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Western Australian Regional Development Trust

2014-2015
Annual Report



Statement of Compliance

Hon Terry Redman MLA
Minister for Regional Development

Dear Minister

In accordance with section 28 of the *Royalties for Regions Act 2009* (Act), I submit for your information and submission to Parliament the annual report for the Western Australian Regional Development Trust for the financial year 2014-15.

Section 28(1)(b) of the Act requires the report to contain any other information required by the Minister. On 14 July 2015 you advised the Trust that there was no further information required in addition to that required by section 28(1)(a) of the Act.



Sue Middleton
CHAIR

8 September 2015



Great Southern
Photo: Great Southern Development Commission
Cover: Students at Muresk Institute, Wheatbelt
Photo: St Mary's Anglican Girls' School



About this Report

Section 28(1) of the *Royalties for Regions Act 2009* (Act) requires the Trust to submit a report to the Minister for Regional Development (Minister) that contains information about the activities of the Trust during the financial year, and any other information required by the Minister. Section 28(2) of the Act requires the Minister to table that report in Parliament within ninety days of the financial year end.

The Trust is an independent statutory authority established in July 2010. The Trust is tasked by the Act to perform a broad oversight role on the Royalties for Regions program, and to provide high level independent and impartial advice and recommendations on the policy, allocation and management of expenditure from the Royalties for Regions Fund (Fund) constituted by the Act.

There are three principal players in the Act – the Minister that makes decisions after taking advice from various sources, the Department of Regional Development that executes those decisions, and the Trust that advises the Minister and oversees the Fund.

The principal task of the Trust under the Act is to provide advice to the Minister. This advice together with progress and outcomes is outlined in the report.

The Trust ensures that it informs itself widely with respect to Royalties for Regions and its various stakeholders. This is achieved through engagement with State Government as necessary, and both consulting with and being consulted by agencies, entities and individuals as well as seeking evidence based advice that is independent of government.

The Trust does not have a role in the selection of specific Royalties for Regions projects and programs for funding, or advise in that regard, because it considers that would conflict with its duties under the Act. Neither does the Trust attempt to regulate or audit the Fund, as this is outside its remit.

The object of the Act is “to promote and facilitate economic, business and social development in regional WA through the operation of the Fund”. To help it assess performance in that regard, the Trust visits the regions and consults with individuals, agencies, and entities concerned with regional development and Royalties for Regions projects. The Trust is grateful to the many individuals and organisations that have shared their wisdom and views.

In accordance with the Public Sector Commission guidelines on maximising efficiency, a limited number of these reports are printed. An easily downloadable web version is available at www.wardt.wa.gov.au to support broader dissemination of the report.



Karratha City Centre
Photo: LandCorp

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Chair's Report

This last year, more than any other in the albeit short history of the Royalties for Regions program, has highlighted the challenges the regions face in charting a pathway to consistent and sustainable growth through the big swings of the economic cycles experienced by the regions.

The last year of work in the Regional Development Portfolio has been strongly focussed on achieving the foundational elements to deliver the outcome of creating growth in the regions.

The Regional Blueprints have been a key element in this foundation. In the last year the Regional Development Commissions have applied themselves to the task of completing broad framework plans to support the growth and development of their regions. The Trust, with the support of ACIL Allen Consulting, have reviewed each Blueprint as it was completed and in doing so, have formed an overarching view of the growth drivers and opportunities for the type of transformational growth the Portfolio is seeking.

The Trust's view is that there are major challenges ahead in achieving the growth outcomes the regions have outlined. The regions are not homogeneous and it is

important to reflect that diversity in planning economic development interventions for all nine. There is a need to both support economic growth in fast growing, high economic activity regions and also enable regions with unrealised growth potential with the right capacities and infrastructure to drive growth.

The Royalties for Regions program from inception has been contributing to the "catch up" in the regions and has been investing in high growth regions as quickly and judiciously as possible. The program has led a number of key programs in health, education, housing and reform in service delivery that is making real and lasting difference in the development prospects of regions. Research demonstrates that the regions provide a real competitive advantage in terms of community and wellbeing, however the key is that employment opportunities must exist first or the first move into the region will not occur.

It is therefore critical that the investment in economic development and sustained employment opportunities across the regions is a priority. The Blueprints provide a region by region analysis and strategic ideas for how this can be done.

“ There is an opportunity to both support economic growth in fast growing, high economic activity regions and also enable regions with unrealised growth potential with the right capacities and infrastructure to drive growth. ”

The Portfolio has been developing a Regional Development Strategy which will create a framework for impactful investment for the program. At the very heart of this framework is the understanding that we need to attract private investment to regions to drive growth. It is also apparent that Royalties for Regions cannot, and indeed should not, invest in everything. The process of choosing where and what to invest in will be guided by the framework. The Trust strongly supports the development of this strategic approach.

It is important that as the Royalties for Regions program approaches a new and more mature stage of its development that it becomes embedded into the processes of government whilst still investing in the projects and programs that are beyond “business as usual” and beyond core programs of a state government. If this can be achieved through the goodwill and ambition of all players within the State, the regions can continue to capture the economic drivers that will create the state of WA’s future. The regions have an essential role to play in that future.

In the face of some broader economic headwinds, it is appropriate to recognise the transformational work of the Royalties for Regions program to date and to acknowledge that much more needs to be done. The Trust looks forward to engaging with key partners and collaborators over the next year to continue building on the strong foundation of the Royalties for Regions program.

The Trust commends the bipartisan support of this program and sees this commitment as a wise and insightful strategic investment in the future growth of the State.

It has been a privilege to be the Chair of the Trust in 2014-15. The Trust is highly dependent upon the commitment, quality and experience of its members and support staff. The Trust continues to be well served in this regard, and as Chair I would like to personally thank the Trust members for their work and commitment to the regions and State over the last year. The Trust has also been well supported by the Department of Regional Development over the last year.

The Trust looks forward to the challenges and opportunities of 2015-16.

Sue Middleton
CHAIR

The Western Australian Regional Development Trust

Responsible Minister

Hon Terry Redman MLA Minister for Regional Development.

Enabling legislation

Royalties for Regions Act 2009.

Excepting for Parts 3 and 5, the *Royalties for Regions Act 2009* (Act) was proclaimed on 27 March 2010 to provide for the operation of the Royalties for Regions Fund (Fund). Prior to the proclamation of the Act, the Royalties for Regions program operated pursuant to section 10(a) of the *Financial Management Act 2006*.

Parts 3 and 5 of the Act were proclaimed on 13 July 2010, and concern the Trust. Following proclamation, the Trust held its first meeting on 16 July 2010.

Object of the *Royalties for Regions Act 2009*

Section 4: The object of the Act is to promote and facilitate economic, business and social development in regional WA through the operation of the Fund.

Functions

Pursuant to section 12 of the Act the functions of the Trust are –

- (a) to provide advice and make recommendations to the Minister for the purposes of sections (5)(2) and 9(1); and
- (b) to provide advice and make recommendations to the Minister on any other matter relating to the operation of the Fund that is referred to it by the Minister.

Section 5(2) of the Act – The Treasurer, on the recommendation of the Minister, is to determine from time to time the way in which money standing to the credit of the Fund is to be allocated between the subsidiary accounts.

Section 9(1) of the Act – The Minister, with the Treasurer's concurrence, may authorise the expenditure of money standing to the credit of the Fund for the following purposes –

- (a) to provide infrastructure services in regional Western Australia;
- (b) to develop and broaden the economic base of regional Western Australia;
- (c) to maximise job creation and improve career opportunities in regional Western Australia.

Section 9(2) of the Act – There are to be charged to the Fund –

- (a) expenditure authorised under subsection (1); and
- (b) expenditure incurred in the administration of the Fund; and
- (c) expenditure incurred in the administration of the Trust, including any remuneration or allowances payable to its members; and
- (d) any other expenditure incurred in the administration of this Act.

The Fund

Royalties for Regions is to receive an amount equal to 25 per cent of the mining and onshore petroleum royalties forecast in the annual State budget to accrue to the State Government in the following financial year. This is credited to the Fund periodically during the financial year. The credit of the Fund at any time is not to exceed \$1 billion.

Section 5(1) of the Act states that the Fund is to consist of the following subsidiary accounts:

- (a) the Country Local Government Fund;
- (b) the Regional Community Services Fund;
- (c) the Regional Infrastructure and Headworks Fund;
- (d) any other account determined by the Treasurer, on the recommendation of the Minister, to be a subsidiary account.



Aquaculture, Mid West
Photo: Mid West Development Commission

Trust Membership

As per Section 13, Trust Members are appointed by the Minister. The Trust is to consist of:

- The chairperson of a Commission (for a prescribed one-year term); and
- At least 3 but not more than 5 other people (for a term of three years).

