

**Submission
No 37**

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

Organisation: Liverpool Plains Shire Council

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Ref: Number: D23/34683
Contact: Cr Doug Hawkins OAM
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Committee on Investment, Industry and Regional
Development

1.12.2023

OFFICE OF THE MAYOR

To Whom it May Concern

Re: Submission regarding the Parliamentary Inquiry into the Performance of the Regional Investment Activation Fund and the Regional Job Creation Fund

I am writing on behalf of Liverpool Plains Shire Council to lodge a submission for the Parliamentary Inquiry into the Performance of the Regional Investment Activation Fund and the Regional Job Creation Fund.

We request that the Committee on Investment, Industry and Regional Development inquire into and report on the performance of the Regional Investment Activation Fund and the Regional Job Creation Fund, including:

- 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.

Thank you to the Hon Steve Bali MP for inviting Liverpool Plains Shire Council to make a submission to this inquiry.

This submission, while made on behalf of the Liverpool Plains Shire Council, has not been endorsed by the elected body and should therefore be treated as a staff submission representing the views of senior staff only.

To our knowledge, no businesses or organisations in the Liverpool Plains have been the beneficiaries of either of these funds, so therefore it is not possible to make informed comments on the funds themselves, however I do wish to make some general comments and observations that may be of some assistance to the Committee.

We will address our comments initially to the terms of reference as outlined and then provide more general comments under the heading "any other related matters".

a) the allocation and administration of these funds

As noted above, we cannot draw on our local experience to comment, so will leave this to others to comment.

b) the effectiveness of these funds in achieving their aims

As noted above, we cannot draw on our local experience to comment, so will leave this to others to comment. We do note however that grant recipients do have 3 years to create the full time jobs.

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

We note that in the Department of Regional NSW submission, they stated:

Activities undertaken by DRNSW with local government in FY2022-23 specifically related to investment attraction include:

- *investment attraction training for 63 regional councils*
- *development and delivery of an Investment Attraction Toolkit for local government area (LGAs)*
- *production of location-specific investment attraction collateral for 12 LGAs, and*
- *investment attraction opportunities identification workshops and analyses for 22 regional councils. This work identifies specific target group and value propositions based on each location's competitive advantages.*

While these appear to be worthy initiatives, we were not aware of these activities.

Our council currently does not have any staff with direct responsibility for economic development. Responsibility for economic development is currently undertaken by the Mayor and General Manager. Investor enquiries are typically handled by planning staff.

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

Housing

In the Liverpool Plains, we have adequate unconstrained land for housing and industrial development to support a moderate growth scenario. However, we currently, like most places in Australia have a distinct shortage of suitable rental accommodation and houses for sale. The lack of rental accommodation is a real impediment to attracting staff to the region.

With rising building costs and low rates of return on investment, developers are reluctant to invest in regional areas such as ours.

Our Council has been attempting for some time to free up the former TAFE site in Quirindi for affordable or key worker housing. This has been met with resistance until as recently as last week when our Mayor was able to secure a future meeting with the Minister for TAFE. We are hopeful that we may now see some action on this site.

Healthcare

While we are somewhat fortunate in the Liverpool Plains to have a regional city such as Tamworth only 45 minutes away with a base hospital and the majority of essential health services, other regions are not so fortunate and struggle to attract and retain health professionals.

Access to adequate healthcare which includes aged care facilities is often a key determining factor in attracting skilled workers to a region.

Rural General Practitioners are very scarce and some practices are not taking new patients which means people moving into the area are forced to rely on telemedicine or travel long distances for healthcare or present at emergency departments for care.

The requirement for 24/7 registered nurse cover at aged care facilities and the overall shortage of nurses has resulted in several aged care facilities being forced to close or restrict admissions.

The inability of an aging society to age in place especially in regional areas is another impediment to attracting and retaining staff who may have carer responsibilities in addition to their work commitments.

Workforce

Securing skilled staff to maintain current services let alone any growth is another significant impediment. In our Council, we cannot attract and secure mechanics, water and wastewater operators, works engineers, planners, finance staff and certain plant operators. We have an ageing workforce and we are trying to “grow our own” by taking on trainees and apprentices but we are finding that difficult as well.

Many of our school leavers leave the district to attend university or TAFE and while access to distance education has improved, we are still seeing a “brain drain”. There has been some recent evidence to suggest that some young families are returning to the family farm because of housing affordability issues in the capital cities.

Logistics

Another impediment for growth in regional NSW is logistics. Some areas are blessed with well maintained highways and freight handling facilities and opportunities for rail. While it is pleasing to see the development of freight handling facilities in Parkes and Wagga Wagga, these need to be expanded into other areas as well.

The NSW Freight and Ports Plan developed in 2018, contained a number of actions including actions in regional areas.

[Implementation-Plan.pdf \(nsw.gov.au\)](#)

It is unclear how many of the actions have been implemented.

Aside from the mega projects at intermodals and ports, it is also essential that adequate, certain and ongoing funding is provided for the state and regional roads and bridges that support the freight network.

The continuation of Fixing Country Roads, Fixing Country Bridges are important programs to assist councils play their part in supporting this network.

The recent announcement of a doubling of the Roads to Recovery funding is most welcome.

Our Council recently approved a modification to a freight handling facility at Werris Creek which has the potential to provide greater and easier access to domestic and international markets for our local producers. We are grateful for the funding from the NSW government to provide supporting road infrastructure for the Werris Creek Industrial Precinct. These are the types of projects that the government should continue to support.

