



# Regional Job Creation Fund

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Process Evaluation

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## Glossary

Abbreviation	
Benefit Cost Ratio	BCR
Business Development Manager	BDM
Department of Planning, Industry and Environment	DPIE
Department of Primary Industries	DPI
Department of Premier and Cabinet	DPC
Department of Regional New South Wales	DRNSW
Development Approval	DA
Electronic Funds Transfer	EFT
Expression of Interest	EOI
Frequently Asked Questions	FAQs
Full-time Equivalent	FTE
Functional Economic Region	FER
Grant Management Office	GMO
Infrastructure and Jobs Acceleration Fund	IJAF
Investment Appraisal Unit	IAU
Investment NSW	INSW
Jobs and Infrastructure Acceleration Fund	JIAF
Key Evaluation Questions	KEQs
Local Government Area	LGA
New South Wales	NSW
Office for Regional Economic Development	ORED
Program Evaluation Plan	PEP
Program Monitoring and Evaluation Plan	PMEP
Public Works Advisory	PWA
Regional Economic Development Strategy	REDS

Abbreviation	
Regional Events Acceleration Fund	REAF
Regional Growth Fund	RGF
Regional Investment Attraction Fund	RIAF
Regional Job Creation Fund	RJCF
Regional NSW Business Investment Package	RNBIP
Regional Programs Unit	RPU
Regional Stimulus Package	RSP
Special Activation Precinct	SAP

## Executive summary

The NSW Government established the \$100 million Regional Job Creation Fund (RJCF) – Round One to support regional investment and job creation by offering up to \$10 million in co-funding to activate or bring forward regional projects in engine, enabling or emerging engine industries. The Fund opened for applications on 25 October 2020, with preliminary applications closing on 14 May 2021, and detailed applications closing on 25 June 2021. All project assessment decisions were completed by November 2021.

This Process Evaluation, conducted by the Regional Programs Evaluation Team in the Department of Regional NSW (DRNSW) assessed the appropriateness, effectiveness and efficiency of the process to design and implement the program.

### Summary of findings

Overall, the RJCF is an appropriate program to address a well-evidenced need and has been warmly welcomed by external stakeholders. It has a clear objective to create over 5,000 new jobs in regional NSW and is well-designed to achieve this objective.

The program was slightly underspent, committing \$91.8 million of the \$100 million allocation across 117 projects, leveraging \$286 million in co-contributions and currently projected to create 4,910 FTE jobs (as at 31 January 2022). Six projects funded under a previous program with similar objectives, the Regional Investment Attraction Fund (RIAF), were also administered under Round 1 of the RJCF. The combined total of 123 projects funded under the program will collectively achieve over 5,000 new direct full-time equivalent jobs over three years, exceeding the program target.

The program was generally well administered, including through:

1. **Appropriate program design and promotion.** The program had a high level of interest, receiving 403 preliminary applications. The parameters of the program made sense to achieve the objective. The only constraint in design was the short timeframe for project completion, which was a non-negotiable function of the funding profile imposed by NSW Treasury linked to stimulus funding as part of the NSW Government's stimulus response.
2. **Two-stage application process.** The preliminary application effectively filtered out ineligible or unsuitable applications and reduced the potential for wasted effort on the part of the applicants and the Department.
3. **Rolling application process.** Businesses were able to apply at the point most appropriate for their planning, allowing for a greater cross-section of potential projects compared to a rounds-based process.
4. **Proactive use of the Regional Development Network.** The Business Development Managers (BDMs) actively supported applicants to develop their applications. This contributed to a generally high level of application quality and worked to deepen relationships between the Department and businesses.<sup>1</sup>
5. **High level of due diligence and rigour in the assessment process.** The detailed application assessment required a high level of information from applicants and the Assessment Panel deliberated carefully on the evidence provided for each application. Decisions were made and recorded consistently.