In 2013-14, Mr Ralph Addis was appointed as the Commission representative on the Trust for a one-year term to 31 March 2015. Mr Addis ceased his role as member of the Trust when he commenced in the role of Director General, Department of Regional Development on 10 November 2014. Mr Stuart Hicks AO, Chairman of the South West Development Commission, was appointed as Commission representative on 2 December 2014.

As at 30 June 2014 the membership of the Trust is as follows:



Sue Middleton
GAICD

Chair – appointment to 7 June 2016 (appointed as per section 13(1)(b) of the Royalties for Regions Act 2009).

Sue is Executive Director of the Brennan Rural Group, a diversified family farming business based at Wongan Hills in WA that employs over 30 people. Sue has worked for 25 years at a local and regional level with rural and regional communities and organisations to manage change processes.

Sue is Chair of the National Landcare Advisory Committee, and a board member of LandCorp.

Sue has been involved in key leadership groups at a national and state level, including the Council of Australian Governments Reform Council, the National Regional Women's Advisory Council, the Australian Research Council, the National Rural Advisory Council and has been a Commissioner on the WA Agricultural Produce Commission.

Sue was the Australian Rural Woman of the Year for 2010 and was awarded the Centenary Medal for services to regional and rural Australia in 2003.



**Tim Shanahan PSM
GAICD**

Deputy Chair – appointment to 7 June 2016 (appointed as per section 13(1)(b) of the Royalties for Regions Act 2009).

Tim is a long standing advocate for regional WA, having previously held roles in organisations including the Chamber of Minerals and Energy WA, the Pilbara Development Commission and the Regional Development Council.

Tim works at the University of Western Australia as Principal Adviser and was the founding Director of the Energy and Minerals Institute at UWA. Tim was the Executive Director of the then WA Municipal Association for ten years, until 2000, was involved in many regional initiatives. Until 2014 was Deputy Chair of the Esperance Port Authority.

He is a passionate advocate for road safety and infrastructure funding, an RAC WA Councillor (and its immediate past President) and a founding Trustee of the Country Medical Foundation.



**Peter Rundle
GAICD**

Trust member – appointment to 7 June 2016 (as per section 13(1)(b) of the Royalties for Regions Act 2009).

Peter owns and operates a mixed farming enterprise in Katanning (sheep, canola, barley and cross bred lambs). He previously worked in the share market, and managed Wesfarmers Share Department while working for Ernst & Young Share Registry and later Computershare.

Peter is Chair of the Board of the Great Southern Development Commission and was initially appointed to the Trust by virtue of this position. Through his role as a Chair of the Great Southern Development Commission, Peter is also a member of the Regional Development Council, a key advisory body to the Minister on regional development issues.

Peter is a strong advocate for community and regional development with a special interest in regional education.



**Stuart Hicks AO
GAICD**

Trust member – appointed on 2 December 2014 – 1 December 2015 (as per section 13(1)(a) of the Royalties for Regions Act 2009).

Stuart is a business policy and planning advisor and an adjunct professor at a number of West Australian universities. He has previously been head of a range of West Australian government agencies, including Transperth, the Department of Transport, and the Department of Marine and Harbours. Stuart was formerly a Commissioner of the Western Australian Planning Commission, Chairman of the National Transport Commission and Chairman of the East Perth Redevelopment Authority.

In 2006 he was made an Officer of the Order of Australia for services to the road transport industry, the public sector, and the community.

Stuart is Chair of the South West Development Commission and Deputy Chair of the Regional Development Council.

Royalties for Regions Financial Snapshot

2014-15 Royalties for Regions Final Budget was as follows:

The Country Local Government Fund	\$55.4 million
The Regional Community Services Fund	\$302.9 million
The Regional Infrastructure and Headworks Fund	\$585.4 million
Any other account determined by the Treasurer/ Minister ^(a)	\$107.1 million
Administration of the Fund and Trust by DRD	\$50.5 million
	\$1101.3 million
Less overprogramming provision ^(b)	-\$151.2 million
Total Approved Expenditure Limit	\$950.0 million
Plus transfer to Regional Reform Fund SPA	\$50.0 million
Total 2014-15^(c)	\$1,000.0 million

Source: 2015-16 Budget Paper for WA

(a) The 2015-16 Budget for WA refers to this as "New Regional and Statewide Initiatives".

(b) Overprogramming recognises there will be individual project underspending by adding an overprogramming percentage to the Royalties for Regions budget. It allows individual project budgets to total more than the total approved expenditure limit, as historically the full amount is not spent.

(c) Column may not add due to rounding.

In addition to the \$1 billion legislated cap on the balance of the Royalties for Regions Fund (Fund), an annual expenditure limit of \$1 billion was imposed by the State Government as part of the 2014-15 Budget. This was the first financial year the annual expenditure limit was operational as a measure to assist the State's finances. The Trust has commented on the expenditure limit in the Advice and Recommendations 2014-15 section of this report.

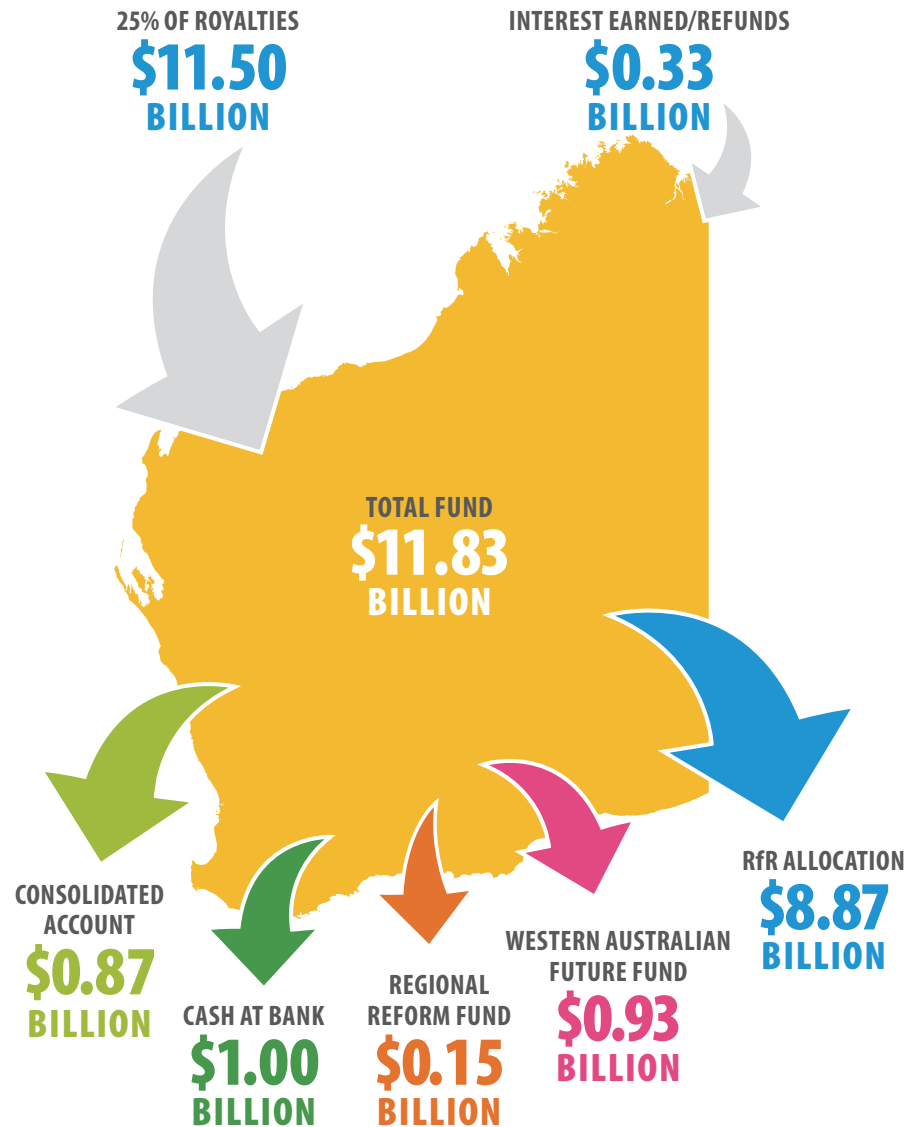
As part of the 2015-16 Budget the expenditure limit was revised downward to \$950 million as the Regional Reform Fund Special Purpose Account (SPA) was established to fund strategic reform initiatives in regional WA to support State Government objectives. The first focus area is regional Aboriginal reform initiatives. Over the three years commencing in 2014-15, \$50 million per year over three years will be transferred from the Fund to the Regional Reform Fund SPA.

