

**Submission
No 21**

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

Organisation: Central Coast Council

Date Received: 1 November 2023



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The Hon Roy Butler MP
Chair, Legislative Assembly Committee on
Investment, Industry and Regional Development
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Mr Butler

Submission to Inquiry into the performance of the Regional Investment Activation Fund and the Regional Job Creation Fund.

Central Coast Council appreciates the opportunity to provide input to your current Inquiry into the Performance of the Regional Investment Activation Fund and the Regional Job Creation Fund. At its meeting of 31 October 2023, Council resolved to provide you with this submission. Council's submission focuses primarily on points c) and d) of your Terms of Reference.

The Regional Job Creation Fund, managed by the Department of Regional NSW's Central Coast team, has delivered a number of business funding outcomes for the Central Coast. In Round 1, ten local businesses received funding across a range of industries, with aggregated funding over \$5.5 million and 268 job forecast. In Round 2, four businesses received funding totalling \$1.7 million, with 112 jobs forecast.

Council has had no material involvement in the design of the programs that are the subject of your Inquiry. Our key involvement has been through the development assessment process for funded projects. Please find below our feedback and comments under three themes.

1. NSW Government Funding Programs Impact on Local Government

Almost all NSW Government interventions and funding programs require significant investment, time and commitment from Local Government. This is primarily through development applications and broader planning processes.

In many cases the success (or otherwise) of a NSW Government funded project is specifically linked to Council's ability to support projects in one area or another

(including planning processes, professional expertise and development of activation activities).

2. Local Government Resource Constraints

Local Government in NSW is significantly under-resourced, particularly regional councils. Providing business funding programs that require significant investment of resources by Local Government has the potential for programs to be less effective than intended. As such, the provision of the programs at a strategic level need to come with resources to enable them to succeed or align with existing Local Government priorities that are already funded.

Local Governments have been constrained in terms of rate caps, maximum fees/charges and cost shifting of NSW Government activities to the local level, along with regulatory reforms that increase costs. This is compounded by the NSW Government releasing multiple funding streams such as the Regional Investment Activation Fund and the Regional Job Creation Fund at the same time that Council is delivering other emergency recovery funding streams and responding to other stimulus.

When the NSW Government supports industry through programs like the Regional Investment Activation Fund and the Regional Job Creation Fund and after funding is secured, the responsibility transfers to Local Governments to resolve often complex planning issues, infrastructure challenges, community engagement elements and the like. For example, funding was provided to a Central Coast business to establish a new entity in the region. The funding is linked to a successful approved development application (DA), which had not been lodged with Council at the time that funding was confirmed with the business.

The time constraints linked to the acquittal of funding places additional pressure on the approval process and can be avoided by Council being involved earlier in the funding assessment for businesses.

3. Overly Complex Planning Processes

Local Governments, and applicants, are dealing with an increasingly complex and contradictory planning system. Ongoing regulatory interventions over the past decade have resulted in a system that is more complex, more costly, less clear, and less practical.

Council is juggling many competing priorities from the NSW Government, which is placing additional pressure on the volume of work and assessment timeframes, as well as continuing with planning reforms that create uncertainty for assessment staff and applicants alike.

There have been significant regulatory reforms that have not delivered as expected and some clear examples where pathways to successful outcomes have been removed.

One example is that NSW Planning removed, under objection from Council, the provisions in the *Central Coast Local Environmental Plan 2022* (CCLEP 2022) that provided an exemption for events on Council-managed land. This has required Council to do additional work, which remains uncompleted, to establish an alternative pathway for certain types of events under the *Local Government Act 1993*.

Implementation of the NSW Government's ePlanning Portal, for example, while intended to streamline the development assessment process, has been difficult for many councils. For amalgamated councils, like Central Coast Council, endeavouring to harmonise their systems, the impact has been exacerbated. When the system was introduced, Council seconded two full-time staff from their normal duties to manual workarounds. At the time of writing, two-way integration has not yet been achieved.

Regulatory reform often does not include sufficient consultation with Local Government, which can result in perverse outcomes. An example being the conflict-of-interest changes to where Council is the landholder, which must now be referred to the Local Planning Panel for determination, regardless of their scale. This adds time and cost for assessing staff, the Local Planning Panel and applicants, many of whom are local community groups and small businesses.

Central Coast Council would welcome the opportunity to discuss this submission with the Committee in more detail.

Please do not hesitate to contact [REDACTED], Unit Manager Economic Development and Property [REDACTED] if you would like further information.

Yours sincerely

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David Farmer
Chief Executive Officer