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<sup>1</sup> The Regional Development Network, including Business Development Managers, are regionally-based DRNSW employees who work with regional communities, stakeholders and state and local government to improve local and regional services, promote economic development and deliver state wide programs to improve the economic and social wellbeing of people living and working in regional NSW. There are seven Regional Development offices and over 120 Regional Development staff across regional NSW.

One of the biggest challenges for the program was adhering to the publicly stated timelines for outcome notification. The Department consistently met the preliminary application review timeframe; however, the detailed application generally took much longer to return an outcome than the 12-week turnaround time for complete submissions stated in the RJCF Program Guidelines. On average, the department took 15 weeks to notify applicants of their outcome. In some cases, applicants waited 20 weeks to be notified. The 12-week timeframe was not met was due to two key reasons:

- Many applications were required to submit additional detail before the assessment could be completed. This was largely due to a confusing application form and lack of clarity of requirements among BDMs who were advising applicants on their submissions. This process added approximately four weeks to the timeline.
- Significant delays between the Assessment Panel making their recommendations and receipt of approval to notify the applicant. This step generally took 10 weeks. It should be noted that the program was implemented during a period of challenging operational circumstances, such as extended COVID-19 lockdowns, a change in the project approval pathway and a change in the Deputy Premier, which contributed to the delay.

The delay in outcome notification caused significant stress and frustration for some applicants and was an unfortunate result in what was otherwise a very successfully administered program. While the largest part of the delay was unavoidable by the Department within the established governance arrangements for the program, earlier and more proactive communication about the delay could have eased some tension.

#### ***Changes implemented for Round Two of RJCF***

The design of a second round of the RJCF commenced shortly after the launch of the Process Evaluation. The Evaluation Team frequently provided preliminary insights to the Regional Programs Team and reviewed key program documentation to ensure the new round incorporated lessons learnt from the first round.

Applications for RJCF Round Two opened on 2 February 2022. Businesses will be able to submit applications in this window, with eligible applications being assessed against set assessment criteria in an open and competitive process. In this regard, program administration of Round Two of the RJCF will differ from the previous round, which used a rolling application process where businesses were able to apply at the point most appropriate to their planning from the 25 October 2020 to 14 May 2021. This change away from a rolling application process was made due to the nature of the funding profile, rather than as a result of this Process Evaluation. Any future rounds of the program should consider a rolling application process per the recommendations in this Evaluation.

Improvements made to the program from Round One include:

- Increased clarity in the Program Guidelines, FAQs and internal guideline regarding project type and cost eligibility, and competitive neutrality
- Redesign of the detailed application form to improve clarity for applicants and assessors
- Increased clarity in the data sheet accompanying detailed application form about what evidence applicants need to provide
- A strengthened role for Regional Development Network BDMs in the application process. BDMs will review Expression of Interest (EOIs) for readiness, along with guiding individual applicants in preparing their submission at the detailed application stage
- Development of a pack of support materials to guide applicants in completing their applications
- Development of more detailed internal guidelines to provide guidance for key stakeholders such as the Regional Development Network and the Grants Management Office (GMO) in program administration
- Provision of more detailed guidance on the estimation and reporting of job creation outcomes.

A summary of the Process Evaluation Findings and Recommendations is provided in Table 1.

