



**Western Australian Regional Development  
Trust**

**Review of the Western Australian  
Community Resource Network:**

**Government Response**

**September 2013**

## Background

On 29 September 2012 the Minister for Regional Development (Minister) referred a review of the Western Australian Community Resource Network (Network) to the Western Australian Regional Development Trust (Trust) pursuant to section 12(b) of the *Royalties for Regions Act 2009* (Act).

The Minister advised the Trust that he considered it an appropriate time to conduct an independent, evidence-based review of the Network. The review was requested to assess the current and potential contribution of the Community Resource Centres (CRCs) to regional service delivery and regional development in Western Australia, including the future strategic direction of the Network and its potential for an expanded role.

The Trust, chaired by Mr Andrew Murray, undertook a comprehensive examination of the Network through written submissions, consultation with key stakeholders and groups of CRCs. As a result, the Trust prepared a detailed report making recommendations against the Terms of Reference.

Cabinet endorsed the release of the Trust's Review on 26 September 2013 and the Government's response to the Review for public information.

The Western Australian Government broadly supports the Trust's recommendations. The Department of Regional Development and Lands (RDL)<sup>1</sup> is the lead agency in implementing these recommendations. The Regional Capacity Division has developed a Change Implementation Plan to inform and consult with the Network. Implementing the recommendations will be a complex task involving a complete change in the way centres are funded. This will require new templates, funding agreements and a strong consultation process to ensure all centres understand the proposed changes.

Further information can be obtained from Ms Anna Painter, Project Officer, Regional Capacity on 9621 7351 or [anna.painter@drd.wa.gov.au](mailto:anna.painter@drd.wa.gov.au)

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<sup>1</sup> From 1 July 2013 the Department of Regional Development and Lands (RDL) has been taken over by the Department of Regional Development (DRD)

## **Response to Recommendations**

### ***Recommendation 1***

The Trust recommends that the Minister, subject to Recommendation 2:

- Does not commence any material changes to the Royalties for Regions (RforR) funded CRC program until 1 July 2014 (unless earlier changes are generally welcomed by the Network);
- Continue the CRC program at least at currently proposed budget levels for 2013-14;
- After any reforms, give certainty to the Network by assuring RfR funding over the 2013-2016 budget cycle; and
- That the effect of changes to the CRC program arising from this Review be assessed at any time prior to the 2017 budget round.

Response: The Government supports this recommendation. The 2013-14 year will allow CRCs to operate with a level of certainty whilst changes are developed and implemented. The changes will take effect in the 2014-15 year and a review of these will be welcome in the 2016-17 year.

### ***Recommendation 2***

1. The Trust recommends that the Minister and Premier, taking into account the report of the Economic Audit Committee, and taking into account evidence to the Review and the Trust's findings, take steps to identify:
  - a. What role CRCs should play in enabling regional development through:
    - i. Enhancing access to, and delivering, government services; and
    - ii. Building human capacity to support local development initiatives
  - b. How government policy should be adjusted to support these roles
2. Further, the Trust recommends that RDL continue to be the lead agency in delivering the CRC program, and in so doing investing RfR funds.

Response: The Government notes this recommendation and supports exploring ways that CRCs can be utilised to deliver government information and services into regional communities.

Consistent with Recommendation 6, the delivery of services to regional communities will need to be funded on a fee for service basis. This outcome may however be difficult to negotiate given the limitations of most agency budgets. The support of government decision makers to promote the benefits of reaching regional clients via the CRC Network will be needed.

The Government understands the benefit of building human capacity to support the business, economic and social development of the regions. This is a complex area to implement and will need initiatives beyond the CRC Network. The CRCs may be used as part of the delivery methodology of a state wide initiative.

The CRCs can initiate and implement local capacity building and skill development programs relevant to the community in collaboration with other agencies.

### ***Recommendation 3***

The Trust recommends that the Minister, the Minister for Aboriginal Affairs, the Minister for Local Government and Communities, and the Premier, taking into account evidence to the Review and the Trust's findings, over and above the matters identified in Recommendation 2:

- Identify what additional support role CRCs could and should play in enhanced government service delivery for indigenous and non-indigenous remote communities; and
- What government support and resources should be provided with respect to those CRC premises (including consideration of fixed, mobile, satellite and hub and spoke CRC models), staff, governance and funding.

Response: The Government notes this recommendation taking into consideration the difficulties experienced to retain fully operational centres in remote communities due to staffing and governance issues. This recommendation needs further research to explore various models that could support the delivery of government information and services into remote communities in a sustainable manner.

The CRCs could be utilised more fully in coordinating agency visits to remote communities to reduce duplication, minimise costs, and ensure the best value for the community. This requires willingness to collaborate and commitment from other government agencies.

This recommendation should be referred to the Aboriginal Affairs Committee established by Cabinet, and the Aboriginal Affairs Coordination Committee, for information and advice.

### ***Recommendation 4***

That the Minister task RDL to take into account evidence to the Review and the Trust's findings, and then consult with the Department of Local Government and Communities, Regional Development Council, Western Australian Local Government Association (WALGA), Association of Western Australian Community Resource Centres (AWACRC), and any other relevant

bodies to prepare a plan for the Minister's approval which will better integrate the CRC network into local government and RforR programs and plans, including specific consideration of whether local government might work in partnership with RDL to establish CRCs in those parts of Western Australia where CRCs are currently under-represented.

Response: The Government supports this recommendation and encourages RDL to work with Local Governments and other organisations to establish new CRCs where there is an identified gap in service delivery.

Not all regional local government areas require a CRC as the range of services are already available – for example in Kalgoorlie, Geraldton, Mandurah, and Port Hedland. In other areas it is worth exploring the potential to establish a CRC in consultation with the local government.

