



REGIONAL GROWTH FUND

Strategic review



Regional
NSW

MESSAGE FROM THE DEPUTY PREMIER

The \$2 billion Regional Growth Fund was born from the desire to provide our regions with the infrastructure needed to attract investment, generate jobs and grow local economies.

Established in 2017, we didn't realise just how important the ongoing investment would be to regional communities. In recent years our regions have struggled through persistent drought, floods, the aftermath of the worst bushfires on record and COVID-19.

More than 2.8 million people, 30 per cent of the NSW population, live and work in regional NSW. Producing one-third of the total gross state product, our regional industries, businesses, goods and services play a critical role in growth, productivity and sustainability.

This record investment in our regions is supporting local businesses, improving local amenities and helping regional communities build resilience as they continue to tackle hard times.

Regional Growth Fund programs have been designed to make sure no one misses out, and every Local Government Area in regional NSW has received a share of the funding, including Lord Howe Island and the Unincorporated Far West.

So far more than 2,700 projects have been funded across regional and rural NSW. That is money paying local tradies, suppliers and countless other workers to deliver these projects. It is money flowing through local economies so businesses can keep their doors open and employees in jobs.

It is infrastructure making things easier, more efficient and cost effective for regional NSW. Things like better roads that reduce wear and tear on trucks and upgraded tourist attractions that encourage more visitors.

It's also the small things that make a big difference to everyday life - playgrounds for kids and parks for adults, upgraded sporting facilities, revitalised town centres, refurbished community centres and showgrounds.



We have also addressed some of the key issues around education, training and employment for young people by earmarking \$50 million for infrastructure and programs aimed at youth through the third round of the Stronger Country Communities Fund. We are working hard to make the regions better places for young people to live, work, study and build their careers.

These projects are important and make a big difference to the vibrancy of our communities, not only because of their contribution to the economy, but the visible and tangible difference they make to quality of life.

This investment in regional NSW has become more vital than ever before, and we understand there is always more work to do.

A handwritten signature in black ink that reads "Paul Toole". The signature is fluid and cursive.

The Hon. Paul Toole MP

Deputy Premier
Minister for Regional New South Wales
Minister for Police

THE REGIONAL GROWTH FUND

The \$2 billion Regional Growth Fund is the cornerstone of NSW Government investment in NSW regional communities to support growing regional centres, activate local economies and improve services and amenity.

The Fund was established to:

- support investment in essential infrastructure projects
- support the development of cultural infrastructure
- enhance and build sporting infrastructure
- improve regional voice and data connectivity
- invest in mining-impacted communities
- stimulate job creation
- deliver local infrastructure.

The Fund aligns with the Regional Development Framework and priorities set out in the NSW Government's 20-Year Economic Vision for Regional NSW – Refresh, and provides a strategic framework for investment decisions and coordination of funding across NSW.

From 2017 to 2020, the Regional Growth Fund grew from six to nine funding programs to improve amenity, activate economic growth, improve resilience and respond to emerging regional needs, including additional support for drought-impacted communities through the Regional Drought Stimulus Package.

In 2020 the NSW Government undertook a strategic review of the Regional Growth Fund to consider how effective it has been in supporting investment in, and delivering funding across regional NSW. The key findings of this review are outlined in this document.

DELIVERING REAL RESULTS



\$779 million for 293 projects

that will activate local economies, create jobs and grow industries in Regional NSW



\$700 million for 1,746 critical

sports, cultural and community infrastructure and amenity across all NSW regional local government areas



\$224 million across 72 projects

responding to emerging priorities in regional NSW including those communities impacted by mining and drought



Up to 17,000

post construction jobs will be created to support growth in business and services across key and emerging industries

The Regional Growth Fund is on track to deliver on the objectives of the NSW Regional Development Framework and the 20-Year Economic Vision – Refresh

In less than three years, more than \$1.8 billion has been provided to fund more than 2,100 projects across the 93 Local Government Areas in regional NSW, including Lord Howe Island and the Unincorporated Far West.

This record investment in the regions through the Regional Growth Fund is delivering visible and long-lasting benefits to regional and rural NSW communities. The funding is providing essential community amenity, supporting arts and culture, building and enhancing sporting infrastructure, and creating local jobs in every Local Government Area across regional NSW.

The Strategic Review confirmed the Regional Growth Fund is on track to achieve the objectives of the Regional Development Framework to:

- provide quality services and infrastructure in regional NSW – ensuring a baseline set of services across regional NSW
- align efforts to support growing regional centres, acknowledging the needs of areas with strong growth in population, jobs or both
- identify and activate economic potential by looking across regional NSW for opportunities to change the economic outlook and activate local economies.

REGIONAL GROWTH FUND PROGRAMS

The Regional Growth Fund programs delivered between 2017 and 2020 were effectively designed to enable essential infrastructure, support arts and culture, enhance and build sporting infrastructure, spur job creation and deliver local infrastructure aligned with the overall focus on improving the lives of people living and working in regional NSW.

Flexibility in the design and delivery has allowed the Fund to address emerging issues in regional NSW and fill funding gaps for important community projects. The responsiveness of the Fund has become increasingly important as the context for regional NSW has shifted dramatically across the impacts of drought, flood, bushfire and COVID-19.



