



25th October 2023

The Chair
Investment, Industry and Regional Development Committee
NSW Parliament House
6 Macquarie Street
Sydney NSW 2000

Via: investmentindustry@parliament.nsw.gov.au

Re: Inquiry into the performance of the Regional Job Creation Fund

This submission by Regional Development Australia Southern Inland (RDASI) is to provide feedback on the performance of the Regional Job Creation Fund, in response to the invitation extended by the Committee on Investment, Industry and Regional Development Chair, Roy Butler MP via an email received on the 6th of September 2023. We thank the Committee for the opportunity to provide feedback as part of the Inquiry.

RDASI is represented by local leaders and staff who are passionate about the communities in the Southern Inland region of New South Wales (NSW). Part of a national network of 52 Regional Development Australia (RDA) Boards across Australia, RDASI's role is to support the Local Government Areas (LGAs) in the Southern Inland region of NSW, including Wingecarribee, Goulburn Mulwaree, Upper Lachlan, Hilltops, Yass Valley, Queanbeyan-Palerang, and Snowy Monaro. RDASI works with all levels of government, business, and community groups to promote economic and social development in the region by facilitating regional projects, collaboration, communication, and advocacy.

Performance of the Regional Job Creation Fund

To inform our submission, RDASI distributed a survey relating to the performance of the Regional Job Creation Fund (RJCF) to seventeen grant recipients from across the RDASI region. The survey incorporated a series of questions which included multiple choice answers, with the option for respondents to contribute their own free text comments.

Survey respondents were assured that the feedback provided would be de-identified as part of this submission. As such, every attempt has been made to remove identifying information without altering the meaning of the responses.

Summary of survey respondents

- Six grantees, three from Round 1 and three from Round 2, completed the survey.
- Two grantees from each round have finalised their projects, with funds acquitted.
- One grantee from each round indicated that their projects had been delayed and will be delivered by an adjusted deadline.

Allocation and administration of funds

To determine the effectiveness of the allocation and administration of funds, grant recipients were asked a series of questions, with the option to rate their experience as either satisfactory or not satisfactory, along with the option to provide additional feedback via a free text comment box.

Below is a summary of the questions and responses gathered.

Q: How would you rate the application process?

Round 1:

- Satisfactory – 33.33%
 - Comment – ‘Albeit it was a bit slower than we were able to move at the time’.
- Not satisfactory – 66.67%
 - Comment – ‘I was under the impression we were one of the first to receive the grant in our area so there was a huge delay from application process to receiving confirmation of approval. We were in a position where we were required to stall our project so it wouldn't be deemed substantially started in order to not jeopardize our chances of being approved’.

Round 2:

- Satisfactory – 100%

- Comment – ‘With the help of the regional manager who was allotted to help us in all queries of the grant process, the process became speedy and less challenging’.

Q: How would you rate the funding agreement execution process?

Round 1:

- Satisfactory – 100%
 - Comment – ‘Agreement was very rapid’.

Round 2:

- Satisfactory – 100%
 - Comment – ‘there were series of steps which took time to execute, so a time consuming process but otherwise satisfactory’.

Q: How would you rate the milestone reporting process?

Round 1:

- Satisfactory – 100%
 - Comment – ‘Process was excellent, with great reminders etc.’.

Round 2:

- Satisfactory – 66.67%
 - Comment – ‘there were series of steps which took time to execute, so a time consuming process but otherwise satisfactory’.
- Not satisfactory – 33.33%
 - Comment – ‘Businesses need capital in initial phases of installation, because the funds were dependent on factors like milestone period and submission of expenditures, it was extremely challenging from financial point of view. If funding is allocated fully at time of funding agreement is signed, businesses can be saved from undue hardship and avoid delay in project execution’.

Q: How would you rate the grant payment process?

Round 1:

- Satisfactory – 100%
 - Comment – ‘Payment was very prompt and timely’.

Round 2:

- Satisfactory – 100%

- Comment – ‘It was dependent on various factors so bit time consuming and caused delays in project execution. But once verification was done, funds were timely cleared’.

Effectiveness of funds in achieving their aims

To determine the effectiveness of funds in achieving the programs aims, grant recipients were asked a series of ‘Yes’ or ‘No’ questions, with the option to provide additional feedback via a free text comment box.

Q: Did you create the number of jobs required as part of your grant agreement?