Table 1 | Summary of findings and recommendations

Findings	Recommendations for future RJCF rounds	Considerations for other programs
Evaluation Domain 1: Overview of program results		
1a. The program committed over 90% of available funding across 123 projects, mostly in the manufacturing and agriculture sectors, and will exceed the 5,000 new direct jobs target.	<ul style="list-style-type: none"> <li>No recommendations</li> </ul>	<ul style="list-style-type: none"> <li>No recommendations</li> </ul>
1b. The program did not consistently meet publicly stated timeframes for outcome notification due to a variety of factors within and outside of the department's control.	<ul style="list-style-type: none"> <li>In future rounds, consider advertising the program as a 14-week turnaround period from application submission to notification of outcome.</li> <li>Provide proactive communications to applicants regarding outcome notification delays.</li> <li>The Department should seek approval for specified turnaround times for outcome notification briefs from the Deputy Premier's Office as part of the agreed governance arrangements of future rolling-rounds.</li> </ul>	<ul style="list-style-type: none"> <li>The recommendation relating to confidential notification of outcome following Delegate approval is applicable to all time sensitive programs.</li> </ul>
Evaluation Domain 2: Program Design		
2a. The RJCF was well aligned with key NSW Government strategies and formed an appropriate response to an identified need for sustainable employment opportunities in regional NSW.	<ul style="list-style-type: none"> <li>Consult with business peak bodies on the design of future Rounds of the RJCF to ensure the program remains relevant to the needs of business.</li> <li>Consult with DRNSW's Strategy, Delivery and Performance Division regarding any updates to the REDS to ensure the Strategic Alignment Assessment is fit-for-purpose.</li> </ul>	<ul style="list-style-type: none"> <li>Programs that interact with business should consider consultation with business peak bodies in design of future rounds</li> </ul>

Findings	Recommendations for future RJCF rounds	Considerations for other programs
<p>2b. The short timeframe for project completion was the only major design constraint.</p>	<ul style="list-style-type: none"> <li>• For Round Two of the RJCF, which has a similarly short funding profile, emphasise project completion timelines to preliminary applicants.</li> <li>• For future rounds, where possible, extend the project completion timeframe to at least two years.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider shifting focus of 'stimulus' funding from short expenditure profiles to capacity to achieve some immediate stimulus such as expenditure in the first year.</li> <li>• Consider the implications and limitations of short funding profiles on program design, including the downward impacts on grantees in imposing these timeframes</li> </ul>
<p>Evaluation Domain 3: Program Administration</p>		
<p>3a. The program had appropriate project planning in place for the most part.</p>	<ul style="list-style-type: none"> <li>• No recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• No recommendations</li> </ul>

Findings	Recommendations for future RJCF rounds	Considerations for other programs
3b. The program demonstrated considerable adaptive management during the administration, which in future could be better documented.	<ul style="list-style-type: none"> <li>• Ensure the dynamic approach to risk management is recorded by regularly updating the RJCF Risk Register with emerging risks, updated risk assessments and mitigation strategies.</li> <li>• Communications planning conducted at the start of the program should provide additional emphasis on communications with applicants who are waiting to receive notification of their application outcome.</li> <li>• Where a communications risk is identified, the Department's Communications Team should be engaged to develop appropriate messages.</li> <li>• Where publicly stated timelines are at risk of not being met, the Department should proactively communicate with applicants.</li> </ul>	<ul style="list-style-type: none"> <li>• All recommendations listed here for the RJCF are equally applicable to other programs and is an area for improvement across the Regional Growth Program.</li> </ul>
3c. The program lacked sufficient resourcing at application surge points.	<ul style="list-style-type: none"> <li>• Mitigation strategies for managing potential risks associated with shortfalls in resourcing should be implemented and reviewed for effectiveness over the complete cycle of the program.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential resourcing pools to deal with application surges need to be identified at the start of any rolling program.</li> </ul>
Evaluation Domain 4: Application Process		
4a. The two-stage application process was appropriate and reduced potential wasted effort by applicants and the department.	<ul style="list-style-type: none"> <li>• No recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• Programs with complex applications like the RJCF should adopt a similar preliminary assessment process.</li> </ul>
4b. Involvement of BDMs in the application development process improved application quality and the applicant experience.	<ul style="list-style-type: none"> <li>• BDM involvement in the RJCF should be further strengthened, including through involvement at the preliminary application stage, and strongly recommending that applicants at the detailed application stage work with their allocated BDM in order to submit their application.</li> </ul>	<ul style="list-style-type: none"> <li>• No recommendations</li> </ul>

