



## RDA FUTURE ARRANGEMENTS - FREQUENTLY ASKED QUESTIONS

### WHAT ARE THE KEY CHANGES BEING MADE TO THE RDA PROGRAM?

The key changes to the RDA program include:

- Streamlining of the RDA Charter
- Working in alignment with regional strategic plans
- A refocusing of the role of capital city RDAs in Sydney, Melbourne, Brisbane, Perth and Adelaide
- Extending the funding agreement to 30 June 2025
- Reintroducing annual indexation to funding.

### HOW WILL THESE CHANGES SUPPORT THE RDA COMMITTEES?

The current RDA network will remain intact with some enhancements that will enable it to further leverage its influence in communities and with government. These changes will support the RDA Committees to:

- **Develop and implement activities that support the elements of the RDA Charter** through:
  - Supporting regional economic development outcomes, investment and jobs through collaboration and facilitation
  - Greater regional awareness and engagement with Australian Government policies and grant programs
  - Improving Commonwealth regional policy making by providing evidence based advice to the Australian Government on regional development issues.
- **Adopt a regional strategic plan** that has been developed with a broad set of stakeholders and sets out the key regional priorities, activities that support the elements of the RDA Charter and the Commonwealth's priorities for regional development. Where such a plan does not exist, RDAs can develop one, in consultation with regional stakeholders.
- **Refocus the role of standalone capital city RDAs** (RDAs Sydney, Melbourne, Brisbane, Perth and Adelaide Metropolitan) to work with their state's regional RDA Committees to broker solutions that strongly support economic development in regions.
- **Extend the funding agreement to 4.5 years** (1 January 2021 – 30 June 2025) to provide greater stability to RDA Committees and enable them to attract and retain high quality staff.
- **Reintroduce indexation to RDA Committee payments** when these are applied to the RDA Program.

### RDA CHARTER

The new Charter comes into effect from 1 January 2021, once the next Funding Agreements are executed. However, RDA Committees should begin transitioning to the new Charter now.

The RDA Charter sets out the Australian Government's priorities for the activities of the RDA Committees and supports the long-term priorities of government to grow Australia's regions.

The RDA Charter has been streamlined, with an emphasis on the core long-term objectives of the Commonwealth's regional development policy and aligned to the value proposition of RDAs:

- a) Facilitate regional economic development outcomes, investment, jobs and local procurement.
- b) Promote greater regional awareness of and engagement with Australian Government policies, grant programs and research.
- c) Improve Commonwealth regional policy making by providing intelligence and evidence-based advice to the Australian Government on regional development issues.
- d) Co-ordinate the development of a strategic regional plan, or work with suitable existing regional plans that will align with the Commonwealth's regional priorities.

## WHEN DOES THE NEW CHARTER COME INTO EFFECT?

The new Charter comes into effect from 1 January 2021, once the next Funding Agreements are executed. However, RDA Committees should begin transitioning to the new Charter now.

## REGIONAL STRATEGIC PLANS

A reference to strategic regional planning has been included in the new Charter. The Government believes it is important that, to the extent possible, economic development stakeholders agree on a set of common needs and priorities for their region and coordinate their collective efforts in a manner that ensures the achievement of outcomes is maximized. As facilitators of economic development, RDAs have an important role to play in bringing stakeholders together under a common strategic plan for their region.

RDAs are asked to:

- By 30 June 2021, determine whether there is a recognised, existing strategic plan in place, which is up to date, and for the most part, meets the needs of their region. Guidance for this activity will be provided via the RDA Better Practice Guide. If such a plan is in place, RDAs are asked to recognise this plan, engage with other stakeholders to determine which aspects of the plan they are focusing on and then design their annual work plans in a manner that complements and builds on the work of others. RDAs should share their work plans with stakeholders to ensure there is transparency across the region and implement methods for stakeholders to share information regarding the achievement of outcomes; or
- If a region does not have an appropriate strategic plan in place, nor plans to develop one, RDAs should develop a methodology for working with stakeholders to develop a new strategic plan. RDAs will be required to detail the outcomes of this work in their 2021-22 Annual Business Plan and Budget. We understand that funding may be required towards the development of a plan and methodologies for developing plans should include a stakeholder funding contribution model. The Department will consider providing co-funding assistance to RDAs for their part in the development of strategic plans on a case-by-case basis. It is expected that all, or at least the majority, of key stakeholders will accept the development methodology and contribute towards the cost of developing the strategic plan.

