



Submission

Structuring Regional Development for the Future: A Review of the Functions and Responsibilities of Regional Development Commissions

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Executive Summary

Local Governments in Western Australia have a significant stake in regional development and play a major role in regional development policy and implementation. As democratically elected community leaders, Local Government Elected Members have significant representation on the Boards of Regional Development Commissions.

The diversity across and within Western Australian regions entails that Local Governments and communities will place different expectations on the role of the Regional Development Commissions. Accordingly the underlying principle of Regional Development Commissions being governed by a Board with strong links to the region must remain. The Association and the Local Government sector would not support independence being taken away from the Regional Development Commission Boards in any way.

Regional Development policy and implementation will be optimised when Regional Development Commission boundaries align with the boundaries of other mechanisms of government. Boundaries for State Government services, such as health, education and police, should match RDC boundaries where appropriate. Further, regional development policy will be most effective when the boundaries and vision of the region align at Federal, State and Local Government level.

The Association supports Regional Development Commissions continuing to play a key role in economic development on a regional level. The Association's submission also contends that the role of Regional Development Commissions to access and channel State Government services to regional stakeholders and communities could be strengthened. This would see the Regional Development Commissions acting as a conduit into State Government Departments and Agencies and holding them accountable for their policy and service delivery outcomes into the regions.

If the *Regional Development Commissions Act 1993* is amended due to the current review, there is an opportunity for the role of the Regional Development Commissions to be further strengthened to have a more strategic focus. The Association's submission argues that "regional development" is not sufficiently defined by the current legislation, which could be amended to include a greater focus on sustainable economic development.

Another recommendation of the Association, which would require legislative change, is for the creation of a Perth Regional Development Commission. This initiative would give the State Government the opportunity to synchronise with, and leverage off, the Commonwealth Government's renewed interest in capital cities, which is demonstrated by the creation of a Perth RDA Committee and the funding channelled to major Perth projects by Infrastructure Australia.

About WALGA

The West Australian Local Government Association (WALGA or “The Association”) is the united voice of Local Government in Western Australia. The Association is an independent, membership-based organisation representing and supporting the work and interests of all 141 Local Governments in Western Australia.

The Association provides an essential voice for almost 1,400 elected members and over 12,000 employees of the Local Governments in Western Australia and Christmas Island and Cocos (Keeling) Island Councils. The Association also provides professional advice and offers services that deliver financial benefits to Local Governments and the communities they serve.

Local Government Role in Regional Development

Local Governments are a major stakeholder in regional development policy and implementation and in Regional Development Commissions (RDC) in Western Australia. A strong relationship between Local Governments and Regional Development Commissions is necessary for regional development policy to be implemented successfully. Local Governments have a major interest in the economic and social progress of the communities they serve and represent.

Local Government representatives from within each region, make up a significant proportion of the RDC Boards. Further, the *Regional Development Commissions Act 1993* (the Act) requires RDCs to cooperate with Local Governments “to promote equitable delivery of services within the region”.

Accordingly, the input of Local Government and the Association is critical to any significant review of Regional Development Commissions.

The expectations placed upon Regional Development Commissions by Local Governments, and indeed the community, will vary across the state. In some regions, such as the Kimberley, Pilbara and Gascoyne, the RDC only encompasses four Local Governments. This allows for much easier collaboration and engagement with Local Governments as key stakeholders and as elected community representatives. This is further strengthened when other institutional regional boundaries, such as the WALGA Zone and Commonwealth Regional Development Australia (RDA) Committee share the same boundary as the RDC.

The expectations of Local Governments will be different however when each Local Government is one among many rather than one among four or five. For example, the Wheatbelt Regional Development Commission encompasses 43 Local Governments.

Expectations of the RDC will also vary depending on the region. While some regions have been experiencing a gradual population decline for many years, others are now dealing with significant growth. There may also be dramatic variations *within* regions. Some areas within a region, such as coastal areas, may experience population growth and increased tourism while other parts of the region may be experiencing long term population decline.

To enable the Association to provide a representative response to the review on behalf of the Local Government sector, WALGA received copies of Local Government’s submissions to the review, which have been incorporated into this submission. The nature of the Association and the diversity of the sector entails that WALGA’s submission will focus more on general principles than specific regional examples.

