

**Submission  
No 16**

## **PERFORMANCE OF THE REGIONAL INVESTMENT ACTIVATION FUND AND THE REGIONAL JOB CREATION FUND**

**Organisation:** Applied Virtual Simulation

**Date Received:** 27 October 2023

To The Committee on Investment, Industry and Regional Development,

Thank you for this forum to provide feedback on the performance of Regional Job Creation Fund (RJCF). For context Applied Virtual Simulation (AVS) is a simulation development company that operates out of NSW within the defence and private sectors to create custom hardware and software solutions. Due to opportunities within the defence industry we successfully applied to RJCF to expand our manufacturing capabilities in a new facility in regional NSW.

Our experience with the grant has been overwhelmingly positive, in no small part due the efforts of the people we worked with within the RJCF department. They were committed both to our success and the successful fulfilment of the program by creating sustainable jobs in regional NSW. To answer the questions laid out in the Terms of Reference, (I believe this is the most critical feedback we can give):

*a) The allocation and administration of these funds*

- This process was managed in such a way that it was straightforward enough for a small business to apply successfully. I can't speak to other companies but both our goals and RJCF's aligned, and we were approved in a relatively straightforward manner. There were complications as we needed to vary our schedule and plans, but the program worked with us, understanding the changes and time frames that occur within the defence industry.

*b) The effectiveness of these funds in achieving their aims*

- The RJCF exists to create sustainable jobs in regional NSW. The funding allowed AVS to expand its facilities and manufacturing capabilities significantly faster than would have been possible without it. This kick started an expanded range of positions we could consider as well supporting business growth. Now with our new facility close to opening in regional NSW we will be able to further expand again.

*c) Council and agency support for private investor enquiries and proposals in regional areas*

- Not applicable to our experience.

*d) Impediments to growth in regional NSW, including challenges in the planning system*

- The issues faced when undertaking RJCF largely related to the challenges of working within the defence industry at a time of significant change for the Australian Defence Force. Defence opportunities are frequently delayed or revised so the planning timeframe from initiating a pursuit that stimulates growth, to subsequent opportunity realisation or notifications can and will almost certainly continue to exceed the allowable timeframe of the grant. Companies like AVS will tender for contracts and, as was the company's recent experience, won't know if they are successful for, in some cases, over a year to two years. In other cases, even successful contracts may not start for a year after being signed.

RJCF has been very accommodating, but as the planning phase for defence can exceed the duration of an RJCF funding round, there are limitations to its effectiveness for the industry. To alleviate this, my feedback would be to have a condition clause for defence-

based industry, allowing projects to roll between funding waves to allow for the extended timeframes within the industry. Funding like this makes it possible for small to medium-sized business to expand to take large contracts, but the jobs will only be sustainable, if the timeframes can be aligned with projects.

- e) *The effectiveness of the Business Concierge service and a comparison to other States' performance*
  - Not applicable to our experience.
  
- f) *Opportunities for regional and metropolitan councils to work together to promote productivity and economic development*
  - Not applicable to our experience.
  
- g) *Any other related matters.*

Thank you for the opportunity to provide feedback on a program that has been pivotal to work AVS is undertaking. The initiative's impact for small to medium businesses cannot be understated. Please feel free to reach out to the company, through [REDACTED], should you need any additional information.