Since the inception of the program in 2008-09 and over the forward estimates period ending 2018-19 financial year, a total of \$0.87 billion is forecast to be returned to the consolidated account. This is shown in Diagram 1.

Diagram 1 is a summary of the lifetime Royalties for Regions budgeted cashflow of the program from 2008-09 to the 2018-19 financial year.

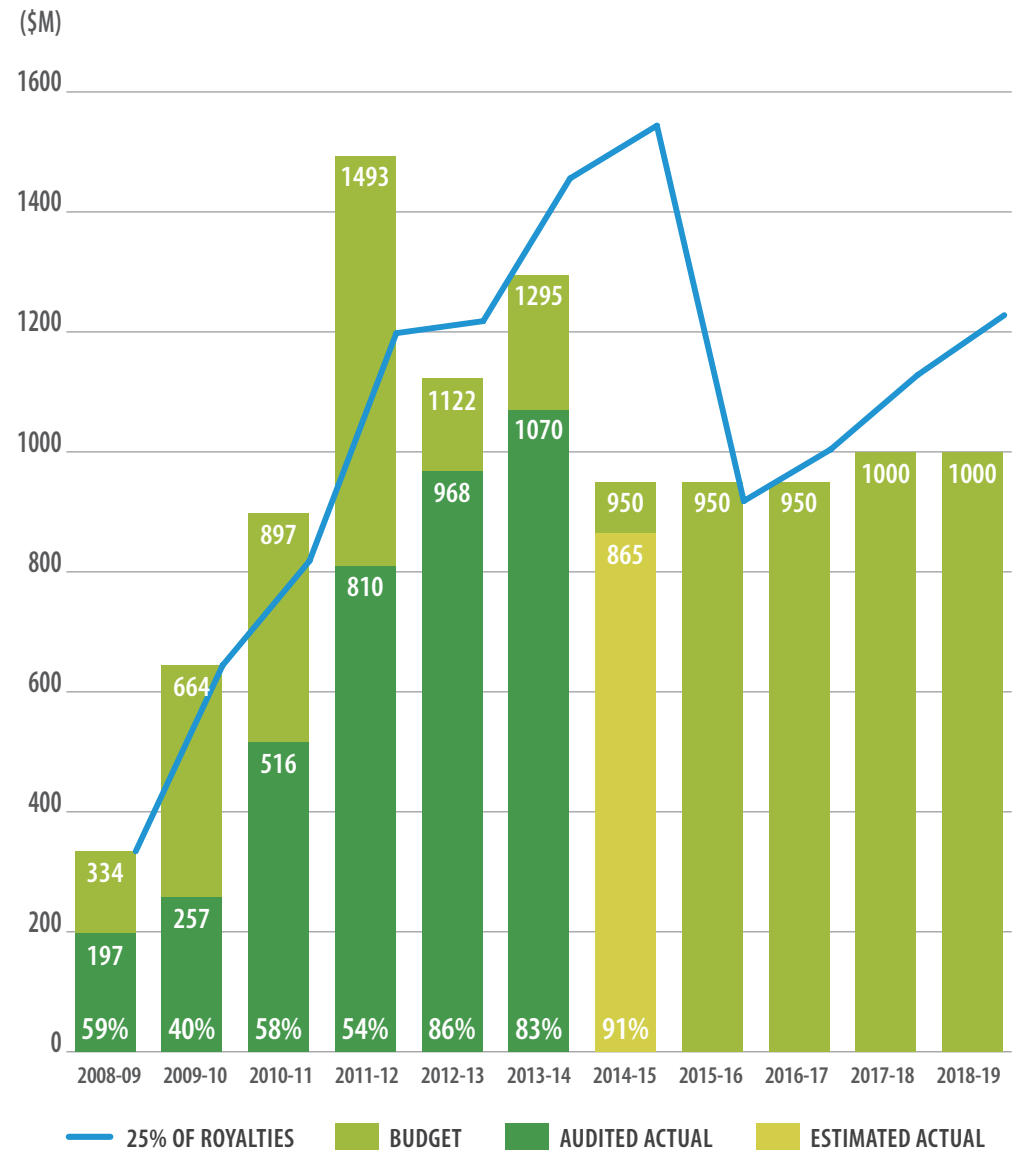
Budgeted funds, expenditure and 25 per cent of Royalties are shown in Diagram 2. The chart demonstrates the growth of the Royalties for Regions program over the inception years to 2014-15 and going into the forward estimates period with the application of the current approved expenditure limit (\$950 million).

Diagram 1: Royalties for Regions lifetime Cashflow Summary: 2008-09 to 2018-19



Source: Department of Regional Development (WA)
(a) Disbursements from the total Fund may not add due to rounding.

Diagram 2: Royalties for Regions Budget History and Forward Estimates



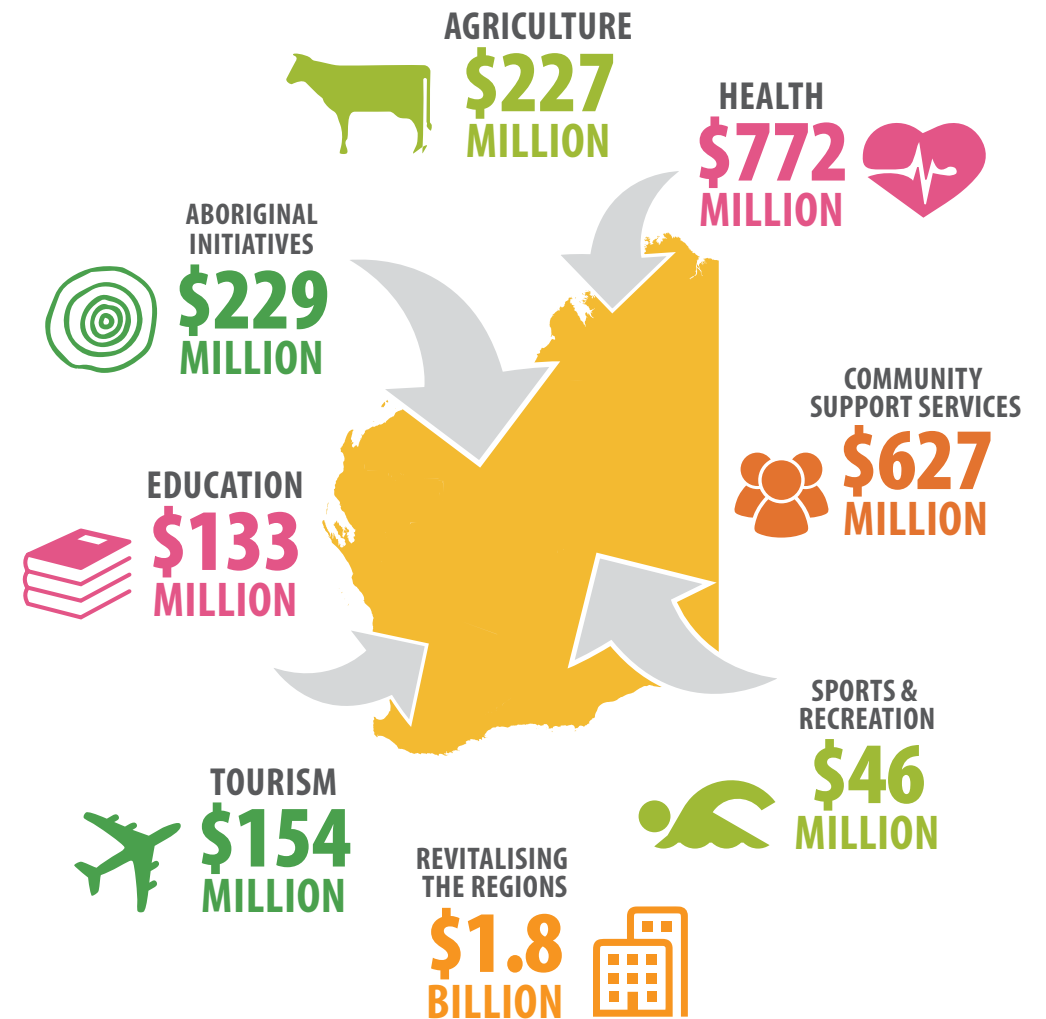
Note: 2015-16 to 2018-19 out-year budgets are subject to change annually.
Source: Department of Regional Development (WA)

South West
Photo: South West
Development Commission



The allocation of Royalties for Regions across categories of expenditure over the forward estimates period is demonstrated in Diagram 3.

**Diagram 3: Royalties for Regions Category Spending
2015-16 to 2018-19**



Source: Department of Regional Development (WA)



The Agriculture program focuses on capturing the opportunities for Western Australian agriculture from the economic growth of Asia, and desire of Asian countries to ensure their food security.