We understand that this is a challenging task for RDAs and will depend on some factors beyond your control. The design of the Funding Agreement outcomes will be undertaken in consultation with a reference group of RDA representatives, and consideration will be given as to how to appropriately address this aspect of the Charter in the outcomes model.

## WHAT ARE THE COMMONWEALTH'S REGIONAL PRIORITIES?

Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development, the Hon Michael McCormack MP outlined the Government's key priorities for regional Australia in his speech to Parliament on the Rural and Regional Budget Outcomes on 8 October 2020. The Government's plan for Regional Australia is based on the six foundations of growth and include:

- Connectivity and Infrastructure incorporating digital connectivity, transport links, and freight and supply chain infrastructure.
- Human Capital and Skills to provide skilled and adaptable workforces, Regional Universities and training, and schooling.
- Regional Employment and Business to develop regional businesses and industry, local R&D and innovation and a strategic regional vision.
- Leadership and Collaboration by investing in regional leadership, capable local government and the Indigenous community.
- Amenity and Liveability providing services, facilities and liveability, and support for local priorities.
- Sustainable Natural Resources to build future resilience, ensure sustainable foundations and provide economic opportunities and jobs.

Details on the Government's commitment to this plan can be found in the Regional Ministerial Budget Statement 2020-21 "Blue Book".

## THE CHANGING ROLE OF THE STANDALONE CAPITAL CITY RDAS

The role of standalone capital city RDAs (in Sydney, Melbourne, Brisbane, Adelaide and Perth) will change from supporting the economic development of their metropolitan-based region to working with local stakeholders and their state's RDAs to identify and facilitate economic development opportunities for the regions. Activities may include:

- Engaging with city-based businesses to promote decentralization/regionalization outcomes, for example to identify businesses that are considering more distributed workforces post-COVID and are potential candidates for regionalization.
- Influencing capital city stakeholders in the development of policies and strategies that support the economic growth of regions.
- Advocating for policy and planning outcomes that supports regional interests, such as access to ports and other infrastructure.
- Identifying other city-based allies and advocates for regional development in government, industry and academia, to identify ideas and opportunities for economic development in the regions.
- Promoting the RDA model and value proposition to city-based stakeholders.

## WHAT ARE THE TRANSITIONAL ARRANGEMENTS FOR THE STANDALONE CAPITAL CITY RDAS?

We acknowledge that the new regional mandate for the standalone capital city RDAs is considerably different to their current metropolitan-focussed work, and changes to the structure and operations of the RDAs will be required to implement the new arrangements. We also acknowledge that these RDAs may have existing contracts and other commitments in place that are based on their current role, and that these will need to be honoured.

In recognition of this, the standalone capital city RDAs will gradually transition to their new roles, with the new arrangements to take full effect across the course of 2020-21, but by no later than 30 June 2021. Current funding levels will be maintained until 30 June 2021.

#### **WILL THE NAMES OF THE STANDALONE CAPITAL CITY RDAS CHANGE?**

No name changes are proposed at this time. Several stakeholders have suggested using the state rather than city name. However, there are bodies with similar names in the states and we are conscious of not creating duplicates or near duplicates. We anticipate revisiting this question, in consultation with state government stakeholders, once arrangements have settled.