Findings	Recommendations for future RJCF rounds	Considerations for other programs
4c. The rolling application process was the right mechanism to meet the needs of business, but delays meant the benefit was not fully realised.	<ul style="list-style-type: none"> <li>• See recommendations for Finding 1b.</li> </ul>	<ul style="list-style-type: none"> <li>• No recommendations</li> </ul>
4d. The Program Guidelines were generally clear and consistent, though further clarity regarding eligibility and competitive neutrality is required.	<ul style="list-style-type: none"> <li>• Provide clearer information in the RJCF Program Guidelines about eligible project types and costs through the use of practical examples.</li> <li>• Provide a more detailed explanation of competitive neutrality in Program Guidelines and documents to ensure consistency and clarity in interpretation.</li> </ul>	<ul style="list-style-type: none"> <li>• No recommendations</li> </ul>
4e. The detailed application form was difficult to navigate and resulted in many requests for additional information post submission.	<ul style="list-style-type: none"> <li>• Redesign application form templates to be more user-friendly for applicants and follow the criteria in the assessment methodology more closely.</li> <li>• Revise business data sheet template to provide clearer information about what evidence applicants need to provide to support their proposal at the detailed application stage.</li> </ul>	<ul style="list-style-type: none"> <li>• No recommendations</li> </ul>
Evaluation Domain 5: Assessment Process		
5a. The approval processes used for RJCF were appropriate.	<ul style="list-style-type: none"> <li>• No recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• No recommendations</li> </ul>
5b. The assessment process enabled a rigorous assessment of due diligence but lacked efficiency due to the application form.	<ul style="list-style-type: none"> <li>• Consider using risk or complexity, rather than value, thresholds to determine which economic and financial assessments should be conducted by the Regional Programs Team, and which should be conducted by the IAU.</li> <li>• Provide greater detail in the description of competitive neutrality in the Program Guidelines, internal guidelines and Assessment Methodology.</li> </ul>	<ul style="list-style-type: none"> <li>• Programs requiring a CBA to be conducted should consider using a short-form model conducted by the Programs Team, rather than the IAU, where appropriate.</li> </ul>

Findings	Recommendations for future RJCF rounds	Considerations for other programs
5c. The Assessment Panel implemented a consistent and robust approach to making project recommendations	<ul style="list-style-type: none"> <li>Ensure special conditions imposed by the Assessment Panel are clearly outlined in the outcome notification letter to the applicant and recorded in an Assessment Panel Outcome Form in SmartyGrants to be included as activity deliverables prior to contracting.</li> </ul>	<ul style="list-style-type: none"> <li>No recommendations</li> </ul>
5d. The delays in outcome notification were unavoidable within the program's governance arrangements, but communications could have been improved.	<ul style="list-style-type: none"> <li>See recommendations made for Findings 1b and 3b.</li> <li>Two-way feedback sessions for applicants could provide useful feedback from end-user perspectives on improvements that could be made to future program rounds.</li> </ul>	<ul style="list-style-type: none"> <li>These recommendations are equally applicable to all RGF Programs.</li> </ul>
5e. Equity of funding in a rolling grant program is likely tied to equity of access	<ul style="list-style-type: none"> <li>Continue to monitor application rates from different regional areas to identify trends in application and success rate that might indicate lack of equitable access awareness of the program, or access to BDM support.</li> <li>Where an area has a low application rate, ensure adequate promotion of the program is occurring in that area.</li> <li>Ensure, as far as possible, that applicants have equal access to quality BDM support for their application.</li> </ul>	<ul style="list-style-type: none"> <li>These recommendations are equally applicable to any open, rolling fund.</li> </ul>

Findings	Recommendations for future RJCF rounds	Considerations for other programs
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Evaluation Domain 6: Funding Deed

