



8 January 2024

Mr Roy Butler MLA  
Chair  
Legislative Assembly Committee on Investment,  
Industry & Regional Development

Via email: [investmentindustry@parliament.nsw.gov.au](mailto:investmentindustry@parliament.nsw.gov.au)

Dear Mr Butler

### **Supplementary Questions – Performance of the Regional Investment Activation Fund and Regional Job Creation Fund**

Thank you for your supplementary questions regarding the performance of the Regional Investment Activation Fund (RIAF) and the Regional Job Creation Fund (RJCF). Please find below my responses to those questions.

**1     *At the public hearing, you stated that "there needs to be that nuance in policy that responds to the unique circumstances in various parts of NSW" (page 21, uncorrected transcript). In your opinion, how could the Regional Investment Activation Fund and Regional Job Creation Fund take a more nuanced approach in their policy and program design?***

Both the RIAF and the RJCF are heavily focused on the manufacturing sector, as 'engine' industries aligned to the NSW Government's *A 20 Year Vision for Regional NSW* (2021). These engine industries simply may not be the highest priority for government investment in all regions across NSW.

While the eligibility criteria refer to regional economic development strategies (REDS), it is not clear how REDS have been considered in the evaluation process, and it appears that local economic development strategies were not considered at all. For example:

- in many regional areas jobs retention is a much higher priority than job creation, but projects that seek to retain key workers are ineligible,
- a focus on 'engine' industries excludes industries, such as childcare and housing, that are critical to economic prosperity in most regional areas, and
- the inclusion of a requirement for planning approval without consideration of the situation faced by many local council planning authorities puts additional pressure on already strained systems that are working to support local economic priorities.

An improved system would:

- Involve regional stakeholders in the design of funding programs,



- Include alignment with local economic development strategies in grant assessment criteria, and
- Involve local stakeholders, including local government, in the assessment process.

## **2 *Apart from regulatory changes, how can the government address the significant delays in Development Applications faced by regional businesses?***

### *Improving the quality of development applications*

Around 80-90% of the DAs received by Central Coast Council do not contain all of the information required to assess them. The time taken to request, receive and assess further information that should have been provided on lodgement significantly extends assessment times.

There is a key role for Government to work with industry to explain the current planning process to proponents to improve the quality of development applications submitted to planning authorities for assessment. Under the model template Local Environmental Plan, most planning processes are now pretty similar, which allows for this education process to take place.

### *Funding local government to directly employ more planning staff*

Government could also support local councils with effective resources to assess DAs. While Minister Hoenig has directed local councils to provide sufficient resources to assess DAs ([23-12 Guidelines on the withdrawal of development applications - Office of Local Government NSW](#)), the government has not provided any additional funding support for councils to do that. In a rate capped environment, this inevitably means a reduction in other local government services, should additional planning resources be able to be secured.

Secondment of planners from the Department of Planning and Environment or funding to enable councils to recruit their own planning staff would be more effective than the current [Flying Squad](#) model, as it would allow additional staff to be delegated to determine applications rather than assess them and then have a council officer satisfy themselves that the assessment of an application is adequate for them to determine it.

### *Supporting training, development and retention of local government planners*

There is a significant shortage of planners, and particularly senior planners, in NSW. The Planning Institute of Australia [reports](#) that from 2021 to 2026, an 18.6% increase in planners is required nationally to meet anticipated demand. While NSW has the highest number of planners in Australia, the majority work in Greater Sydney, with 27% of LGAs having no planning staff at all.

There is a key role for governments, both state and federal, to support planning education to ensure there is an adequate supply of planning graduates. It would also be useful for the NSW Government to understand how its cyclical focus on planning reform affects both the demand

for state-based planners, which reduces the availability of local planners, and the burden on local planners to keep up with changes in the already complex NSW planning system.

There is opportunity for the Department of Planning and Environment to provide more targeted training and development support for existing local government planners to assist them to adopt best practice approaches to the assessment of development applications and to stay abreast of changes to regulation.

**3      *What is your experience with the ePlanning portal in the administration of these funds? How can the government improve its administrative process?***

Central Coast Council is not familiar with how Regional NSW might use the ePlanning portal in the administration of RJCF funding. Council is aware of how grant recipients use the ePlanning portal for development assessment purposes.

Council is aware that many local governments in NSW continue to face challenges with the ePlanning portal. Council's challenges are exacerbated by amalgamation, which adds a layer of complexity harmonising two planning software systems and attempting to integrate them with the ePlanning portal.

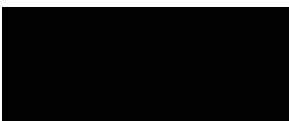
In hindsight, given that there are two major software providers supporting local government planning processes, the government could have engaged directly with those providers to develop the ePlanning portal rather than requiring each council to separately negotiate with their provider to develop a solution. Moving forward, it would be useful for the Department of Planning and Environment to provide more proactive support to councils to ensure that everyone can perform a minimum level of functionality before adding additional modules that, in our case, have meant that functionality has been reduced.

**4      *In your opinion what impact does the end of the Regional Investment Activation Fund (RIAF) have on businesses in Central NSW?***

Council is unable to comment on the impact of the end of RIAF funding on Central NSW. On the Central Coast, there is unlikely to be a significant impact as the scale of the investment to date (\$2m) is low relative to the broader economy and there are a range of other grant programs that provide support to local 'engine', emerging engine' and 'enabling' industries.

Please don't hesitate to contact me if you would like to discuss any aspect of this additional submission in more detail.

Yours sincerely



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