

Performance of the Regional Investment Activation Fund and the Regional Job Creation Fund

Answers to Supplementary Questions

1. Apart from regulatory changes, how can the government address the barriers in the planning process and for Development Applications?

Answer

Here are some immediate thoughts:

- Fix the planning portal.
 - Optimise support Special Activation Precincts.
 - Support capacity building initiatives through Joint Organisations to increase resourcing in planning particularly health and building.
 - Give Councils extra funds when they have to respond on behalf of the community for SSD particularly for development supporting Net Zero.
 - Review the SSD for its applicability to the Net Zero challenge. For example is it fair and reasonable to ask every developer to understand cumulative impacts? Surely the State should undertake this work, particularly for the transport task. Arguably, the scale of the cumulative impacts call for non- SSD processes.
- 2. In your opinion, how did the consultation (or the lack thereof) with regional businesses and organisations (for example, the Six Cities Region mentioned on page 21 of the uncorrected transcript) in rolling out Regional Investment Activation Fund and Regional Job Creation Fund impact the effectiveness of these funds?**

Answer

Successive NSW Governments have a very long history of poor engagement on Regional Development with Regional Communities. Typically, bureaucrats often in Sydney, just get on with job making assumptions that are often wrong. Any number of examples can be provided. There is a reluctance to work with elected officials especially in local government. Risk aversion is more typical than risk management. There is poor investment in data and over investment in shelfware. For example, the NSW Regional Economic Vision had no consultation CNSWJO is aware of. Without legislative imprimatur it does not survive change of government. Most recently boundaries for Regional NSW were changed with no consultation. CNSWJO is now part of a region that stretches from Lithgow to Broken Hill (Central West, Orana and Far West). Regional Development is a broad church with extremely poor investment in coordination, strategy and implementation. Take the investment by Destination NSW in marketing for regional NSW as a case in point.

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

Feedback from asking this question to Councils and the region business chamber was:

1. *Never saw its effectiveness– criteria too onerous.*
2. *Not aware of it in this lga.*
3. *Nothing in this lga.*
4. *From memory we looked at this fund in conjunction with NBN for fibre connectivity. In the end the cost was too great as the grant required a 50/50 contribution.
I cannot recall any business requesting Council's assistance with this grant. The minimum grant amount was \$2m and had targeted criteria which was not applicable to our local business. There was also a cost benefit analysis criteria to meet as well which required provision of data for analysis by the Department.*
5. *From the regional business chamber: I'm not sure if this fund covered the Job Creation Fund as well, but the Job Creation fund was the one I know most about. The RIAF was much bigger \$\$ - and I'm just not aware of who applied for this. But irrespective, I believe the investment of these types of funds into regional businesses ensure our most innovative regional businesses are able to expand, grow and employ people. The impact is that without funding, these businesses will have to approach banks and other financial institutions to see if they can borrow \$\$. But in the current environment, it is unlikely they will. So the impact is that these businesses will stay at the status quo.
As Dave mentioned, the criteria and paperwork was onerous and I have heard of businesses who had to employ consultants to apply*