Key areas of investment in agriculture include research and development, land and water, infrastructure investment, and trade and skills development. Programs include projects such as:

- Boosting Biosecurity Defences
- Boosting Grains Research and Development
- Helping Grain Growers Better Manage Risk
- Sheep Industry Business Innovation
- Northern Beef Futures
- Water for Food Initiative



Royalties for Regions invests in community support services that are essential to enabling regional areas to more effectively contribute to the growth and development of the State.

Investments provide cross sector social, community and business benefits through initiatives ranging from better access to housing, transport, and telecommunications through to improving public safety. Programs include initiatives such as:

- Community Resource Centres
- Regional telecommunications towers
- Community Safety Network
- Regional Workers Incentives
- The Country Age Pension Fuel Card Scheme
- Natural Resources Investment Program



Investment to improve health outcomes in the regions is not only essential to the wellbeing of people who live in and visit the regions. Healthy populations are more capable and productive which is critical to the productivity and competitiveness of the State.

Health investment initiatives are expected to provide benefits that range from facilitating innovative healthcare services across the regions to meeting essential health care and service delivery needs, and improving health and aged care facilities in the State. This includes initiatives such as:

- The North West Health Initiative
- The Southern Inland Health Initiative
- Regional (Kalgoorlie Esperance) Telehealth
- St John Ambulance Services and Royal Flying Doctor Service
- Sub-acute Mental Health Services in Bunbury and Karratha
- Laverton Primary Health and Aged Care Facility



Royalties for Regions funding will continue to revitalise and transform the regions for the direct benefit not only to the people who live, work and visit but essentially the State and therefore all Western Australians. Programs include initiatives such as:

- State-wide Regional Blueprint Initiatives
- Southern Investment Initiative – Growing Our South
- West Kimberley Revitalisation
- Mid West Investment Plan
- Gascoyne Revitalisation
- Goldfields-Esperance Revitalisation
- Pilbara Cities

The allocation of Royalties for Regions funds to the subsidiary accounts over the forward estimates period is shown in Diagram 4.

Diagram 4: 2015-16 Budget and Forward Estimates

FUND	2015-16 (\$M)	2016-17 (\$M)	2017-18 (\$M)	2018-19 (\$M)	4 Year Projection
Country Local Government Fund	13	6	5	5	29
Regional Community Services Fund	352	336	260	129	1,077
Regional Infrastructure and Headworks Fund	684	682	800	857	3,023
New Regional and Statewide Initiatives	78	102	111	185	476
Total	1,126	1,126	1,176	1,176	4,606
Less overprogramming percentage*	-176	-176	-176	-176	-706
Revised Expenditure Limit	950	950	1,000	1,000	3,900
Regional Reform Fund SPA	50	50			100
Total - Royalties for Regions Fund^(b)	1,000	1,000	1,000	1,000	4,000

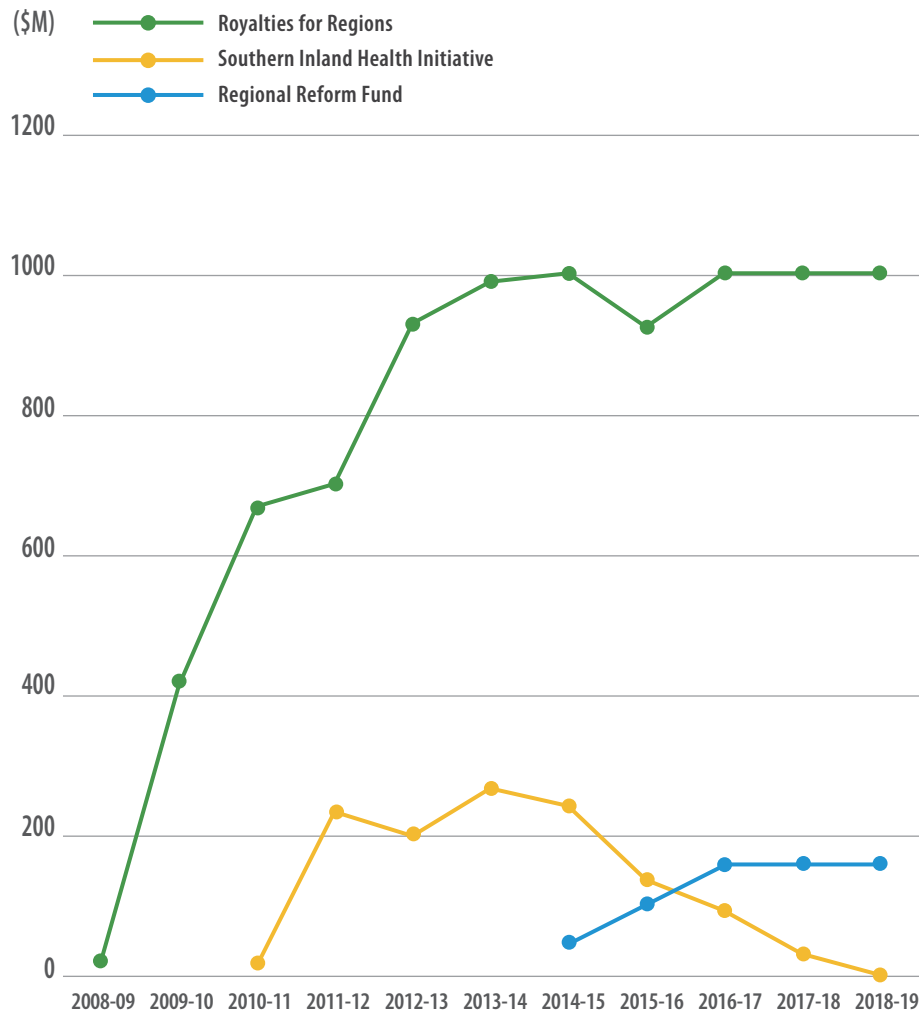
Source: 2015-16 Budget Paper for WA

(a) Over programming recognises individual project under spending by subtracting a set percentage from the total Royalties for Regions budget.

(b) Columns and rows may not add due to rounding.

There are three Royalties for Regions Special Purpose Accounts. Diagram 5 demonstrates when the three accounts were created and their actual and forecasted balances.

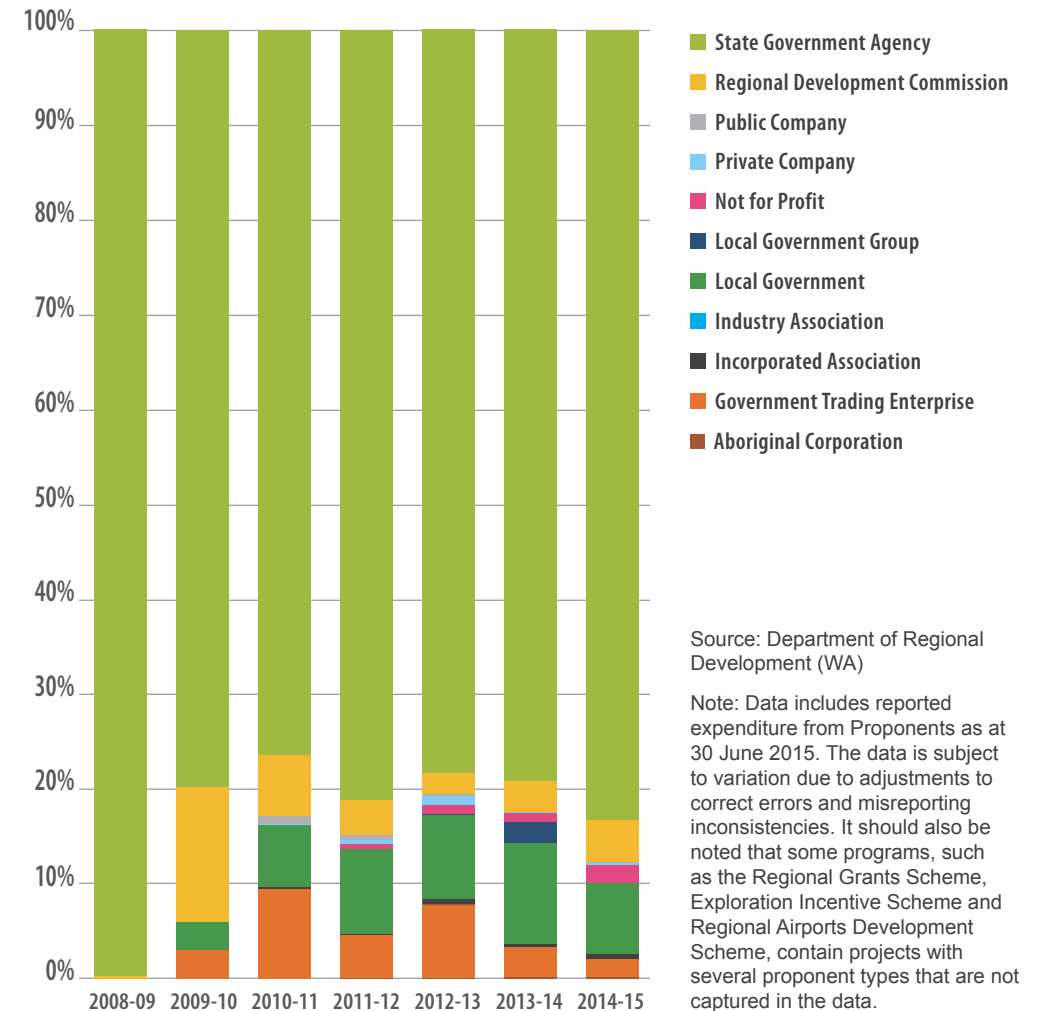
Diagram 5: Royalties for Regions Special Purpose Accounts: 2008-09 to 2018-19



