



**WALGA**

WORKING FOR LOCAL GOVERNMENT

# A Strategic Approach to Economic Development in Western Australia

---

WALGA Policy Priorities

May 2019

## Often Local Governments are simply thought of in terms of their responsibilities for 'roads, rates and rubbish', but in fact the sector has a significant impact on the economic landscape.

Local Governments have a broad range of responsibilities and functions which affect the economic and business environment, as well as overseeing hundreds of local laws which influence the behaviour of businesses and consumers.

While there are now signs that the WA economy is starting to emerge from its recent downturn, our future success is not guaranteed. There are a number of issues with the current economic development environment which may prevent us from taking full advantage of the opportunities that are on the horizon for WA.



WA has no overarching State Economic Development Plan, no central agency responsible for the State's economic development, and no Minister charged with the development and implementation of an economic development strategy.

Local Government authorities are tasked with bringing together a disparate range of State Government policy directions and sources of funding as a means of crafting their own local area economic development strategy.



Western Australia's current and emerging competitive advantages are well known at a State level, and are generally supported by the State's existing policy and regulatory settings.

However, broader policies and strategies that are being developed are centred on areas of potential advantage, rather than as a way of building on the State's existing strengths.



While collaboration is occurring between agencies and stakeholders, this is often ad hoc or piecemeal, and in some cases collaboration is not occurring at all with individual organisations instead pursuing their own economic development agenda in isolation.

**To overcome these issues, we need to take a proactive approach to make sure that WA is on track for prosperity in the future and that the quality of life for our communities continues to improve.**

# WALGA has identified a number of key reforms that the State Government should undertake to improve the economic development landscape in WA and free up Local Governments to deliver on their role in supporting local economic outcomes.



## RECOMMENDATION 1

### Create a State Economic Development Strategy:

A State Economic Development Strategy should be developed in consultation with Local Government and other key stakeholders. This will be an important tool to coordinate economic development activities, set out a clear direction, and make sure all stakeholders are working towards common goals.

A State Economic Development Strategy should:

- Be based on a shared vision for the State's future, developed in consultation with key stakeholders and the community.
- Consider a long term time horizon.
- Build on the State's existing industry base and comparative advantages to capture the benefits from existing and emerging industries.
- Include measurable targets and allocate responsibility for achieving these.
- Align with the national policy agenda.



## RECOMMENDATION 2

### Undertake a Structural Review of Economic Development Functions:

A structural review of State Government economic development functions is needed to examine the existing functions, governance, skills and resourcing arrangements of agencies involved in economic development to reduce areas of duplication and overlap, and ensure that these services are being delivered in the most efficient manner. This should be undertaken with a view to moving towards the best practice approach, including a single agency responsible for coordinating economic development at a State and Local level, and an Act of Parliament which vests responsibility to a Minister for Economic Development.

A structural review of State Government economic development functions should:

- Examine the role of the Regional Development Commissions (RDCs) and the current approach to regional planning, funding and program delivery.
- Investigate options to align regional boundaries with functional areas targeting WA's competitive and comparative advantages rather than strict geographical boundaries.
- Embed Local Government in the broader economic development ecosystem by formally recognising its responsibilities in the *Local Government Act 1995*.

## RECOMMENDATION 3

### Remove Barriers for Local Governments:

Amendments to the *Local Government Act 1995* are needed to provide Local Governments the flexibility and autonomy to undertake economic development activities in an efficient way that will meet their community's needs and expectations. Amendments should focus on removing impediments to Local Governments ability to raise revenue and recover costs; ability to borrow; and engage in flexible and innovative service delivery models.



## RECOMMENDATION 4

### Develop a Policy Agenda to Support the Future Growth and Development of the WA Economy:

Such an agenda must focus on improving the productivity and competitiveness of existing industries through reforms that will create a more enabling business environment, as well as providing support to encourage the development of new and emerging industries.

For the full suite of policy recommendations, please reference the **'Local Economic Development – Research Findings and Future Directions'** Discussion Paper. ►



Western Australian Local Government Association  
ONE70, LV1, 170 Railway Parade, West Leederville, WA 6007  
PO Box 1544, West Perth, WA 6872

T: (08) 9213 2096 E: [dmason@walga.asn.au](mailto:dmason@walga.asn.au) [www.walga.asn.au](http://www.walga.asn.au)



**WALGA**

WORKING FOR LOCAL GOVERNMENT