

**Submission
No 30**

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

Organisation: Narrabri Shire Council

Date Received: 29 November 2023

Our Reference: 2117421 RW:DLA

Your Reference:

Contact Name: XXXXXXXXXX

Mr Roy Butler, MP
Committee Chair, Legislative Committee on Investment, Industry
and Regional Development
C/- Alison Buskens, Committee Manager

By email: investmentindustry@parliament.nsw.gov.au

Wednesday, 29 November 2023



Inquiry into the performance of the regional investment activation fund and the regional job creation fund – Narrabri Shire Council Submission

Dear Mr Butler,

Thank you for the opportunity to provide feedback in relation to the above Inquiry. It is understood that the Legislative Assembly Committee on Investment, Industry and Regional Development is presently inquiring into matters relating to the performance of the regional investment activation fund (RIAF) and the regional job creation fund (RJCF). The Committee is programmed to report on the following matters:

- a) the allocation and administration of these funds*
- b) the effectiveness of these funds in achieving their aims*
- c) council and agency support for private investor enquiries and proposals in regional areas*
- d) impediments to growth in regional NSW, including challenges in the planning system*
- e) the effectiveness of the Business Concierge service and a comparison to other States' performance*
- f) opportunities for regional and metropolitan councils to work together to promote productivity and economic development*
- g) any other related matters.*

Local Context

Narrabri Shire is a [local government area](#) in the [North West Slopes](#) region of NSW. The primary settlement of Narrabri is located adjacent to the [Namoi River](#) and at the confluence of the [Newell](#) and [Kamilaroi Highways](#). The local government area (LGA) is strategically positioned halfway between Sydney and Brisbane and is considered to be



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resource rich. Key local industries include mining and agriculture. At the last census (2021) the resident population was 12,721 persons.

Narrabri Shire Council's ('Council's') vision is articulated in the Community Strategic Plan as follows:

"Narrabri Shire will be a strong and vibrant regional growth centre providing a quality living environment for the entire Shire community."

Council was previously identified as a Special Activation Precinct (SAP) candidate location. Its status as a SAP has been recently revoked by the NSW Government, as detailed herewith:

<https://www.planning.nsw.gov.au/plans-for-your-area/special-activation-precincts/narrabri-special-activation-precinct>

According to REMPLAN, the wages and salaries paid by businesses and organisations in Narrabri is estimated at \$741.598 million. Narrabri represents 11% of the \$6.729 billion in wages and salaries paid by businesses and organisations in RDA Northern Inland, and 0.2% of the \$346.512 billion in wages and salaries paid by businesses and organisations in New South Wales.

The Narrabri to North Star (N2NS) section of Inland Rail has recently been delivered within our Shire. Planning for the Narramine to Narrabri (N2N) section is currently well underway following an approval being granted by the NSW government earlier this year.

Narrabri Shire Council provides the following feedback to the Legislative Assembly Committee on Investment, Industry and Regional Development inquiry:

(a) The allocation and administration of these funds

It is understood that no RIAF funding has been allocated due to the pausing of assessment of EOIs in April 2023. Furthermore, Council is unaware of any recipients of funding within the Narrabri Shire local government area (LGA) under the RJCF.

It is noted that local government organisations (Councils) were excluded from making applications for both RIAF and RJCF funding. It is recommended that for future programs, eligibility should be extended to Councils as there are significant opportunities for public/private partnerships. Local government is also well-equipped to manage and administer such grants.

(b) the effectiveness of these funds in achieving their aims

As detailed in the preceding section, Council is unaware as to the specific outcomes and ultimate deliverables at a local level in respect of the RJCF. It is clear that local government was not considered to be a key stakeholder in the design and implementation of either program.

(c) council and agency support for private investor enquiries and proposals in regional areas

Narrabri Shire Council has been historically well-supported by regionally based staff within the Department of Regional NSW. These staff have an acute understanding of the needs of our region and its associated competitive advantages, unique selling points, and overall value propositions in respect of the development and delivery of programs at a strategic level.