Source: Department of Regional Development (WA)

The allocation of Royalties for Regions expenditure across Proponent types is demonstrated in Diagram 6. This graph shows that there is strong alignment between the Royalties for Regions program and State government agencies.

Diagram 6: Percentage of total reported expenditure by Proponent type: 2008-09 to 2014-15



Source: Department of Regional Development (WA)

Note: Data includes reported expenditure from Proponents as at 30 June 2015. The data is subject to variation due to adjustments to correct errors and misreporting inconsistencies. It should also be noted that some programs, such as the Regional Grants Scheme, Exploration Incentive Scheme and Regional Airports Development Scheme, contain projects with several proponent types that are not captured in the data.

Advice and Recommendations 2014-15

In the financial year 2014–15, the Trust provided advice and made recommendations to the Minister on the following matters:

Date	Advice Provided
8 April 2015	Royalties for Regions 2015-16 Budget proposal advice
22 April 2015	Alignment of the <i>Royalties for Regions Act 2009</i> and <i>Regional Development Commissions Act 1993</i>
2014-15	Regional Blueprint Review

Royalties for Regions budget proposal 2015-16

The Trust met with the Minister at a Special Trust Budget meeting on 3 March 2015 to consider the Royalties for Regions 2015-16 budget proposals. The Trust wrote to the Minister on 8 April 2015 regarding the Royalties for Regions 2015-16 budget proposals.

The Trust provided advice to the Minister in relation to two key areas:

- whether the 2015-16 Royalties for Regions budget proposals as presented meet the requirements of the *Royalties for Regions Act 2009* (Act) and are consistent with Royalties for Regions policy; and
- feedback to assist in the budget management.

Compliance with the Act

The Trust is awaiting advice to confirm the mechanism utilised by Government to implement the expenditure limit. The Trust believes the overall budget as outlined is consistent with the provisions under the Act, but views that there are opportunities to:

- improve the budget through more consistently aligned funding programs; and
- put clear principles in place to inform regional and government stakeholders in developing proposals for future budgets.

Budget management

Contribution to State's budget objectives

The Trust has advised in previous years that the operation of the \$1 billion expenditure limit on the Royalties for Regions Fund (Fund) could operate to frustrate the intent of the legislation by:

- operating to reduce the expected expenditure in any one year's budget; and
- imposing a barrier to the full share of royalties due to the Fund being effectively budgeted in out years covered by the forward estimates.

The Trust has previously recommended amending the Act to remove these risks. It also questioned the appropriateness of the \$1 billion expenditure limit and its operational impact on the program.

The Trust believes the intent of the Act is that 25 per cent of the forecast royalty income for the financial year should be credited to the Fund.

The overall position reported to the Trust by the Department of Regional Development (DRD) in the 2015-16 budget is that Royalties for Regions will make a contribution of \$1,923 million to the consolidated account in the out years of the budget. The Trust's view of this position is that it is understandable given the current context in which Royalties for Regions is currently operating, however it requires constant review.

Substitution and recurrent expenditure

The Trust advised that it is critical for the quality of the expenditure to be

well targeted and provide an optimal return on investment for the regions and the State. The Trust's view is that there is a wide variance in the quality of the expenditure in the proposed budget. The Trust also noted that it is critical that the Royalties for Regions program seeks to actively exclude "substituted" expenditure more appropriately funded from the consolidated account. The Trust holds the view that merely because a funded activity occurs or a facility is located in the regions, does not of itself mean that it is the optimal investment towards achieving the objectives of the Act. It is the Trust's view that many of these items have previously and should in the future be funded by core government expenditure.

Given the current context, the Trust believes the risks of this type of expenditure either continuing to occur within Royalties for Regions from previous budget years or introducing new substitutable budget items is very real.

The Trust acknowledged that to date the Royalties for Regions program has been tactically utilised to accelerate expenditure in the regions and to "leverage" investment from other sources, including local and federal government as well as the private sector. The Trust commented that it should continue to be a valid consideration, but advised that it is not necessarily the purpose of the program.

The second key risk is recurrent expenditure. The Trust's view on key principles that should be applied to help mitigate this risk is:

- expenditures that are fixed and/or recurrent remain proportionately and conservatively low, and that recurrent expenditure is not encouraged through new budget measures to the greatest extent possible; and
- strong encouragement of capital versus recurrent expenditure.

Encouraging reform

The Trust noted previously the principle of investing in reform particularly in a fiscally constrained environment and where expenditure growth reduction is critical to the future of the State.

The Trust advised that where Royalties for Regions is being used to fund core government services that instead, Royalties for Regions should be used to fund reform or "invest in change" in the status quo or current business model.

The ongoing funding of core services where business as usual remains the underlying tenet of the business case, will not solve expenses growth issues or be possible to fund into the future under scenarios of income reduction.

Other Royalties for Regions budget matters

Regional Development Fund

The Trust noted in advice to the Minister that the Regional Development Fund (RDF) was established to hold funds earmarked for large regional infrastructure projects once they had clear defined feasibility plans and costings.

The demise of the RDF due to the application of the \$1 billion expenditure limit is contrary to previous Trust advice and government policy in announcing the RDF.

The Trust stressed that this demonstrates the priority need for the Regional Development Portfolio (Portfolio) to be proactively developing a pipeline of strategic, cross regional development projects that will be transformative and catalyse growth and development. The Trust advised there needs to be a compelling economic argument made for how the projects in the pipeline will contribute to the growth and development of the State.

The Trust noted that the quality of the development and assessment processes around these proposed projects is critical and a priority for the Portfolio.

Administration fees

From 2014-15, the administration of DRD, Regional Development Commissions (Commissions), Regional Development Council (RDCo) and any other related entities, were funded by Royalties for Regions. In its budget submission in 2014-15, the Trust noted that the DRD/Commissions administration percentage for the Royalties for Regions budget was budgeted at 4.1 per cent in 2014-15, and 4 per cent in out years. It is noted that this is consistent with other government agencies.

The Trust noted two risks with the application of Royalties for Regions to administration fees:

- The first is the material risk that the administration fee charge could grow as a proportion of the Fund.
- The second is that this precedent could be used in future budgets and governments to justify Royalties for Regions administration funding for core government activity in the regions.

The Trust reiterated its previous advice to examine ways in which a range be proposed for administration costs and other agencies' administration costs to address the risk that over time the administration fee charge could grow as a proportion of the Fund.

The Trust has also previously advised that the role, function, responsibilities and expenditure of DRD, Commissions and RDCo be fully aligned with the Act. To this end, DRD has undertaken a review of the alignment between the Act and the *Regional Development Commission Act 1993* and the Trust's view is that there is substantial alignment.

Country Local Government Fund

The Trust has continued to advocate for the capacity of local government to effectively manage funding expenditure where it is strategic and provides growth and development outcomes at scales other than just local development.

The Trust also commented that with the reform process for local government being off the table, Royalties for Regions can still usefully be a tool for enabling local governments to engage at a strategic regional development level. The Trust noted the Country Local Government Fund still continues through the out years, and can be utilised at any point in the future.

Driving growth and development of the regions

In the 2014 Budget meeting, the Minister outlined the key theme for Royalties for Regions investment going forward would be economic development. The Trust advised the Minister that it strongly concurs with this theme.

The Trust supports the work that the Portfolio is undertaking to develop a Regional Development Strategy to focus and align effort and investment to grow and develop the regions. Linking the regional development

framework with Blueprints provides a stronger rationale and context to the program. This includes investment in economic development and this is expressly provided for under the Act, section 9(1) and specifically section 9(1)(b).

