consideration. The chair is to represent the committee in relation to any media inquiry or for the purposes of public comment.