

**Submission
No 33**

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

Organisation: Regional Development Australia Illawarra

Date Received: 30 November 2023



An Australian Government Initiative



RDA Illawarra

30 November 2023

The Chairperson

The Legislative Assembly Committee on Investment, Industry and Regional Development
NSW Legislative Assembly

SYDNEY

via online submission [here](#)

Dear Mr Butler

RDA Illawarra submission to the Performance of the Regional Investment Activation Fund and the Regional Job Creation Fund Inquiry

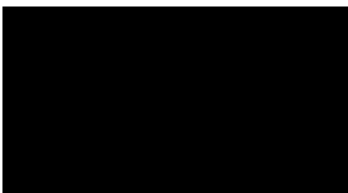
Regional Development Australia (RDA) – Illawarra welcomes the opportunity to provide input to this Inquiry.

The NSW State Government plays a leading role in the growth and development of robust and sustainable economies and communities around regional NSW.

The Funds were participated in by private enterprises in the Illawarra-Shoalhaven, with the majority being located in the Shoalhaven LGA. This region's participation was second lowest of the nine NSW regions reported though very low on a per capita basis.

Our submission focuses on some definitional inconsistencies of the Funds which if addressed, could see a greater participation of enterprises in valuable State Government initiatives like these, achieve even greater regional employment, investment, and growth outcomes.

Yours sincerely



Debra Murphy

CEO

RDA Illawarra



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Regional
Development
Australia



RDA Illawarra

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of the Regional Investment
Activation Fund & the Regional
Job Creation Fund Inquiry

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Development

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Executive Summary

The Regional Investment Activation Fund and the Regional Job Creation Fund are welcome initiatives to stimulate private and public sector investment in growth and new employment opportunities for regional NSW.

RDA Illawarra acknowledges that the Regional Job Creation Fund (rounds 1 and 2) led to important new investment and new jobs creation (280 FTEs) in the Illawarra Shoalhaven region, especially in the Shoalhaven Local Government Area (LGA). We further acknowledge that these investments have enabled the expansion and diversification of enterprises spanning food processing, manufacturing (ship building), chemicals and recreational sectors.

We note that the Illawarra Shoalhaven's participation in the RJCF was numerically, among the lowest funded in comparison to the nine other regions and on a per capita basis and unemployment rate basis.

RDA Illawarra commends the Committee to consider the current inequalities and potential inefficiencies of the Funds' regional definition, which sees businesses from the Wollongong LGA precluded from benefiting from these types of Funds due to inconsistent definitions of Wollongong as being either regional or metropolitan across different State Government programs and opportunities.

Introduction

Regional Development Australia Committees (RDAs) are critical to the delivery of strong, connected regions that shape our economic growth and wellbeing; are resilient and responsive to economic and environmental shocks; are inclusive, vibrant and diverse. Regions that our First Nations people have every opportunity to engage in and shape, and where people, businesses and investments thrive, including supporting the successful implementation of the Australian Government's Regional Investment Framework (RIF), which will guide a more coordinated approach to regional development, underpinned by local engagement.

It is in this context that we are writing our submission to this Inquiry.

Detailed Comments

Based on available information published on NSW Government websites, ten (10) private enterprises participated in the two funding rounds of the Regional Job Creation Fund (RJCF) across 11 projects, which promised to deliver some 280 new jobs in the Illawarra Shoalhaven across four industry sectors, led by food processing. The purpose of most projects was to expand capacity, while some were innovation-focussed to improve the enterprises global competitiveness. These are welcome outcomes for this region, NSW and Australia.

We note that the Illawarra/Shoalhaven region's share of the approved RJCF projects was joint lowest (with New England) of the nine NSW regions at 6%, and second lowest per capita (along with the Hunter). In the case of the Shoalhaven, it also has the highest unemployment rate in the State, unlike the leading recipient regions which enjoy functional full employment. These reflect the results of a chronic regional/metropolitan definitional issue that has skewed the NSW State Government program delivery for Wollongong businesses and residents.

Wollongong and Newcastle are important regional capitals with the largest populations outside Greater Sydney and are economic powerhouses in their own right that also support the economic and social prosperity of their immediate regions and beyond. Despite this, they are consistently defined by NSW Government as metropolitan, meaning these economies and businesses miss-out on opportunities to stimulate growth and employment. The impact of this definitional issue on the Illawarra/Shoalhaven region is:

- Wollongong is unable to access NSW State Government development programs and opportunities
- The Funds' regional definition creates an unhelpful duality in the Illawarra, where the neighbouring LGAs of Shellharbour, Kiama and Shoalhaven qualify for regional funding, while Wollongong does not
- Discourages collaboration and partnership from unequally treated (LGA) stakeholders in the region

- Fails to capture significant potential wealth and wellbeing benefits for the region and NSW as a whole by excluding Wollongong
- Risks skewing funding to potentially lower impact (economic and social multiplier) projects
- Does not enable best practice regional planning for the Illawarra Shoalhaven (and it's regional, national and international partners and customers/investors)
- Exacerbates structural weaknesses in the Illawarra Shoalhaven region
- Discriminates against the residents and tax-payers of Wollongong.

This weakness is reinforced by a lack of alternative funding sources for Wollongong and Newcastle.

We commend the RIAF and RJCF and encourage State Government to consider Wollongong LGA as a true regional LGA with a significant contribution to make to the wealth and wellbeing of the people of NSW.