Round 1 - of the two grantees who have finalised their projects:

- one respondent indicated that they created the number of jobs required as part of their grant agreement,
- one grantee indicated that they did not create the number of jobs required.
 - Comment - ‘COVID absolutely smashed us, in terms of cashflow and ability to undertake additional (work)’.

Round 2 - of the two grantees who have finalised their projects:

- both indicated that they created the number of jobs required as part of their grant agreement.

Q: Do you think that the Regional Job Creation Fund, as a program that supports co-funded business projects that create jobs, is an effective initiative to drive economic recovery and resilience in regional NSW?

Round 1:

- Yes – 66.67%
 - Comment – ‘Anything which encourages jobs within rural communities is beneficial’.
 - Comment – ‘ABSOLUTELY’.
- No – 33.33%
 - Comment – ‘It is simply not enough grant money for what we need to outlay’.

Round 2:

- Yes – 100%
 - Comment – ‘It is one of the most effective programs to provide regional businesses with support to grow their capabilities, build expertise and expand to international markets. We are leveraging this growth to attract international partners and funds’.
 - Comment – ‘Regional areas are hard to develop, there is limited options available in regional areas in terms of services and supplies, making it less cost effective than

metro areas. The labor cannot be easily accessed as well. The distance and time commitment is higher, thus these areas need stimulus packages to develop’.

Q: Do you think you would have been able to grow your business in a similar fashion without this funding?

Round 1:

- Yes – 33.33%
 - Comment – ‘We still would have grown it just would have been in small increments each year. The grant just forced us to jump a bit bigger’.
- No – 66.67%
 - Comment – ‘We wouldn’t be able to expand to the extent we have without financial backing’.
 - Comment – ‘We really did need additional funding to justify hiring additional staff’.

Round 2:

- No – 100%
 - Comment – ‘We broadened our expertise bringing in a level of middle to senior management which gave us accounting, business modelling, strategic capabilities along with high end technical and production expertise. This has meant our pitch capability is superior and we are attracting serious engagement with international catalogues and funding partners’.
 - Comment – ‘The area is less cost effective. The labor cannot be easily accessed as well. The cost of installation and rent is almost twice. The distance and time commitment is higher, thus any small business cannot develop there without govt help’.

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

To gather feedback on council and agency support for private investor enquiries and proposals in regional areas, grant recipients were asked:

‘How would you rate the local council support for private investment enquiries and proposals?’

Grantees were provided with the option to rate their experience as either satisfactory, not satisfactory, or not applicable, along with additional feedback via a free text comment box.

Feedback provided:

Round 1:

- Satisfactory – 33.33%

- Comment – ‘Local council have been supportive. We do face excessive red tape in the XXX sector, and there are times when local council being able to give XXX a prod with a hot poker would really help related businesses’.
- Not satisfactory – 66.67%
 - Comment – ‘Council have been a huge resistance in every turn. They have been very slow in our DA applications and any changes we required. Currently we have still not completed our development due to the road upgrade not being completed. Numerous letters have been sent to both council along with our local member over the past 2 years. Only due to our Local Member’s letter to council have we received correspondence from council that the design is still being finalised and is hinging on a speed zone assessment by TfNSW. We could not be more disappointed with our local council’.

Round 2:

- Not satisfactory – 33.33%
- Not applicable – 66.67%
 - Comment – ‘Council staff have experienced high turnover. Council is under administration. We don't really interface with local - our market is international’.

Impediments to growth in regional NSW including challenges in the planning system

To assess experience with impediments to growth in regional NSW including challenges in the planning system, grant recipients were asked:

What challenges did you experience?

Survey respondents were provided with a list of predefined answers and encouraged to tick all the options that that applied to their situation, along with an option to include other challenges via free text.

Round 1:

- Planning support and / or planning approval delays – 66.67%
- Lack of / or delay in response to enquiries made to local council – 33.33%
- Lack of / or delay in response to enquiries made to NSW Government – 0%
- Lack of skilled workers to fill job vacancies – 33.33%
- Lack of materials to build infrastructure – 0%
- Issues completing the reporting requirements – 0%
- Delayed milestone payments – 0%
- Delays caused by COVID – 66.67%
- None – 0%
- Other (please specify):
 - Comment - ‘Immigration laws need to change so we can get workers easier and the pay for the immigration workers is too high’.

- Comment - Council was the biggest challenge to navigate and still is. Time frames for them are nonexistent’.
- Comment - ‘Weakness in domestic tourism - post COVID, many of our guest demographic haven't re-emerged to undertake travel’.