Regional Development Model

Local Governments play a major role in the economic and community development of their communities and regions. A regional development model that supports and enhances the capacity of Local Governments and groups of Local Governments to continue to provide services and infrastructure to their communities is essential.

Local Governments, as the established democratically elected presence in the regions, have long played a major role in regional development. The use of direct funding to Local Governments for infrastructure development, through such mechanisms as the Roads to Recovery Program, the Community Local Infrastructure Fund and Royalties for Regions, is well established and is supported.

The optimum model for delivering regional development policy must adhere to a number of principles:

- Regional development should be delivered for the regions, by the regions
- Decisions about regional development policies and priorities should be made by local community representatives with accountability to the local community
- Regional development policy should be implemented by, or in partnership with, Local Governments in the region
- Regional development policy must take into account the differences between, and within, regions in terms of industry, business, demographic, workforce, population and growth trends
- Regional development policy should be visionary and future-orientated

The independence of the current Regional Development Commission Boards is strongly supported by the Association and the Local Government sector. There is the potential for the Regional Development Commissions to be recast as regional outposts of the Department of Regional Development and Lands, thereby removing the Regional Development Commissions' local representation, decision-making and accountability. Centralisation of regional development in this manner would contravene the principles articulated above and would not be supported under any circumstances by the Association or its membership.

Beyond the above principles, regional development will be most effective when a common goal and shared vision is articulated by all spheres of government, non-government organisations and the community in the region. Further, regional development will be enhanced when State Government regional development boundaries align with the Commonwealth Government regional development boundaries and groupings of Local Governments.

There is an opportunity for the State Government to align with, and leverage off, Commonwealth Government regional development objectives. Regional development outcomes will be improved if alignment and synthesis is achieved between the Regional Development Commissions and the Commonwealth's Regional Development Australia Committees.

Regional development, service delivery and infrastructure provision will be improved significantly if regional boundaries are coordinated across all State Government departments, agencies and functions. Where appropriate, boundary alignment should apply to all core State Government services such as health, education and police. The State Government's seemingly ad hoc arrangements to define regions can create confusion, conflict and inefficiencies.

Regional development will be more challenging when there are several over-lapping institutional boundaries combined with divergent visions and communities of interest within a State Government regional development boundary. One of the key principles of the Association's submission on behalf of the Local Government sector is to advocate for improvements in the definition of boundaries for service delivery and infrastructure provision to be optimised.

Regional Governance

Regional governance is very important for the effective delivery of regional development policy. As outlined above, regional development should be implemented for the regions by the regions, with engagement and accountability focussed at a local level.

The *Regional Development Commissions Act 1993* mandates regional governance. Under current provisions of the Act, one third of members of the Board of an RDC must be persons who are residents in the region and one third must be members of a Council from within the region. The remaining third are appointed at the Minister for Regional Development's discretion, and there is no requirement that the Minister must appoint people from within the region. The provision for the Minister to appoint people to RDC Boards who do not live or work within the relevant region is understandable given there may be a requirement for particular expertise to be appointed to the Board.

The Association, and the Local Government sector, would not support a reduction in the influence of the Board in the direction of the Regional Development Commission. It would be possible for the Regional Development Commissions to be dismantled as statutory authorities and recast as outposts for the Department of Regional Development and Lands. This would be perceived by the Local Government sector as a step away from true regional empowerment and accountability and would not be supported.

The overriding principle for regional governance should always be the engagement of the community within the region. Engagement of the community goes beyond consultation to forming strong, working partnerships to develop and articulate a shared vision for the region.

The Association would not support a reduction in the allocation of Local Government representatives on the Board. Local Government Elected Members, as the closest elected officials to regional communities, are best placed to articulate the needs and vision of their local communities. It is crucial that the Local Government voice remains strong on Regional Development Commission Boards.

One way that regional governance could be strengthened, is for greater prescription regarding the spread of community and Local Government representatives from *within* a region. It is possible, under current provisions, for Board members to be concentrated in a particular town or sub-region without regard to other towns or sub-regions. This is particularly important for regions with a diversity of industries, population spreads and demographic trends.