#### **CAN RDAS ON OR NEAR STATE BORDERS BE SERVICED BY MORE THAN ONE CAPITAL CITY RDA?**

We acknowledge that many RDAs already work closely together in areas of mutual benefit, including cross borders and cross jurisdictions. We see these initiatives as continuing to be critical in the future and encourage all RDAs, regardless of their location, to work together and support each other where appropriate.

#### **CAN CAPITAL CITY RDAS STILL PROVIDE SUPPORT TO THEIR PERI-URBAN AREAS?**

Capital city RDAs can support the peri-urban (and non-peri-urban) areas of their defined metropolitan regions providing these efforts provide at least equal or greater benefits for regional parts of their state.

We acknowledge that it will be important to be able to demonstrate outcomes for capital city stakeholders from your interactions or otherwise that may not wish to engage with you (i.e. the 'what's in it for me' question), however the primary driver for and outcomes from these interactions should be for the purpose of benefiting the regions.

#### **FUNDING AGREEMENT**

All RDA Committees and the Indian Ocean Territories Regional Development Organisation will be offered a new Funding agreement from 1 January 2021 to 30 June 2025.

The design of the Funding Agreement outcomes and associated performance indicators to be included in Schedule A of the next Funding Agreement will be undertaken in consultation with a reference group. A call for Expressions of Interest to be part of the reference group has already been sent to RDAs and the Department is in the process of finalising the membership.

The Department has provided the main body of the Funding Agreement to RDAs for comment and is reviewing the comments that have been received.

#### **WHAT ARE THE TIMEFRAMES FOR FINALISING THE FUNDING AGREEMENT?**

The Department anticipates providing the final funding Agreements to RDAs for signature in mid-December.

RDAs have already received the draft version of the body of the agreement and provided comments. We will be working through these comments. We have provided the Outcomes Schedule reference group with the draft Outcomes Table, and have asked them to engage with RDAs over the next 1-2 weeks before discussing comments with the department. The department will provide a final draft version of the Funding Agreement once comments on both of these documents have been considered.

#### **WILL THERE BE ANY CHANGES TO FUNDING LEVELS FOR RDAS?**

The base funding amounts for non-capital city RDAs will increase slightly (on average around \$6,000) and increase across the 4.5 years term with the application of appropriation indexation.

Adjustments will be made to capital city RDA funding levels based on a methodology which considers the size and complexity of their individual operating environments. The new funding levels have been discussed individually with each capital city RDA and will come into effect on 1 July 2021.

#### **WHAT REPORTING WILL BE REQUIRED AT THE END OF THE CURRENT FUNDING AGREEMENT?**

No extra reporting will be required. The Annual Report on Outcomes and Acquittal of Budget Report that is currently required to be provided by 31 January 2021, for the period 1 July 2020 to 31 December 2020, is no longer required. This would only be required if the program was not continuing beyond 31 December 2020. All plans and reports for each financial year should cover the full 12 month financial year period. These requirements will be outlined in the new Funding Agreement.

#### **ARE RDAS REQUIRED TO MODIFY THEIR 2020-21 BUSINESS PLANS TO ADDRESS THE NEW CHARTER AND THE FINAL FULL YEAR BUDGET FIGURES?**

No. Current approved 2020-2021 Business Plans will be accepted by the Department as being valid for the 2020-21 year. However RDAs can make changes to accommodate the new charter if they wish to. If RDAs choose to do this, their updated Business Plan should be provided to the Department for information.

The funding provided to RDAs for the period 1 January to 30 June 2021 will be slightly less than what has been provided for the period 1 July to 31 December 2020. This is because the full amount of the 2020-21 indexation funding will be paid to RDAs during the period 1 July to 31 December 2020, rather than being spread across the entire financial year. The Department does not require updated budgets from RDAs if the amount that was initially estimated has changed.

#### **REINTRODUCTION OF ANNUAL INDEXATION**

Funding for RDAs will be increased each year through the reintroduction of indexation, over the life of the Funding Agreement, by the amount of the increase in program funding that is provided by the Government (referred to as 'funding indexation').