Findings	Recommendations for future RJCF rounds	Considerations for other programs
<p>6a. The contracting process was resource intensive, with the GMO needing to clarify project eligibility and other program requirements for a significant number of approved projects.</p>	<ul style="list-style-type: none"> <li>• The Department could further streamline the contracting process by clarifying program requirements in the Guidelines, including the management of COVID-19 impacts on supply chains and labour availability, and improving the design of application forms to reduce the need for the GMO to clarify requirements and make additional information requests to grantees.</li> <li>• The Regional Programs Team should work with the GMO to ensure the internal guidelines for Round Two provide clear and consistent advice in relation to contracting processes and requirements prior to the launch of the program.</li> <li>• The Department should require applicants to provide a COVID-19 Plan to advise how potential delays in project completion timelines will be mitigated.</li> </ul>	<ul style="list-style-type: none"> <li>• The requirement for a COVID-19 Plan should become a standard feature of regional programs for the foreseeable future.</li> </ul>
<p>6b. Reporting design could be tweaked to better manage and mitigate risks to government funding, noting this was a function of the imposed budget profile for Round One, and funding deed structure better communicated to applicants.</p>	<ul style="list-style-type: none"> <li>• For Round Two of the RJCF, the Department should set aside at least 10 per cent of total grant funding for final payment and replace six monthly reports with quarterly reporting post capital works completion to better monitor the financial position of grantees and enable earlier mitigation to recover government funding when required.</li> <li>• The structure of the Funding Deed needs to be more clearly explained to applicants at the earliest stages, to ensure they can plan accordingly. The milestone breakdown should be included in the Program Guidelines and there should be detailed FAQs and internal guidelines to ensure BDMs can answer questions accurately and comprehensively.</li> </ul>	<ul style="list-style-type: none"> <li>• No recommendations</li> </ul>

Findings	Recommendations for future RJCF rounds	Considerations for other programs
Evaluation Domain 7: Monitoring and Evaluation		
7a. Current evaluation planning supports effective monitoring and evaluation of the RJCF but will need reviewing on an ongoing basis to remain fit-for-purpose.	<ul style="list-style-type: none"> <li>• The PMEP for the RJCF should be updated prior to the commencement of any new funding rounds.</li> <li>• A new theory of change should be developed for any rounds funded beyond Round Two. An evidence review should be undertaken to ensure the program remains relevant and to alter the design if required.</li> </ul>	<ul style="list-style-type: none"> <li>• No recommendations</li> </ul>
7b. Advice provided to applicants for describing project job outcomes could be clearer to ensure data collection consistency and quality.	<ul style="list-style-type: none"> <li>• Program Guidelines and the application form for Round Two of the RJCF should include a standard definition for Full-time Equivalent (FTE). The FTE definition should also be included in application forms and the Funding Deed template.</li> <li>• An Outcomes Reporting Guidance Note is provided to recipients as part of the contracting process.</li> <li>• Jobs data by occupation classification (ANZSCO) should be collected as part of jobs outcomes reporting to enable DRNSW to compile and analyse industry employment trends in FERs to identify needs.</li> </ul>	<ul style="list-style-type: none"> <li>• An Outcomes Reporting Guidance Note is provided to recipients as part of the funding deed negotiation.</li> </ul>

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# Introduction

## Overview of the Regional Job Creation Fund

The NSW Government established the \$100 million RJCF Round One in 2020 to support regional investment and job creation by offering up to \$10 million in co-funding to activate or bring forward regional projects in engine, enabling or emerging engine industries.

Round One of the RJCF targeted the creation of at least 5,000 new direct jobs (full-time equivalent) in regional NSW over a three-year period.

The RJCF is one component of the NSW Government's \$3 billion Jobs and Infrastructure Acceleration Fund (JIAF) which aims to help NSW regional communities recover from the impacts of drought, flood, bushfires and the economic effects of the COVID-19 pandemic.

Remaining unallocated funding of \$10 million in the Regional Investment Attraction Fund (RIAF) was also available for projects added to Round One of the RJCF, bringing the total program funding to \$110 million (of which \$5 million was allocated to grant administration costs).