Role & Functions

There is an opportunity in regional Western Australia for a more efficient delivery of Government services.

The Association and the Local Government sector are supportive of the Regional Development Commissions continuing to undertake the economic development role.

One of the key roles of the Regional Development Commissions is to act as a link between the regions and the State Government. At a basic level this will involve channelling information from State Government departments and agencies to stakeholders and the community in regional areas. At a higher level, the RDC will act as an advocate for the region, promoting projects, development and infrastructure services for the region. The role of a regional advocate should be carried out in partnership with the key stakeholders in the region, particularly Local Government.

It may be appropriate for the RDCs to build on this role to become a conduit for broader Government services. Regional Development Commissions are rooted in the region and should act as the "go-to" organisation for Local Government, the private sector and the community when considering a regionally significant project or seeking to access Government services that have a regional impact.

There is an argument that Regional Development Commissions should be the “place manager” for their region. The RDC should be empowered to hold all Government Departments and Agencies responsible for their policy decisions and service provision in the regions. There is potential for Regional Development Commissions to break down silos and ensure a whole-of-government approach to regional service delivery.

As noted earlier, these outcomes will be improved if regional boundaries are more strategically aligned across regions.

Gaps & Legislative Change

There are a number of legislative changes that could be made to further empower Regional Development Commissions to achieve significant regional development outcomes.

It is noticeable in the current Act that “regional development” is not defined although the role of the Regional Development Commissions is defined. The Association proposes that the *Regional Development Commissions Act 1993* be amended and that a definition of “regional development” be developed.

Such a definition should contain a strong focus on economic development, as is the case regarding the role of the RDCs under the Act. The definition of regional development should also draw reference to sustainability in the broad sense. That is, economic and regional development should be progressed with regard to future generations and future regional communities.

There is also an opportunity for amendments to the Act to bring about greater clarity of the role of the Regional Development Commissions. The focus of the RDCs should be strategic and honed at the *regional* level. Local Government should be engaged in regional level planning to the point where Local Government’s *local* planning contributes to the broader regional level vision.

A significant gap in the current regional development framework, which is highlighted by the Commonwealth Government’s RDA program, is the lack of a Regional Development Commission for the Perth Metropolitan Area.

There is an opportunity for a Perth Regional Development Commission to be created to focus on the regional development of Perth and the metropolitan area. A Perth RDC would play a similar role to the other RDCs. It would assist in identifying infrastructure service deficiencies and could act as a conduit into Government services for projects and developments of a regionally significant scale.

The creation of a Perth RDC would align with Federal Government objectives and would provide an opportunity to leverage off the Commonwealth Government’s Perth RDA. At a Federal level there is a renewed focus on capital cities which is demonstrated by the creation of a Perth RDA and increased infrastructure funding through Infrastructure Australia.

Another gap in the current Regional Development Commission structure is the omission of Christmas Island and Cocos (Keeling) Islands from the current regional development framework. While these Islands are not formally a part of Western Australia, they do contain communities and Local Governments whose main interactions with mainland Australia is with Western Australia. The Local Governments of the Islands are members of WALGA’s Zone representational structure and are required to comply with the *Local Government Act 1995*. Accordingly, the Association recommends that consideration be given to the Islands coming under the auspices of the Regional Development Commission structure.

Conclusion

In conclusion, the Association believes:

- Local Governments play an important role in regional development, through community representation, service delivery and infrastructure provision
- Regional Development Commissions should continue as statutory authorities and not be centralised to become outposts of the Department of Regional Development and Lands
- Regional Development Commissions should maintain their independent Boards, with Local Government representation, local decision making and accountability
- Regional development in Western Australia would be improved if State Government service delivery boundaries were aligned
- Regional development would be improved if government mechanisms and regional development boundaries were aligned at all levels of government
- Regional Development Commissions should become a conduit for State Government services in the regions, taking a whole-of-government approach and holding Government Departments and Agencies accountable
- “Regional development” should be defined in the *Regional Development Commissions Act 1993* and include reference to sustainability and sustainable economic development
- The establishment of a Perth Regional Development Commission should be considered

The Association would be happy to discuss any aspect of this submission further with the Regional Development Commission Review Committee.