The Trust has undertaken a review of the Blueprints for the Minister, and as part of its overall findings, the Trust has identified that there are two emerging principles for investing in economic development priorities. They are:

- Investing where there is comparative advantage which means working in activity areas where the region has lowest opportunity cost, or using a suitable proxy such as existing importance of industries in export performance terms; and
- Transformational investments which are activities which are beyond day to day items, and focus on areas of investment that can substantially shift the status quo in a region or industry, capitalise on an opportunity or emerging area, transform a transition from decline to growth or create a market response where investing will generate a private sector response.

The Trust's view is that Royalties for Regions investment should be aligned with the Blueprints to enable the investment to be supported by regional investors and stakeholders, and that the investment should be in line with developing priorities under the Regional Development Strategy.

Whilst the framework is in development, the Trust commented that the Budget priorities should be closely aligned with the priority of generating economic development. This does not preclude social development investments but the Trust also believes they should enable economic development and be assessed on their ability to contribute to economic development outcomes, such as jobs growth.

The Trust's view is that this will enable the regions to contribute to assisting both the growth and development of the regions, and also ensure the optimal contribution of the regions to ensuring the improvement of the State's financial position in the future.



Ord East Kimberley Expansion, Kimberley



*Coodanup Clontarf Academy students, Peel
Photo: Clontarf Foundation*

Advice on matters referred by the Minister

Regional Blueprints

The task of producing the Blueprints has been a huge policy undertaking over the past three years. The depth of engagement, analysis and strategy development undertaken by the Commissions has been outstanding. The Trust commends the work to the broader state of WA as an important stage in the development of the State. The Trust believes this policy undertaking will underpin the future capitalisation of economic potential of the regions of WA for the benefit of all members of the Western Australian community.

The purpose of the Blueprint exercise was to harness the collective expertise within the Commissions and our regional communities so as to position our regions with a strategic path to achieve long term growth and development goals.

The Minister requested that the Trust review each of the nine draft Blueprints that were developed by the Commissions. The purpose of the individual reviews was to strengthen and improve the consistency and robustness of the documents.

The Trust engaged ACIL Allen Consulting (ACIL Allen) to undertake the reviews of each of the draft Blueprints. Findings from each of the Blueprint reviews were relayed directly back to the Commissions so that they could consider the review recommendations prior to the finalisation of their Blueprints. This process proved valuable as the Commissions were responsive to the advice received.

ACIL Allen was also tasked with preparing a collective review of the Blueprints taking into account the themes that emerged on review of all of the nine Blueprints and the implications of those themes on the design of an evidence-based Regional Development Strategy in WA. This work was completed in June 2015.

On review of the 2014-15 year in regional development - including the Blueprint exercise and the strategic advice received from ACIL Allen - the Trust has formulated five headline recommendations as a means to guide the State Government's approach to regional development in 2015-16 and beyond:

1. **WA's Royalties for Regions program has delivered real benefits to WA's regional communities and for the State as a whole. For these reasons, the Trust recommends that the program continue.**
2. **Going forward, the prime objective for the expenditure of Royalties for Regions funds should be to enable regional growth and economic development; and consequently the creation of regional employment opportunities. Government investment in the regions must be tailored to the economic profiles and needs of each of the regions.**
3. **Comparative and competitive analyses provide valuable tools by which to ascertain the relative strengths of the regions and hence the identification of Government investment opportunities. The development of a more comprehensive understanding of the comparative and competitive positions of our regions should be a priority objective for DRD.**
4. **In conjunction with the above work, DRD should develop and implement a rigorous evaluation framework to monitor the effectiveness of Royalties for Regions investment in the regions. This evaluation framework needs to tie in with specific outcomes-based objectives that are determined prior to investment decisions being made.**
5. **The information contained in the Blueprints provides the Government with a comprehensive platform from which to engage in targeted regional development activities. To do this effectively, a collaborative and portfolio-based model whereby the Commissions and DRD share resources, expertise and networks for the benefit of the regions as a whole, and collaborate strongly with government agencies across regional boundaries, is going to provide the most effective means to achieve the objectives.**

“ WA's Royalties for Regions program has delivered real benefits to WA's regional communities and for the State as a whole. For these reasons, the Trust recommends that the program continue.”

The Trust notes that the next layer of investing in regional WA is a much more complex and difficult task than has been undertaken during the first seven years of expenditure under the Royalties for Regions program. The capacity to develop the economies of regions and to enable jobs development and growth is a complex task.

The task will require a greater capacity and capability for designing, developing and implementing economic development projects and programs than currently exists within the Portfolio.

It is critical now that we move from an approach of developing individual regions at the expense of others, to developing the regions as a whole. Now is the time to reinvent what “regional” means so we can use our collective resources to compete effectively in a global marketplace. In this way, we can seek to achieve a regional WA that is renowned nationally and globally as a place to work, live and invest.

Advice from Previous Years

The Trust continues to monitor advice that has been provided in previous years.

Advice on policy

Proposal to form a regional policy think tank (2010 - 2011)

Early in its first term the Trust proposed the need for an independent entity to conduct research and provide a “thought leadership” role in the Regional Development Portfolio (Portfolio).

The Trust notes the Department of Regional Development’s (DRD) work in developing active relationships and collaboration within the Portfolio with universities and national bodies.

Advice on Aboriginal affairs policy (2014-15)

The Trust has given advice that it would like to see a clear and specific focus on programs that can deliver significant and measurable outcomes. The Trust also noted that normalisation of land tenure to facilitate Aboriginal home and business ownership should be a regional development initiative.

The Trust notes that the first focus area for the new Regional Reform Fund Special Purpose Account (SPA) will be centred on regional Aboriginal reform initiatives. The Trust will continue to monitor progress in this area.

Advice on changes in State Government policy (2014-15)

As of 1 July 2013, the new DRD was fully aligned with the *Royalties for Regions Act 2009* (Act) and programs and is no longer funded from the consolidated account. As a result the Trust undertook advice to understand its governance and accountability mechanisms resulting from this change.

The Trust formed a view that the administration cost to the Royalties for Regions Fund is valid expenditure but should be monitored annually. This is addressed in the annual budget feedback to the Minister.

The Trust has also examined the alignment of the Act and the *Regional Development Commissions Act 1993* in 2014-15, and concluded they are substantially aligned.

The Trust also undertook to reassess the efficiencies, resources and operations of the Regional Development Council and Regional Development Commissions to better meet their obligations of sections 4 and 9 of the Act. The Trust notes the Portfolio reform process which is developing both a Regional Development Strategy and a Portfolio Operating Model, and will continue to have a keen interest in progress in these areas.

Advice on Royalties for Regions

Building human capacity in WA regions (2010 - 2014)

Since 2010, the Trust has identified leadership development and human capacity building as a key and necessary investment for promoting regional development in WA. Research indicates the existence of high levels of social capital will have a direct and positive impact on levels of economic development. As such, the Trust continues to advocate for investment in this area.

In consultation with the Trust, DRD has developed a three-tiered \$8 million Royalties for Regions Regional Leadership Initiative (RLI) Business Case, submitted to Cabinet in August 2015. The Trust Chair and a board member are members of the RLI Steering Committee, the Trust acknowledges the need for a coordinated leadership development pathway across the State, and its potential to promote economic growth and maximise existing regional infrastructure investment.

In 2015, a pilot Emerging Community Leadership program was undertaken by DRD and the Trust will continue to monitor the program's outcomes with interest.

Country Local Government Fund review (2011 - 2012)

In January 2012 the Trust released its review into the Country Local Government Fund (CLGF). The Trust recommended the CLGF be retained and made a further 26 recommendations to improve the efficiency and effectiveness of the fund. The CLGF review was accepted by Government, but funding was subsequently not continued.

The Trust believes that the regional level of the CLGF fund would still be a useful mechanism for developing strategic cross local government projects. Funding to the CLGF could be continued in out years to support implementation aligned under the Blueprints.

Water (in the context of regional development) (2011 - 2012)

In 2011-12 the Trust recommended that water policy and projects be given greater emphasis in Royalties for Regions. A number of key water initiatives have since been developed. The Trust continues to monitor this important area of investment.

Planning for new large Royalties for Regions projects (2012)

In 2012, the Trust identified a number of key large strategic projects within the regions that aligned with key investment themes the Trust had proposed and had been adopted by Royalties for Regions.

This work has been overtaken by the Regional Development Strategy process. The Trust notes that once the Strategy is finalised and is in place, it will advise the Minister and DRD that its themes for development are to be replaced by the Strategy.