Planning

The NSW Planning system is certainly an impediment to development and growth. Compared to other jurisdictions in Australia, notably Queensland, the current system is too cumbersome and too slow. Feedback that we receive from proponents is that the NSW Planning Portal is not user friendly and difficult to navigate especially for non-professionals such as "Mum and Dad" proponents who may simply wish to do an extension or build a granny flat.

In spite of all of this, the Liverpool Plains is on track for record development in 2023 \$35,445,028 - the highest on record for Council.

This figure reflects an increase of \$12,972,619 (or 58%) compared to 2021/2022 and a five-year comparison shows a \$27,527,190 increase from 2019/2020 (or 448%).

The significant increase can be attributed to larger-scale agricultural industries, such as the Colly Blue Cotton Gin.

The Special Activation Precincts are we believe a good initiative and should be supported. The concept of carrying out all the required studies ahead of time so as to provide a quicker project approval process has merit.

We believe that this approach could be expanded into the Regional Jobs Precincts. Our Council is part of the Namoi Regional Jobs Precinct however it is unclear what is being proposed and how this initiative will be delivered.

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

As noted above, we cannot draw on our local experience to comment, so will leave this to others to comment.

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

There are a number of opportunities for regional collaboration. The Joint Organisations were designed to promote collaboration across the region in a number of areas such as economic development. However, the recent lack of policy direction and commitment of funding from the new NSW government has resulted in some Joint Organisations, such as ours questioning its ongoing effectiveness.

One of the issues with such organisations is that they can be parochial and compete for investment to the detriment of the region. It takes a mature region to acknowledge that significant investment in one or more local government areas can have benefits for the region as a whole.

Liverpool Plains Shire Council is fortunate in that we have an 18 year Sister City relationship with Blacktown City Council. While in the past, this relationship has been beneficial in terms of cultural exchanges, more recently we have been exploring economic development opportunities.

Blacktown City Council has a Sister City Relationship with Suseong-gu in Korea. Earlier this year the Mayor of Suseong-gu visited Blacktown and also met with the Mayor of the Liverpool Plains Shire Council. Following this meeting, Suseong-gu is keen to explore agricultural investment opportunities in the Liverpool Plains in addition to other commercial and industrial investment opportunities in Blacktown.

This will be followed up in 2024 with possible trade exchanges.

This is a good example of regional and metropolitan councils working collaboratively.

g) any other related matters.

Population and Investment Distribution

While the USA has a population of 333 million, compared to Australia's 26 million, there are only two cities being New York and Los Angeles with populations of more than 3 million. There are over 300 cities with a population of 100,000 or more.

By contrast, Australia only has 20 cities with a population of 100,000 or more. Using the USA as a model, Australia should have over 30 cities with a population of 100,000 or more.

Development and growth in regional areas is essential for the ongoing prosperity of Australia as a nation. Focussing growth and investment solely in capital cities or the Eastern Seaboard is not sensible. While there is an overall housing crisis in Australia, it is arguably more acute in metropolitan areas and population growth is exacerbating the issue. Transport infrastructure such as metro rail, tunnels and motorways in metropolitan areas are horrendously expensive and we are seeing cost blow outs in the billions of dollars. [Review announced after more cost blowouts on Sydney's new metro train network revealed - ABC News](#)

Investing in regional areas can often be more cost effective because of their ability to absorb steady increases in population. Most schools in regional areas are not at capacity, most road, water and sewer networks are not at capacity. There may be upgrades and renewals required but these would arguably be less capital intensive than tunnels and motorways.

Some regional areas struggle to achieve economies of scale with their current population and would benefit from population growth.

For example, Liverpool Plains Shire Council's recently adopted Draft Growth Management and Housing Strategy has 3 growth scenarios, decline, modest and high. While Council has adopted a modest 6% growth scenario as being realistic based on the available information, the Shire does have the ability to accommodate a higher growth rate with modest investment.

Overall Strategic Planning

The over-arching strategy or plan for regional development in Australia and NSW is not clear.

There are a number of agencies such as Regional Development Australia, Department of Regional NSW, Department of Planning, Department of Transport and other all doing their best to achieve regional growth and development but it is not evident that all are working off the same plan.

For example, the Commonwealth has the Regional Precincts and Partnerships Program:

[Regional Precincts and Partnerships Program | Department of Infrastructure, Transport, Regional Development, Communications and the Arts](#) and the NSW Government has the Special Activation Zones and Regional Jobs Precincts [Regional Job Precincts in NSW | NSW Government](#)

How do these programs and initiatives align?

Similarly for coal mining affected local government areas there is the Royalties for Rejuvenation Program [Royalties for Rejuvenation Fund | NSW Government](#) (which impacts the Liverpool Plains) and also the National Energy Transition Authority [Energy Minister Chris Bowen announces new Net Zero Authority to help transition from coal-fired generation - ABC News](#)

How will these initiatives align?

While this inquiry is focussed on specific funds and their effectiveness or not, there is perhaps a broader question around what is the strategic goal for the development of regional NSW and how is this best achieved?

What are the specific and targeted initiatives for both industry and local government to support a strong and thriving regional NSW?

Thank you for the opportunity to make this submission.

Yours Sincerely



Cr Doug Hawkins OAM
Mayor