Distribution of funding indexation to RDAs will be calculated using a formula that is based on the percentage of the total amount of operational funding that each RDA receives.

#### **CHAIRS, DEPUTY CHAIRS AND DRDS**

##### **WHAT ARE THE PROCESSES FOR APPOINTING CHAIRS BEYOND THEIR CURRENT TERMS?**

All Chair appointment terms expire on 31 December 2020, with the exception of Victorian Chair terms, which expire on 31 December 2021. To ensure all interested persons are given an opportunity to Chair their local RDA, we will be advertising all non-Victorian roles in the lead up to 31 December 2020. New appointment terms will be for the term of the next Funding Agreement, i.e. to 30 June 2025.

Applications for Chair positions will be open from 6 to 23 November 2020. We will provide RDAs (and current Chairs) with a reminder about this closer to 6 November. All current Chairs are welcome to apply. The positions will be advertised via digital platforms, in major and regional newspapers and via social media. We have sought feedback from Directors of Regional Development about proposed advertising in local print media and have, where possible, incorporated this into our approach.

We will be working hard to finalise appointments prior to 31 December 2020, however this may not be possible in all cases. If this is not able to be achieved, we will ask current Chairs whether they would like to continue in their role until the appointment process for their position is finalised. We understand that some Chairs may wish to move on at the end of their current term and respect their decision to do so. In this situation, Deputy Chairs will be asked to fulfil the role as Acting Chair until the appointment process has been finalised.

## CAN DEPUTY CHAIRS AND MEMBER APPOINTMENTS BE MADE?

Chairs are able to appoint members without needing to seek further agreement. However, we would recommend that any appointments of new members now be deferred until after the Chair appointment processes have been completed. Existing members can be extended at the discretion of the Chair, although we recommend that extensions do not go beyond 30 June 2021.

Chairs have approval to extend Deputy Chairs to 30 June 2021 (except in South Australia where this position is still to be discussed with funding partners). However, permanent Deputy Chair reappointments/new appointments are to be deferred until after the Chair appointment processes have been completed.

Please note this advice does not apply to Victoria, as Chair appointments do not expire until 31 December 2021. In Victoria, the appointment processes should continue as normal.

## CAN RDAS OFFER NEW CONTRACTS TO DRDS AND STAFF?

DRDs can continue in their current roles until the end of their existing contracts/employment arrangements.

Under the new Funding Agreement, RDA Chairs/Committees will have the discretion to determine whether an existing DRD is offered an extension at the end of their current term or whether the position should be readvertised. We request that this decision not be made until after the upcoming Chair appointment processes have been finalised.

Please also note that under the 2018-20 Funding Agreement, DRD contracts can be extended to 31 March 2021 if required (but not beyond) by the current Chair/Committee.

The basis for all decisions regarding DRD appointments should be fully documented, merit-based and able to be substantiated by an RDA if required. New DRD appointments and contract extensions should not be made beyond 30 September 2025.

Other staffing decisions are a matter for each RDA.

## GOVERNANCE

### WILL CHANGES TO RDA CONSTITUTIONS/ASSOCIATION RULES BE REQUIRED?

RDAs will need to update their Constitutions/Rules of Association to replace the old Charter with the new one. Some additional changes may also be required, for example to appointments clauses in South Australian Rules of Association. RDAs should review their Constitutions/Rules of Association to determine whether any additional changes are required.

## FACT SHEETS

To support the announcement and appointment process, further information has been compiled in the form a fact sheet.

These fact sheets can be accessed from the RDA Website at [www.rda.gov.au/rda-future-arrangements](http://www.rda.gov.au/rda-future-arrangements) and cover the topics of:

- Regional Development Australia Committees Overview
- RDA Committee Chair Appointments
- Transition Plan for Standalone Capital City RDA Committees