From an investor attraction standpoint by Regional NSW or Investment NSW to regional communities such as the Narrabri Shire, the current situation is further compounded by a lack of industry confidence and uncertainty following the decision for Narrabri SAP to not proceed. Potential investors tend to continue to follow historical enquiry models by contacting Council's Economic Development or Planning Teams directly for support and local guidance.

The role and relationships between Council, the Department of Regional NSW, and the Regional Growth Development Corporation (RGDC) is now more uncertain than ever. There are no clearly defined boundaries nor defined responsibilities to guide future decision making and how to proactively manage and direct investment enquiries. This will ultimately have a negative impact on our local economy, particularly as our area transitions from its current heavy reliance on the resource sector (mining and gas). The time for such transitional planning and collaborative approaches to regional economic metamorphosis is now more important than ever.

(d) impediments to growth in regional NSW, including challenges in the planning system

The current challenges and barriers created by the NSW planning system is well-documented and almost universally acknowledged. These range from skills shortages, costs borne by proponents (including from approval delays), through to the application of the biodiversity offsets scheme in addition to the current housing crisis.

Ironically, for the Narrabri Shire community, the SAP model would have facilitated the fast-tracking of development applications, activation of complying and exempt development opportunities and created unprecedented opportunities to cut through

both red and green tape. The removal of Narrabri as a dedicated SAP area now ensures that all of these hurdles, many of which are insurmountable to regional areas without state and federal government intervention, are effectively put back in place.

A prime example of an impediment to growth and diversity is the Santos organisation who completed its purchase of Easter Star Gas on 17 November 2011, some 12 years ago for \$924m, and has invested a further \$500m, and is yet to proceed to full production and a final investment decision despite a current domestic energy shortage.

(e) the effectiveness of the Business Concierge service and a comparison to other States' performance

Should Narrabri have proceeded as a defined SAP area it would have enjoyed the full benefit of a business concierge service. The current scope and likely future efficacy of such a service in comparison to other states is currently unknown and considered to be largely undocumented. The development of appropriate KPIs and performance measurement to enable comparative analysis is therefore recommended.

(f) opportunities for regional and metropolitan councils to work together to promote productivity and economic development

Council has identified significant partnership opportunities with metropolitan Councils. The successes of Sister City programs are highlighted, including relationships with rural Councils and their metropolitan counterparts, for example the longstanding and widely commended Blacktown and Liverpool Plains Shire Council relationship.

Narrabri Shire Council has identified potential collaboration opportunities with the Port of Newcastle through exports and agricultural value-adding, having recently signed a Memorandum of Understanding (MoU) between the parties to grow and foster these mutually beneficial relationships. Unfortunately, the retraction of previously committed funding by both the state and federal government has now jeopardised the delivery Council's innovative Northern NSW Inland Port (N2IP) initiative through the removal of essential infrastructure funding to the tune of \$25m.

For the information of the Committee, further information in relation to the N2IP project is available from <https://www.n2ip.com.au/opportunity/>.

(g) any other related matters.

The removal of essential investment-allied funding from our rural and regional communities is of significant concern. The region has re-entered a drought cycle, which is likely to be more frequent and challenging for impacted communities in the face of climate change. Diverse regional economies are therefore essential.

Cost shifting by both the Commonwealth and state governments remains an ongoing concern. LGNSW has recently highlighted that the 2021–22 Cost Shifting Survey, as conducted by Morrison Low, has revealed that cost shifting totalled \$1.36 billion in 2021–22, far exceeding historical records and representing an increase of \$540 million since the Cost Shifting Survey was last carried out in 2017–18.

Should you require any additional information or clarification in this regard you are invited to contact Council's Director Planning and Sustainability, [REDACTED] at [REDACTED] or by emailing [REDACTED].



Rob Williams
General Manager