

15 January 2014

The Hon Andrew Stoner, MP
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By email: office@deputypremier.nsw.gov.au

NSW Business Chamber
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Dear Deputy Premier

I write to you to suggest better ways of delivering on the intent of Regional Development Australia (RDA).

As you are aware, in NSW RDA is co-funded by state and commonwealth governments with 14 RDA committees operating across the state.

With 15,000 member businesses (and more than half of those located in regional and rural areas), NSW Business Chamber members regularly interact with RDAs.

To better understand the views of our membership on the role and operation of RDAs we recently sought feedback from our 16 regional advisory councils on the following:

- How effective is your local RDA?
- Are there any functions of the RDA that are already being met by other federal, state or local agencies?
- Level of support for retaining RDAs
- Any suggestions on ways to improve the current RDA system?

Feedback received ranged from positive, to partial support to hostility. There was, however, clear consensus that RDAs fill a regional vacuum that local, state and federal government fail to address. With that said, respondents generally identified that RDAs lacked focus and need to be re-calibrated towards more effectively delivering economic development outcomes. For your reference, I provide some of this feedback below:

There are some regional stakeholders who are vocal in their frustrations about RDA delivering real outcomes to support economic growth, who would like to see change.

However, in reviewing the efficacy of the current structure and purpose of the RDAs, it should be noted that a regional organisation of some kind is needed that extends beyond local government boundaries and State and Federal Government portfolios. One of the main ways the RDA could be improved would be through better monitoring and measuring of the economic impact of the programs that they are delivering. The focus on sustainability, regional leaders forum and leadership skills – is unlikely to translate into jobs or address issues of long-term unemployment. Evaluation of the economic outcomes of their activities should be a requirement.

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... and

I would not want to see the Department closed in our area but I would like to see a renewed focus. The Department's aim mentions jobs and economic growth but I question the achieved results from this. What have they done in the last 12 months? How are they helping the community? Are they are a hindrance or a help?

As you'd be aware, prior to the 2013 Federal election, the federal Coalition announced its intention to develop a *National Stronger Regions Fund*. The fund would replace the current Regional Development Fund, administered by Regional Development Australia, and would provide the opportunity, from 2015:

for councils and community groups will be able to apply for grants between \$20,000 and \$10 million, to meet half the cost of community building projects. Disadvantaged regions with a higher than average unemployment rate will receive priority for funds.

(Coalition Media Release 29 August 2013)

While there has been no indication from the Federal Government as to whether, in conjunction with the development of the *National Stronger Regions Fund*, reforms would be taken to the operations of RDAs, with the Government committed to undertaking a Commission of Audit to cut down on Government waste and duplication, it would be timely for both state and federal Governments to consider the performance and function of RDAs to see whether improvements can be made to their current operation.

To that end, the Chamber would support consideration of a RDA model forming an integral part of the new system of Regional Joint Organisations (RJOs) as recommended by the Independent Local Government Review Panel (ILGR Panel).

As identified in the ILGR Panel's October 2013 report to Government: *Revitalising Local Government*, NSW's current system of Regional Organisation of Councils (ROCs) have played a valuable role over many years, however:

...the embedded culture of ROCs is one of voluntarism, either in membership or participation in joint activities or both. Their scope of operations and effectiveness varies too much from time to time and region to region. Without stronger, statutory regional bodies whose roles and functions are fixed over the medium-long term, it is difficult to see local government as a whole being able to present itself as a reliable and capable partner of state agencies.

The comments of the ILGR Panel align with both the views and experience of the Chamber in engaging with ROCs.

To overcome these challenges, the ILGR Panel suggests to completely overhaul the operation of ROCs through the establishment of new, statutorily recognised, RJOs.

While the establishment of these bodies and their geographical location will be the subject of further discussion and debate, the proposed core functions of RJOs would provide a sensible, efficient and more effective opportunity for RDA to engage and deliver its economic development responsibilities for regional NSW. For your reference, the core functions of the RJOs include:

- Strategic regional and sub-regional planning;
- Intergovernmental relations and regional advocacy;
- Road network planning and major projects; and
- Regional economic development

Requiring the RDA to deliver these functions, in whole or part for the RJO, would help to reduce duplication and increase strategic alignment between local, state and federal agencies.

In support of the RDA in delivering these functions, regional sub-committees / or economic advisory boards with representatives from business and industry should also be considered - these boards providing regular input and feedback on key economic development priorities for each region.

For your reference, I have forwarded a copy of this correspondence to the Hon. Warren Truss MP, Federal Minister for Infrastructure and Regional Development and your cabinet colleague, the Hon. Don Page MP, Minister for Local Government to see what views they may have in relation to this important reform.

NSW Business Chamber would be happy to further develop these suggestions with the NSW Government. If you or your officers would like to meet and discuss these matters in more detail, please contact Mr Luke Aitken, Senior Manager Policy, on 9458 7582 or luke.aitken@nswbc.com.au.

Yours sincerely



Stephen Cartwright
CHIEF EXECUTIVE OFFICER

cc *The Hon Warren Truss MP, Minister for Infrastructure and Regional Development*
The Hon Don Page MP, Minister for Local Government