It is worth encouraging local governments to include CRCs in their Community Strategic Planning sessions to ensure CRC activities align with the vision of the Shire and the two organisations complement each other.

### ***Recommendation 5***

The Trust recommends that the Minister, subject to the outcome of recommendation 2, and taking into account evidence to the Review and the Trust's findings, task RDL to prepare for the Minister's approval;

- Better definition of the role of the Network, on an outcomes-basis;
- Better definition of the role of, and relationships between, the three levels of government and CRCs and the AWACRC;
- A revised segmentation of CRCs by capacity, type, service, and potential;
- Alignment of the funding model to better reflect the CRC role, government roles and CRC segmentation;
- Development of strategies to measure performance, effectiveness, reach, and community need;
- Support of CRC development on a strategically planned basis to maximise impact and outcomes;
- Development of strategies to identify CRCs with potential, and increase support; and also identify those CRCs that are under-performing, and either support to improve, or cease funding; and
- Proposals to increase the number of CRCs in under-serviced areas and decrease the number of CRCs in over-serviced areas.
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Response: The Government notes this recommendation understanding that this incorporates the key changes to be implemented by Regional Capacity. An outcomes based definition will be advantageous for the CRCs, the AWACRCs, other agencies, and RDL in developing the funding model and

performance measures to assess the effectiveness and return on government investment.

The spread of CRCs needs to be assessed against a range of criteria, not just geographic location. This recommendation will require further analysis.

### ***Recommendation 6***

Subject to the outcome of Recommendation 2, the Trust recommends that the Minister require RDL to take into account evidence to the Review and the Trust's findings, to prepare a proposal for his approval for CRC funding that moves RforR to fee-for-service funding, supported by an RforR grants pool for projects, premises and equipment. For purposes of funding, RDL should be required to segment CRCs on a capacity, prospects and outcomes basis, and indicate why some CRCs might be a case for special need. RDL should indicate the criteria under which CRCs will no longer be funded.

Response: The Government supports this recommendation. A fee-for-service funding model will achieve clearer outcomes and provide a mechanism to ensure government priorities are addressed in regional communities. This will assist with measuring the return on investment and provide a way for government to deliver key information and services into regional communities.

The key will be articulating the services required and formulating fair remuneration for these services taking into consideration the range of costs and overheads.

Research will need to be undertaken to more accurately understand individual communities and to develop mechanisms to reflect special needs with appropriate responses.

Specific criteria that provide evidence of when to cease funding to a CRC will be useful in providing objective substantiation of decisions and will also be useful in providing support to a centre prior to ceasing funding.

### ***Recommendation 7***

The Trust recommends that the Minister task RDL to ensure greater value for money from RforR funding of CRCs, by taking into account evidence to the Review and the Trust's findings, and supporting the Network in developing services, plans and pricing systems that will make it possible for CRCs to earn more income, and some CRCs to shift to greater self-sufficiency:

- Firstly, by earning funding on a performance basis that elicits a contractual fee for service, so moving away from operating subsidies.
- Secondly, by developing services and pricing on a more professional business basis.
- Thirdly, by expanding the range of services CRCs are either paid to deliver, or charge to deliver.

Response: The Government supports this recommendation in developing a funding model that is linked to service delivery ensuring the measurement of the return on investment.

A guide should be developed to outline how to price services and products on a more professional basis; however the uptake of this will be at the discretion of the CRC and may be flexible dependant on their overheads.

RDL should continue to promote the CRC network and explore opportunities for income generation based on the delivery of services.

### ***Recommendation 8***

The Trust recommends that RDL ensure a tighter link between CRC funding and measurable RforR outcomes, and in addition better integrate CRCs into relevant RforR programs such as SuperTowns and Pilbara Cities.

Response: The Government supports this recommendation noting that integration with other RforR programs will be dependent on the program and the capability of the individual CRCs.

The tighter link with RforR outcomes will be integrated in the funding process ensuring identifiable business, economic and social outcomes.

### ***Recommendation 9***

The Trust recommends that, subject to the outcomes of Recommendations 2 and 3, the Minister task RDL to take into account evidence to the Review and the Trust's findings, and to prepare a proposal for the Minister's approval for the funding of new CRCs or the cessation of funding for some existing CRCs over the medium term, based on whether any geographic or population areas are under or over-serviced or not serviced at all, without regard to whether the population is below or above a set size.

Response: The Government partially supports this recommendation noting that large regional towns often have the range of services available in a CRC and the program endeavours to reduce duplication. The Government supports the assessment of each CRC application on its merits and not restricting access to the program to towns below a population threshold.

The cessation of funding to CRCs carries some risk and this will need to be handled in a sensitive manner. A change in funding model may address this recommendation in whole or in part.

### ***Recommendation 10***

The Trust recommends that RDL, taking into account evidence to the Review and the Trust's findings, reviews:

- a) The Community Resource Network funding and business models to ensure they are outcomes-based;

- b) The role and function of RDL staff that deal directly with CRCs and AWACRC, to ensure these roles are clear, relevant and outcomes-based; and
- c) The support for and funding of the AWACRC, to strengthen its role as a peak body and source of professional advice to the Network.

Response: The Government supports this recommendation.

The fee-for-service funding model will change the way CRCs are funded and can be developed to ensure activities are outcome based and ensure a tighter link between CRC funding and RforR outcomes.

It is timely to review the role of Regional Capacity staff to ensure all positions add value to the network and have clear, outcomes-based activities. Any changes to positions or job descriptions will need to be planned in line with human resource policies and procedures.

The AWACRC needs specific attention and assistance in understanding their role and potential in supporting the Network. Providing only funding has not been effective in developing a strong association to date, so other support and training will need to be developed. This recommendation requires the willingness of the independent Association to engage in activities alongside RDL staff.