

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

Questions Taken on Notice

- 1. You've both spoken with a level of praise or positive feedback around the Department of Regional NSW. In line with that, do you have any suggestions about how the department could better support businesses in future grant applications?*

The support we received was already very helpful in positioning our application to best address the objectives of the fund. Many business owners are great at communicating within their sector, but need help framing their growth goals for a government lens, so this was valuable and appreciated.

We were fortunate that we had an existing contact within Regional Development who could support us, but I do wonder about other businesses which, for whatever reason, don't have a relationship with anyone within the department, who could be put at a disadvantage both in finding out about the grant and preparing their application. This may already be done, but I feel that a broad-reaching communication campaign to inform regional businesses about the department and its goals, and invite them to connect through in-person information sessions, could bring out more businesses from the woodwork who could be well-aligned with the objectives of these grant initiatives.

- 2. If you're now generating a profit and you're employing people, is there a way of maybe refunding a little bit of the money-10 per cent or 20 per cent- which then can go on to other businesses to receive this grant?*

I appreciate the driver from NSW Government to recoup their investment somehow. While more staff employed means more wages tax, and higher profits means more company tax, both of these taxes go to Federal Government.

In principle, I believe it makes financial and moral sense to give back when you're the beneficiary of financial support like this grant program, but it must be done with due consideration of a business' circumstances, and in the context of the qualitative objectives of the grant in supporting growth in regional NSW.

The expectation of repayment must be clear from the outset in the fund information before the application process, because this will influence the applicants in their decision-making. It should also be tied to financial performance of the company (similar to the way HECS/HELP works for university students), so that repayments only kick in after a minimum profit is made. Perhaps there can also be a consideration for strategically important projects, or small/medium businesses which would experience a greater impact from repayments, where they are given an exemption from the repayment.



Perhaps there could also be a conversation with Federal Government, for some of the additional taxes received as a result of these grants to be transferred back to the state for future funding rounds.