Round 2:

- Planning support and / or planning approval delays – 33.33%
- Lack of / or delay in response to enquiries made to local council – 33.33%
- Lack of / or delay in response to enquiries made to NSW Government – 33.33%
- Lack of skilled workers to fill job vacancies – 0%
- Lack of materials to build infrastructure – 33.33%
- Issues completing the reporting requirements – 0%
- Delayed milestone payments – 33.33%
- Delays caused by COVID – 33.33%
- None – 0%
- Other (please specify):
 - Comment - ‘Local council has been a massive handbrake in our business over an extended period of time. From our perspective the local council would appear to be doing everything possible to delay, frustrate and stop regional development, both by onerous financial contribution requirements, approval delays etc’.
 - Comment - ‘...infrastructure delays and strict contract terms. (Industry related) crisis causing financial uncertainty. High labour rates. Supply crisis in covid and after-covid era. Hyperinflation causing material price to soar. The shipment from overseas costed extremely high’.

Effectiveness of the Business Concierge service

To capture feedback on the effectiveness of the Business Concierge service, we included the question:

Q: How would you rate the services provided by the Business Concierge / Business Development Manager?

Grantees were provided with the option to rate their experience as either satisfactory, not satisfactory, or not applicable, along with additional feedback via a free text comment box.

Feedback provided:

Round 1:

- Satisfactory – 100%

Round 2:

- Satisfactory - 66.67%
 - Comment – ‘We have strong relationships with state and federal concierge support. We are active with the local chamber and attend networking and business-related

events. We have had key representatives visit our premises, so they understand the full scope of our business and our expansion plans’.

- Not applicable – 33.33%

Opportunities for regional and metropolitan councils to work together to promote productivity and economic development

Grant recipients were asked to respond to the question:

Q: Did your project provide an opportunity for regional and metropolitan councils to work together to promote productivity and economic development?

Participants were provided with predefined ‘Yes’ or ‘No’ answer option and the ability to provide additional feedback via a free text comment box.

Answers:

Round 1:

- Yes – 33.33%
 - Comment – ‘But they didn't get involved or take up the opportunity. I guess we didn't have good pathways to make these connections, although we did try.’
- No – 66.67%

Round 2:

- Yes – 66.67%
 - Comment – ‘To promote economic development - we have expanded from 3 to 4 commercial units due to this project. We now have studio and technical capabilities. We are looking to expand to a further commercial unit to accommodate our next stage of growth. We interface with Destination SH, Destination NSW to build client's capabilities, advise and facilitate clients about national and international funding opportunities, position clients as speakers at networking events, have consulted with AusIndustry re our expansion plans and participate and cross promoted Small Business Month events’.
- No – 33.33%

Other related matters

Grantees were asked:

‘Please provide any additional feedback on the Regional Job Creation Fund’.



The following free text responses were captured:

‘There needs to be a lot more grants for manufacturing to help grow the economy.’

‘The Regional Job Creation Fund has allowed us to employ an additional 5 FTE in our business. This business has distributed over \$7.2M to regional NSW businesses over the last 3 years, with a lot more to come as the business grows. We couldn't do this without this funding’.

Additional feedback

In addition to the feedback provided via the survey, the RDASI team have received verbal feedback from grant recipients concerning the lack of skilled personnel available to fill positions created by projects funded under the Regional Job Creation Fund.

In Summary

RDA Southern Inland works across a region encompassing 44,639 square kilometres, including seven local government areas in the south-east of NSW, home to over 210,000 Australians. Our mission is to support the development of this part of regional Australia, acting as a conduit between residents, business owners and government agencies, providing a connection point for growth, prosperity, and liveability. We drive jobs, investment, and innovation through collaboration, communication, advocacy, and the facilitation of regional projects. We strive to disseminate information and resources to our community members and provide unbiased support.

The Regional Job Creation Fund supported seventeen projects across the Regional Development Australia Southern Inland region. These projects, worth more than \$13 million, stimulated economic growth and once filled, will provide employment to an estimated 783 people.

Regional Development Australia Southern Inland wholeheartedly supports programs such as the Regional Jobs Creation Fund, that are designed to support business projects that create jobs and drive economic recovery and resilience in regional NSW.

I thank you for the opportunity to provide feedback via this regionally targeted submission, on the Performance of the Regional Job Creation Fund.

Kind regards,

Carisa Wells
CEO and Director of Regional Development