Proposed review of regional housing (2012)

In 2012, the previous Minister had requested the Trust to consider reviewing the regional housing program funded under Royalties for Regions. At that time, the Trust formed a view the program was not sufficiently advanced to be constructively reviewed.

Since that time, DRD have undertaken an evaluation of the housing investment and some early positive results have been shown to the Trust. The Trust looks forward to more information on the Housing programs funded by Royalties for Regions, and will then give advice to the Minister whether a Trust review is required or not.

Review of the WA Community Resource Centre Network (2012-13)

In 2012-13 the Trust undertook a comprehensive review of the WA Community Resource Centre Network (CRN). The main recommendation was to modify the network from a grant program to a service level agreement arrangement.

This work has been completed by DRD and the Trust has been advised the majority of the CRN has successfully managed this change. The Trust continues to monitor the review implementation.

Advice on Royalties for Regions and regional education (2014-15)

The Trust has given advice that Royalties for Regions has significantly invested in a broad range of training and education initiatives in regional areas. However the Trust believes these initiatives to be project based and broadly spread, rather than the result of a regional development focussed coherent plan. The Trust recommended a stronger coordinated strategic emphasis from a regional development perspective is warranted.

The Trust has seen little real progress in this area, despite ongoing expenditure on education in the regions and some early positive evaluation outcomes.




Carnarvon bananas, Gascoyne
Photo: Sweeter Banana Co-operative

Outcomes and Benefits of Royalties for Regions

This section provides examples of reported outcomes and benefits of a selection of programs and projects funded under the Royalties for Regions program. With the exception of the information on water provided by the Department of Water (DoW), this information is based on evaluation reports commissioned by the Department of Regional Development (DRD) to guide and inform the development, implementation and management of similar projects within WA. While not conclusive, the analysis provided by DRD suggests that Royalties for Regions funded initiatives have contributed to a range of beneficial outcomes across multiple regions, and will continue to contribute positively to the realisation of longer term outcomes and impacts in regional WA over time.

Further to the Advice and Recommendations 2014-15 section of this report, the Trust recaps on previous advice that a better understanding of the effectiveness and impact of Royalties for Regions funding in delivering on the objectives of the *Royalties for Regions Act 2009* will continue to be a key focus area for the Trust in the future. With a view to this, the Minister has requested the Trust to work with the Regional Development Portfolio to review and present for his consideration, a comprehensive evaluation framework and implementation plan to assist with the consideration of continuing and ending projects for the 2016-17 budget. The framework would be expected to then guide the annual consideration of projects which are nearing completion and enable informed decisions to be made on future funding considerations.

Improved local health services








































Health programs evaluated across five local government authority areas in regional WA have found clear evidence that Royalties for Regions funded health initiatives are improving health services in regional areas. The projects evaluated were situated in the Shire of Esperance, City of Albany, Shire of Merredin, City of Greater Geraldton, and Shire of Derby West Kimberley. The regions in which the evaluated projects are located are shown with a  in Diagram 7.

Tackling some of the key challenges facing health services in rural and remote communities, has resulted in a range of investments and innovative solutions. Existing services have been enhanced, new staff have been appointed, hospital upgrades have been more extensive than they would have been otherwise, and workforce issues are being addressed.

Royalties for Regions has increased service capacity by improving services and infrastructure to help address local health service issues in some regional areas. This has included better access to more and different health services that are closer to home through initiatives such as improvements to the availability of 24/7 medical coverage, appointment of nurses, community paramedics, and increases to the Royal Flying Doctor Service.

Other significant benefits have included progress towards facilitating a shift in the model of health service delivery, away from a hospital-centric model, to a network model that recognises and accommodates changing work patterns. Reform in this area of health is essential to being able to attract more doctors, nurses and health professionals in regional areas where there is a critical shortage of a skilled health workforce. While the shift from a medical model to a community health model is showing success, it is acknowledged the shift is gradual and contentious as regional communities value proximity to, and provision of, hospital services.

Diagram 7: Royalties for Regions funded health projects included in the evaluation

Project Name	Esperance	Derby-West Kimberley	Greater Geraldton	Albany	Merredin
Ambulance Services in Country WA					
Patient Assisted Travel Scheme (PATS)					
Regional Men's Health Program					
Royal Flying Doctor Service (RFDS)					
Rural Generalist Pathways					
Southern Inland Health Services (SIHI)					
Albany Community Hospice					
New Hawthorn House					
Derby Community Mental Health Refurbishment					
Esperance Hospital Redevelopment (Stage 1)					
Geraldton Residential Rehabilitation Facility					
Hillcrest Residential Care Facility					
North West Drug and Alcohol Support Program					
Expansion of Dryandra Hostel – Aged Care Facility					
Albany Health Campus					
Remote Indigenous Health Clinics					

*Close proximity

Improved availability and affordability of housing

Housing programs that have received Royalties for Regions funding have resulted in increased availability and affordability of housing within the regions evaluated.

Royalties for Regions has been invested across a broad mix of housing accommodation solutions to help ease housing related stresses such as housing shortages and affordability issues in regional areas. This has been highlighted by challenges to businesses of attracting and retaining staff for key positions within some communities, as well as the need to improve the quality of life for other members of the community.

Diagram 8 provides a high-level outline of types of housing by geographic locations for those projects evaluated.

Royalties for Regions housing projects were found to have had a number of substantial community benefits including:

- improved affordability;
- improved housing availability which has enabled attraction of non government organisation (NGO) social services workers and delivered housing that is appropriate to ageing residents;
- retention of staff by offering housing options to employees;
- increased service capacity by attracting and retaining doctors has meant that key positions like GPs can be filled;
- increased social and community capital through benefits such as increases in volunteerism, community morale, and reductions in anti-social behaviour; and
- cross sector benefits such as increased GPs available to assist with health related NGO service provision.

Diagram 8: Royalties for Regions funded housing projects included in the evaluation



Better emergency service communications, and mobile phone and wireless internet coverage

Emergency communication programs evaluated show that people living in WA's regions are now getting much better emergency service delivery, as well as better mobile phone and wireless internet reception.

Infrastructure and service delivery related issues encumbering emergency communications in regional WA have benefited from Royalties for Regions investment in a community safety network to replace obsolete radio network facilities, constructing new mobile communications towers and shared use of the communications infrastructure.

Royalties for Regions investment in regional mobile and internet communications projects have contributed to greater public safety, more efficient and effective emergency service delivery as well as providing communications technology that is critical for regional competitiveness. Royalties for Regions has provided a number of substantial benefits including:

- better service delivery in emergency situations in regional WA;
- more appropriate response to emergencies;
- up to date information on incidents;
- greater public safety in regional WA;
- occupational health and safety of employees;
- increased perception of safety on highways; and
- substantial community and business benefits.

The regional police stations in the Pilbara and Mid West described the improved platforms, equipment and interoperability as “miraculous” and a “game changer”.



*Mobile Phone Tower, Wheatbelt
Photo: Department of Commerce*



Securing regional water supplies

The DoW is conducting groundwater investigations across six regions to support future regional growth. Royalties for Regions funding of \$25.3 million has accelerated DoW's groundwater investigation, water data and water demand projects to bring forward the benefits for regional development.

Investigations are focussed to provide confidence about water availability to support expansion in the agriculture, industry and mining sectors and to enhance scheme supplies for regional towns. Through this study groundwater resources to meet future water demands have been identified in the Dampier Peninsula, east Murchison, west Canning Basin and the west Pilbara. The west Canning Basin study is already driving increased private investment in irrigation.

In the south west of the state the need for additional water is already pressing due to the effects of drying climate combined with increased water demand. An investigation has identified additional groundwater to increase the capacity of supply for the Lower Great Southern towns' water supply scheme, securing supplies to meet expected household water demand until 2030. In the South West, information from aerial electromagnetic imagery will be used to plan the location of private and public groundwater bores with confidence, reducing the risk of sea water intrusion to fresh water supplies.

A significant new state-wide benefit of the Royalties for Regions funding is rapid on-line access to all of DoW's electronic water data through a Water Information Reporting portal. Data from the portal is accessed by several sectors to support private investment in development of water resources.

Looking ahead, to help meet demands where no additional natural groundwater or surface water is available, innovative water use strategies and new water supply infrastructure will increasingly be needed. The predictive capacity to identify future water demand has been greatly enhanced with a new Water Supply and Demand Model – the first of its kind in Australia. The modelling will inform timely water solutions and water supply planning for our economy, communities and environment.



South West
Photo: South West Development Commission



Café, Mid West

Photo: Mid West Development Commission

Freedom of Information Application

The Trust received no new Freedom of Information applications in 2014-15 under the *Freedom of Information Act 1992*.