Building local infrastructure and amenity

- Stronger Country Communities Fund
- Regional Sports Infrastructure Fund
- Regional Cultural Fund
- Regional Communities Development Fund



Boosting the growth and potential of regional NSW economies

- Regional Growth - Environment and Tourism Fund
- Connecting Country Communities
- Growing Local Economies



Strengthening resilience

- Resources for Regions
- Drought Stimulus Package



THERE IS MORE TO DO

Future program funding should unlock opportunities to respond to local community need and demand

There is strong evidence to suggest continued need for investment in local infrastructure projects in regional NSW, with almost 2,000 projects seeking \$4 billion remaining unfunded through the Regional Growth Fund application process.

With parts of regional NSW experiencing declining or slowing population growth, higher rates of youth unemployment, lower incomes and higher rates of poverty, there are significant and growing gaps between life in larger metropolitan centres and regional NSW. Continued investment in community infrastructure will enable community amenity and support recovery, liveability and population growth and bridge the divide between metropolitan and regional NSW.

Streamlining access to funding and more flexible program design will play a key role in ensuring future investment responds to emerging needs and demand.

The Regional Growth Fund drives economic growth, jobs creation and leverages funding from other sources to maximise economic outcomes for regional NSW

There is opportunity to broaden economic activation programs to:

- include targeted incentives to trigger private sector investment and leverage the enabling infrastructure projects
- harness opportunities for NSW Government funding to align with, compliment and support Commonwealth funding programs and strategies

- invest in more regionally significant projects linked with job creation and skills development. There is strong evidence to suggest continued need for investment in local infrastructure projects.

The program has already leveraged more than \$1 billion in funding co-contributions and there is further potential to strengthen alignment and opportunities with State and Commonwealth funding programs to maximise regional outcomes.

Regional leadership, collaboration and capacity is the key to enabling regionally significant outcomes

Strong regional partnerships across the three levels of government, key industry and other stakeholders results in projects that will deliver stronger job growth, productivity and more liveable communities.

There is opportunity to increase partnerships across Local Government Areas on regionally significant projects and strengthen regional capacity and capability through greater involvement of Joint Organisations of Councils.

A regional approach to project identification, targeted support for smaller councils to build capability and capacity, and incentivising regional collaboration in program design will enable the identification of more regionally significant projects. The establishment of the Department of Regional NSW presents an opportunity to strengthen the role of Public Works Advisory in supporting the delivery of projects funded under the Regional Growth Fund.



A place-based approach will ensure sustainable regional outcomes

The Regional Economic Development Strategies provide a strong evidence base for investment in economic activation and sustainable economic outcomes in regional NSW.

Future NSW Government investment should strengthen the focus on engine industries, endowments and specialisations. There is greater potential for councils and Joint Organisations to use Regional Economic Development Strategies to drive collaboration and deliver on regional priorities.

Programs such as Resources for Regions recognise the unique and diverse needs that are specific to some regional communities. Targeted programs play a key role in responding to these needs and help to build resilience and recovery and ensure sustainable regional communities.



CASE STUDY

Community building in Jerilderie in the southern Riverina

In the hard hit farming town of Jerilderie, a lack of child care facilities meant young mothers felt forced to opt out of permanent employment. Families were travelling hundreds of kilometres each day to access childcare.

A \$994,000 grant to relocate and expand the local preschool and long daycare will help lift female workforce participation, lift household incomes, keep children safe and close and improve quality of life for local families.

Local money will stay in the local community.



CASE STUDY

Astra Aerolab

The \$19.7 million Astra Aerolab Defence and Aerospace Technology Park is the perfect example of what Growing Local Economies is intended to do.

Funding is providing the enabling infrastructure, the access roads, water pipes, gas, electricity supply and fibre optic connections that businesses look for when deciding where to base themselves.

This will attract specialised aviation businesses wanting to take advantage of Astra's close proximity to Newcastle Airport and RAAF base Williamtown, bringing with them highly skilled aerospace engineers and avionics specialists that will diversify the Hunter economy and support the growth of the NSW defence industry.





CASE STUDY

Western NSW

Investment in Western NSW under the Regional Growth Fund has had a strong focus on building community amenity and supporting resilience within smaller populations and communities.

The NSW Government's Regional Growth Fund has invested more the \$64 million in projects across Western NSW that will improve the day to day lives of people living and working in the region and deliver both economic and social benefits, including:

- \$2.5 million for the upgrade of the Jubilee Oval will mean the Broken Hill community has access to a high quality sports facility that will attract state and regional sporting events. Established in 1900, prior to their successful application for the Regional Sports infrastructure Fund, the facility had not had any significant upgrade since World War Two. This investment will deliver change rooms for women and mean the residents of Broken Hill are able to play sport throughout the hot summer months
- In Wilcannia, \$3.5 million secured through the Regional Growth Environment and Tourism Fund will mean the realisation of the Baaka Cultural Centre as a Keeping Place to preserve and display Baakantji Nation artefacts and artwork, record traditional music, language and stories, provide a staging point for indigenous performances, heritage tours and talks and a café that showcases indigenous food.
- The Wentworth Aerodrome, funded under Growing Local Economies, will be a touch down point for mining, tourism aviation and emergency services. Wentworth Shire's local airport plays a critical role in the social and economic outlook of this region in the NSW Far West. Rural and remote, with a local unemployment rate of 12.8 per cent, this \$9 million investment in vital upgrades to the airport will activate economic development, attract local and international visitors and leverage opportunities of a new flight school.





SOUTH WAGGA
TENNIS CLUB

WELCOME



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NSW