



10 March 2017

Senator Jenny McAllister  
Chair  
Finance and Public Administration References Committee  
Parliament House  
CANBERRA ACT 2600

Via email: [fpa.sen@aph.gov.au](mailto:fpa.sen@aph.gov.au)

Dear Senator McAllister,

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I refer to the Senate Inquiry into the operation, effectiveness, and consequences of the *Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016*.

As you may be aware, the NSW Business Chamber (the Chamber) is one of Australia's largest business support groups with a direct membership of more than 20,000 businesses, providing services to more than 30,000 businesses each year.

The Chamber actively pursues strategies to boost regional development and economic growth. Where appropriate, the Chamber has also supported government office relocations outside major cities. With a majority of our membership based in regional NSW, the Chamber is committed to ensuring regional areas are environments where business, employment and investment can grow and flourish.

Our submission to the NSW Government's 2013 Decentralisation Taskforce sets out the principles that we believe should guide decentralisation of government bodies (**attached and linked below<sup>i</sup>**).

In summary, effective decentralisation efforts have the following features:

- proposals are well planned and executed;
- the benefits of decentralisation clearly outweigh the costs; and
- decentralisation stimulates local employment in the region

Decentralising government agencies should be however only one element in an overarching strategy to boost regional economic development. In practical terms, this means rather than pursuing the 'quick fix' of relocating departmental offices in a piecemeal fashion, the governments at all levels should be working together to better support strategic economic planning across regions with aligned land use and infrastructure plans to stimulate growth and improve regional connectivity.

Reducing duplication of effort and clarifying responsibilities is also critical to achieving this goal. The Chamber recently raised these concerns through the *Regional Development Australia (RDA) Independent Review* conducted for the Government by the Hon. Warwick Smith AM (**attached and linked below<sup>ii</sup>**). As outlined in that submission, from a NSW

perspective, the functions and funding currently provided to RDAs should, in regional NSW, be redirected to Regional Joint Organisations (RJO). RJOs have been established in NSW as a new model for regional co-operation between local councils (as a replacement of the former Regional Organisation of Councils).

While the Chamber continues to hold concerns in relation to the current governance structures of RJOs (specifically that they are not separate legal entities) we believe that, with council reform front of mind in NSW and with a recent review of the RDA model, the opportunity to ensure the functions these organisations deliver are not duplicated should not be missed.

Aligning functions under a single entity would improve the identification of both regional and local priorities and ensure funding is better targeted towards projects that maximise outcomes for communities. We would ask the committee to consider making a recommendation towards Government to release the final report of the Independent RDA Review as a matter of priority.

Thank you once again for the opportunity to provide advice to the Inquiry. If the Committee requires any further information in support of this submission, please feel free to contact Luke Aitken, Senior Manager Policy, on 9458 7582 or via email to [luke.aitken@nswbc.com.au](mailto:luke.aitken@nswbc.com.au).

Yours sincerely,



**Luke Aitken**  
Senior Manager Policy

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<sup>i</sup> February 2013, *NSW Business Chamber Response to the Decentralisation Taskforce*:  
<http://www.nswbusinesschamber.com.au/NSWBCWebsite/media/Policy/Regional%20Affairs/Recent%20submissions%20made%20relating%20to%20regional%20affai/Response-to-the-the-NSW-Decentralisation-Taskforce-Feb-2013.pdf>

<sup>ii</sup> November 2016 *NSW Business Chamber Submission to the RDA Independent Review*:  
<http://www.nswbusinesschamber.com.au/NSWBCWebsite/media/Policy/161104-Final-NSWBC-Submission-Independent-RDA-Review.pdf>