As outlined in the Trust 2013-14 Annual Report, on 7 August 2014 the Trust provided a Notice of Decision and gave access to documents pursuant to an application for all documents to and from the Trust which relate to advice and recommendations provided by the Trust to any Government Minister on the function and operation of the Royalties for Regions Fund.

Trust Internal Governance

Trust Finances

Operating budget

Pursuant to section 9(2)(c) and section 27 of the *Royalties for Regions Act 2009* (Act), the Department of Regional Development (DRD) provides the Trust with an operating budget to cover the expenditure incurred in the administration of the Trust. These funds are managed by DRD and are reported on in the Financial Statements section of DRD's 2014-15 Annual Report.

The operating budget for the Trust for 2014-15 was \$687,430 and actual expenditure was \$657,755.

A summary of some of the Trust expenditure is provided below.

Trust members' remuneration

As per section 20 of the Act and the Public Sector Commissioner's determination Trust Members are entitled to remuneration and travel allowances. The remuneration for Trust members is as follows:

Chair	\$117,170 per annum
Deputy Chair	\$42,260 per annum
Members	\$12,500 per annum

Western Australian Regional Development Trust

Position	Name	Type of remuneration	Period of membership	Gross remuneration
Chair	Sue Middleton	Annual	1 July 2014 to 30 June 2016	\$116,796
Deputy Chair	Tim Shanahan	Annual	1 July 2014 to 30 June 2016	\$42,125
Board Member	Peter Rundle	Annual	1 July 2014 to 30 June 2016	\$12,891
Board Member	Stuart Hicks	Annual	2 Dec 2014 to 1 December 2015	\$6,853
Board Member	Ralph Addis	Annual	1 July 2014 to 9 Nov 2014*	\$3,642
				\$182,307

* Ralph Addis ceased receiving remuneration for his role as board member when he commenced employment with the Public Service on 6 October 2014.

The total remuneration paid to Trust Members for 2014-15 was \$182,307 (exclusive of superannuation).

Travel expenditure

The Trust held regional meetings in Mandurah and Jurien Bay, which incurred travel costs for all Trust members. The travel expenditure for 2014-15 also includes flight costs for a Trust meeting in Karratha in 2015-16. Country members of the Trust also incurred travel costs to attend Perth meetings and Trust business.

The total travel expenditure for 2014-15 was \$17,808.



*Iron ore industry, Mid West
Photo: Mid West Development Commission*

Blueprint review expenditure

In response to the Minister's referral for the Trust to consider the Blueprints, the Trust engaged ACIL Allen Consulting to undertake detailed reviews of each of the nine draft Blueprints developed by Regional Development Commissions and a collective review of the Blueprints.

These costs amounted to \$255,245.

Strategic performance expenditure

The Trust has undertaken the development of a strategic plan, performance review and training and development to enhance the strategic performance of the Trust.

These costs amounted to \$30,409.

Trust performance evaluation

The Trust is committed to reviewing and enhancing its performance. In 2014-15, the Trust engaged an independent consultant to undertake interviews with a small number of key stakeholders. A summary of the key findings is provided below:

- Trust members are seen as credible and knowledgeable about the issues and needs of the regions.
- The Trust is seen as consultative and engaging.
- The relationship with the Minister's Office is seen to be very healthy and positive. Advice provided is of benefit and makes a difference.

The report also proposed that the Trust:

- Increase focus at the strategic level to influence the direction for Royalties for Regions.
- Improve how Royalties for Regions effectiveness and risks are measured.
- Strengthen awareness of the role of the Trust within the regional development sector.

Provision of services and facilities to the Trust

Pursuant to section 27 of the Act DRD provides the Trust with services and facilities necessary for the Trust to perform its function.

In the 2014-15 financial year DRD provided the Trust with the services of a full-time Executive Officer, part-time Executive Support Officer and policy and advice services as required.

As per sections 9(2)(c) and section 27 of the Act, DRD provides the Trust with the funds for the expenditure incurred in the administration of the Trust; including remuneration and allowances to Trust Members. Pursuant to section 10 of the Act information about the operation of the Royalties for Regions Fund is included in DRD's Annual Report. However, further detail regarding Trust Members' remuneration and some administrative costs for the Trust is provided in the section on Trust Internal Governance in this report.

Trust meetings

The Trust formally meets approximately every two months and on other occasions as required. The Trust held six ordinary meetings (including two meetings with the Regional Development Council (RDCo)) and one special meeting in 2014-15 on the following occasions:

Ordinary meetings

Meeting 24, 14 August 2014, Perth

Meeting 25, 17 October 2014, Mandurah

Meeting 26, 4 December 2014, Perth
(with joint meeting with RDCo on 3 December 2014)

Meeting 27, 13 February 2015, Perth

Meeting 28, 10 April 2015, Jurien Bay

Meeting 29, 11 June 2015, Perth
(with joint meeting with RDCo on 10 June 2015)

Special meetings

Royalties for Regions 2015-16 Budget discussion with Minister,
3 March 2015, Perth

Attendance

Following is the record of attendance of Trust Members for the Trust Meetings in 2014-15. Trust Members are required to attend formal Trust meetings and are required to have any leave of absence approved by the Chair. This was done and apologies provided.

Sue Middleton

Attendance at all six Trust meetings.

Attendance at the Special meeting.

Tim Shanahan

Attendance at five Trust meetings.

Did not attend the Special meeting.

Peter Rundle

Attendance at all six Trust meetings.

Attendance at the Special meeting.

Stuart Hicks

Attendance at all four Trust meetings since his appointment.

Attendance at the Special meeting.

Ralph Addis

Attendance at two Trust meetings through to his resignation.

Was not a member when the Special meeting was held.

Working with the Public Sector Commission

The Public Sector Commission (PSC) is undertaking a pilot to encourage effective dialogue between Ministers and their government boards and committees.

The Trust is participating in the pilot which involves the Minister providing a statement of expectations to the Trust and the Trust responding with a statement of intent.

During 2014-15, the Trust has been working to draft a statement of intent to the Minister. The response demonstrates the board's understanding of, and commitment to, meeting the Minister's expectations and ensuring that the Government's key strategic priorities for the Trust are realised.

The Statement of Expectation and Statement of Intent will be placed on the Trust website when they are finalised in 2015-16.

Trust governance framework

The Trust's internal governance policies were endorsed on 16 July 2010. The Framework was developed using public sector best practice and comprises a Charter, Code of Conduct and Conflict of Interest Policy. These documents were reviewed in 2013-14.

Charter

The Charter was developed using recommendations on best practice for boards and committees from the PSC's Good Governance for Western Australian Public Sector Boards and Committees guide.

The Charter outlines the roles and relationships, key activities, Trust operation and administration.

Code of Conduct

The Code of Conduct was developed using the best practice for boards and committees from the PSC's Good Governance for Western Australian Public Sector Boards and Committees guide.

The Code of Conduct sets out the minimum standards of conduct and integrity to be complied with by all Trust members in accordance with Commissioner's Instruction No. 7 - Code of Ethics.

Conflict of Interest Policy

The Conflict of Interest Policy was developed to assist Trust Members to identify, declare and manage conflicts of interest. The policy goes further than the requirements under section 24 of the Act to disclose "direct or indirect pecuniary interests". Trust Members have agreed that a more expansive declaration is appropriate and that the Act is the minimum required.

The Conflict of Interest Policy contains the following forms:

- Registration of Private Interests
- Advice of Private Associations
- Disclosing Conflicts of Interest
- Notification of Alteration to Statement of Interests
- Resolution and Management of Interests

Trust Members have completed all of the appropriate forms and further disclosures are made as they occur. The agenda for formal Trust meetings includes a section at the beginning for disclosures of interest relevant to agenda items. Trust Members excuse themselves from agenda items where a potential conflict of interest arises.

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Acronyms and Abbreviations

Acronyms

CLGF	Country Local Government Fund
CRN	Western Australian Community Resource Network
DoW	Department of Water
DRD	Department of Regional Development
GP	General Practitioner
NGO	Non government organisation
PSC	Public Sector Commission
RDCo	Regional Development Council
RDF	Regional Development Fund
RLI	Regional Leadership Initiative
SPA	Special Purpose Account
WA	Western Australia

Abbreviations

Act	<i>Royalties for Regions Act 2009</i>
ACIL Allen	ACIL Allen Consulting
Blueprint	Regional Blueprint/s
Commission	Regional Development Commission/s
Fund	Royalties for Regions Fund
Minister	Minister for Regional Development
Portfolio	Regional Development Portfolio The Portfolio includes the Department of Regional Development, nine Regional Development Commissions, Regional Development Council and Trust.
Trust	Western Australian Regional Development Trust



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