Applicants were required to complete a preliminary application form and if successful at the assessment stage, were invited to complete a detailed application form. The Fund opened for applications on 25 October 2020, with preliminary applications closing on 14 May 2021, and detailed applications closing on 25 June 2021.

DRNSW administered Round One of the RJCF and was responsible for co-ordinating assessment of all applications against program eligibility and assessment criteria.

Projects needed to satisfy five assessment criteria to be considered for funding:

- Strategic alignment with the relevant Regional Economic Development Strategy (REDS) and/or the NSW Government's *20-Year Economic Vision for Regional NSW*
- Creation of at least five new direct jobs (full-time equivalent)
- Expected return on government investment: projects achieved a Benefit-to-Cost Ratio greater than 1.0
- Deliverability: applicants demonstrated that the project could be delivered by June 2022
- Affordability: applicant and other NSW government co-contributions to the project were at least 50 per cent of the total project cost
- Other considerations: relevant factors and risks determined by the Assessment Panel, including how the project contributed to NSW Government priorities such as Special Activation Precinct (SAP) Projects, local and regional procurement and/or significant increases to employment and training opportunities for young people and Aboriginal communities within regional NSW.

Five key stakeholder groups were involved in the assessment of RJCF applications:

- The Regional Program Team in DRNSW. The team was responsible for assessing which preliminary applications should be invited to the detailed application stage, conducting the eligibility assessment of detailed applications and the Economic and Financial Analysis for applications requesting less than \$400,000 (GST excl.)
- The Office of Regional Economic Development (ORED) in DRNSW. The ORED conducted the Strategic Alignment Assessment for the detailed applications
- Public Works Advisory (PWA) in DRNSW. PWA conducted the Deliverability Assessment for the detailed applications

- The Investment Appraisal Unit (IAU) within the Department of Premier and Cabinet (DPC). The IAU were responsible for conducting the Economic and Financial Analysis for applications requesting over \$400,000 (GST excl.)
- Assessment Panel: reviewed the eligibility and merit-based assessments to make recommendations for funding.

The RJCF Assessment Panel (the Assessment Panel) was convened to assess projects that submitted a detailed application for funding. The Assessment Panel's role was to consider each application and the advice from the preceding assessment steps to determine the suitability of each project for funding under the RJCF. The Assessment Panel consisted of representatives from DRNSW and other NSW Government agencies, including Investment NSW (INSW) and the Department of Education and Training.

Funding recommendations made by the Assessment Panel for the RJCF were originally subject to approval by the NSW Government's Expenditure Review Committee (ERC) of Cabinet. In August 2021, the NSW Government endorsed amendments to the approval process for a number of DRNSW grant programs, which impacted the approval pathways for the RJCF.

## Purpose of this Process Evaluation

This report is the Process Evaluation for Round One of the RJCF. It was undertaken by the DRNSW's Regional Programs Evaluation Team from October 2021 to January 2022.

The purpose of this Process Evaluation is to assess the effectiveness and efficiency of the design and implementation of Round One of the RJCF. It covers three initial stages of program implementation – program establishment, the application process and the contracting process.

This Process Evaluation addresses Key Evaluation Questions (KEQs) across seven Evaluation Domains, as shown in Table 1.

**Table 1 | Key Evaluation Questions**

Evaluation Domains	Key Evaluation Questions
Overview of program results What happened?	To what extent was the program fully subscribed? Were publicly communicated timeframes met? What was the geographic and Functional Economic Region (FER) spread of applicants and successful grantees? What industries and sectors were represented? What types of projects were successful? Were the projects reflective of the priority areas in the REDS and other strategies? Did the funded projects reach the jobs target individually and collectively?
Program design Was the program design appropriate?	To what extent does the program: <ul style="list-style-type: none"> <li>• align with overarching strategies/policies</li> <li>• aim to address an identified need</li> <li>• draw on consultation feedback from key stakeholders</li> </ul> To what extent does the program have clear and consistent objectives? To what extent are program design elements and processes aligned with the program objectives?

