

## Department of Regional NSW

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

#### Supplementary Questions – Department of Regional NSW

1. What is the consultation and stakeholder engagement strategy for your agency when designing policies for regional businesses?

ANSWER:

The Department of Regional NSW engages and consults with communities and a range of business stakeholders through regular client meetings, targeted sessions such as the recent Regional Development Roundtables, and consultation processes such as the government's 'have your say' online engagement platform. Direct and regular engagement with regional businesses is undertaken through the Department's Regional Development group and Office of Regional Economic Development to understand challenges and opportunities facing businesses establishing, relocating or expanding in regional NSW. Peak industry bodies are often consulted on the design of specific programs as well as relevant Australian government agencies.

2. What was the feedback from businesses about the dissolution of the RIAF and RJCF?

ANSWER:

Feedback has not been formally captured. Businesses were encouraged to continue to work with their local Economic Development Manager to explore other opportunities to support their growth.

3. The Committee heard from both successful and unsuccessful RJCF applicants that the milestone deadlines were hard to reach and the definition of 'Completion of Works' was unclear. What were the processes adopted and factors considered in defining deadlines and definitions?

ANSWER:

RJCF project milestones are individually negotiated with each successful applicant through the execution of a funding deed. This process takes account of a number of factors including the published program timelines; complexity, scale and risk of the project; capabilities of the proponent and outcomes of the program.

The RJCF allowed for informed decisions to be made by businesses before applying, with the published Program Guidelines and collateral outlining that businesses applying for the fund were required to demonstrate that their project was deliverable by June 2022 (for Round 1), or May 2023 (for Round 2).

Considerable flexibility has been shown to businesses that have found their milestones hard to reach.

Program Guidelines and funding deeds, including all defined terms, are prepared with legal consultation and advice.

4. Mr Wheaton gave evidence at the public hearing on 20 February 2024 that the NSW Government is "looking at different mechanisms beyond traditional grant programs that would result in regional development outcomes" (page 20, uncorrected transcript). What do these mechanisms look like and how do they address the barriers encountered by small businesses (for example, the co-contribution criteria)?

ANSWER:

The Government has committed an initial \$350 million to the Regional Development Trust Fund over four years as part of a fresh approach to investing in regional communities. Decision making on investments from the Regional Development Trust will be supported by recommendations from the Regional Development Advisory Council, and guided by clear investment principles aligned with the [Australian Government's Regional Investment Framework](#).

The Regional Development Trust Fund will be invested in regional and rural communities through four focus areas:

- 1) Sustainable regional industries, including emerging and engine industries
- 2) Aboriginal economic development and enterprise
- 3) Community infrastructure and capacity building
- 4) Improving regional service delivery

Further details on the investment pathways for the Regional Development Trust will be released throughout 2024.

5. Which LGAs received more applications and / or funding of RJCF and RIAF compared to others? What factors led to these LGAs receiving more applications and / or funding?

ANSWER:

The lists of successful and unsuccessful projects provided to the committee has details of applications and funding awarded by LGA.

The Department does not hold data on factors that led to LGAs receiving more or less applications or funding. The program undertook a merit-based assessment of every application and sought to have a geographical spread of projects. Economic Development Managers worked with businesses to submit applications from every Functional Economic Region.

The evaluation of the program may point to factors why some LGAs had more applications than others (see response to question 7 below).

6. How do you balance discretionary decision making with grant guidelines in application assessment?

ANSWER:

All applications must meet the mandatory requirements set out in the Program Guidelines.

Independent probity advisors guide Program assessment and decision making to ensure probity principles are adhered to. The Department manages grant programs according to the legislated requirements under the Grants Administration Guide.

7. Your submission notes that the Department of Regional NSW performed program evaluation and reporting (pages 6 and 7 of the Department's submission). Can you outline that process?

ANSWER:

In line with the DRNSW Regional Programs and Partnerships Monitoring and Evaluation Strategy, a Program Monitoring and Evaluation Plan (PMEP) was prepared for RJCF during the design of the first round of the fund. The Evaluation is aligned with NSW Treasury Evaluation Policy and Guidelines (TPG22-22).

The process evaluation report of RJCF Round 1 in March 2022 is available at <https://www.nsw.gov.au/sites/default/files/2022-05/Regional%20Job%20Creation%20Fund%20Round%201%20Process%20Evaluation%20Report.pdf>. The findings informed the design of RJCF Round 2.

An internal process review was conducted after Round 2, with insights being used to support improvements for any future programs.

The Department's forward evaluation program includes an outcome and economic evaluation of the RJCF Rounds 1 & 2, aligned with the PMEP and the Monitoring and Evaluation Strategy. This will begin in FY2024/25.

Project performance is monitored on an ongoing basis by the Department.

8. How does the Department of Regional NSW work with regional councils to address delays in DA approvals and the broader planning system?

ANSWER:

The Department regularly engages with local government, businesses and the Department of Planning, Housing and Infrastructure on various regional development matters, including impediments to project delivery. This includes working with the NSW Government's Planning Delivery Unit, who engage with

proponents, councils and NSW Government agencies to resolve issues relating to development applications or planning proposals.

9. Funding committed to RIAF and RJCF Round 3 were reallocated in the 2023-24 Budget towards new ways of investing in regional communities. What projects were these funds reallocated to and did this achieve an equivalent outcome as RIAF and RJCF?

ANSWER:

Funding in the 2023-24 budget focused on the delivery of the NSW government election commitments and included an initial investment of \$350 million into a Regional Development Trust Fund for sustainable and strategic investment with a focus on priorities that make a real difference to regional communities. As at March 2024, funding under the Regional Development Trust had not been committed to specific projects.