<p>Program administration</p> <p>Was the program set up for success?</p>	<p>To what extent did the program have appropriate project planning in place, including:</p> <ul style="list-style-type: none"> <li>• Project plan</li> <li>• Project budget</li> <li>• Assessment Methodology</li> <li>• Communications Plan</li> <li>• Risk Register</li> <li>• Conflict of Interest Register</li> <li>• Probity Plan</li> <li>• Evaluation planning</li> </ul> <p>Was there a clear governance and probity framework in place, with clearly articulated roles and responsibilities?</p> <p>Did the program demonstrate adaptive management to emerging issues?</p> <p>Was the resourcing provided to the administration appropriate?</p> <p>Was there a consultation process for the design of the program guidelines and process?</p>
<p>Program application process</p> <p>Was the application process fit-for-purpose?</p>	<p>Was the program promotion effective in reaching the target audience?</p> <p>To what extent were the program guidelines clear and easy to understand?</p> <p>To what extent were the accompanying documents useful for applicants?</p> <p>Was the two-stage application process fit-for-purpose?</p> <p>To what extent did application quality meet expectations?</p> <p>What were the benefits and challenges of a rolling application process for applicants and administration?</p> <p>How was equitable distribution of funds across the open period managed?</p>
<p>Application assessment process</p> <p>Were applications assessed appropriately and transparently?</p>	<p>Is the approval process appropriate? What impact did the change in approval process have to the program?</p> <p>Was a Conflict-of-Interest Register completed and any conflicts actively managed?</p> <p>Did the eligibility and assessment criteria enable objective assessment?</p> <p>Were staff conducting the eligibility assessment appropriately trained to enable consistent and objective assessment?</p> <p>Was the Assessment Panel conducting the criteria assessment appropriately briefed to enable consistent and objective assessment?</p> <p>Are decisions for each project clearly documented and consistent with the guidelines?</p> <p>Were decisions communicated to applicants in a timely manner?</p> <p>Was feedback provided to unsuccessful applicants?</p>

<p>Funding Deed</p> <p>Was the contracting process fit-for-purpose?</p>	<p>Were funding deeds executed within publicly communicated timeframes?</p> <p>Was the contracting process clearly communicated to grantees?</p> <p>Was the contracting process clear and appropriate for recipients?</p> <p>Was the funding deed and agreed milestone structure appropriate for funded projects?</p>
<p>Monitoring and evaluation</p> <p>Can the program be effectively evaluated?</p>	<p>Was a Program Monitoring and Evaluation Plan (PMEP) developed at program commencement?</p> <p>Do applications and/or funding deeds appropriately describe the outcomes to be achieved?</p> <p>Are appropriate outcome data collection mechanisms in place?</p>

Findings and recommendations for KEQs under each Evaluation Domain are provided in Table 1 of this report.

## Evaluation Approach

This Process Evaluation involves the following inputs:

- **Document review.** RJCF program materials and NSW Government strategy documents to understand previously identified issues and the Fund's alignment with NSW Government strategies (see Appendix A)
- **High level data analysis.** Application and approval records to understand program processes and outputs, and to identify areas for improvement
- **External stakeholder consultation.** Surveys and interviews with a sample of applicants and grantees to understand key research themes applicable to the RJCF (see Attachments B to F)
- **Internal stakeholder consultation.** Surveys and interviews with the Regional Programs Team, the Director of Regional Growth Programs, the GMO, Regional Development Network BDMs, assessors and assessment panellists to understand the program's effectiveness and efficiency, to identify opportunities for enhancement and test emerging themes (see Attachments G to L).

Round Two of the RJCF was announced in November 2021 while the Process Evaluation for Round One was being undertaken. To ensure lessons learned from Round One were incorporated in program design for Round Two, the Evaluation Team held 'insights sessions' with the Regional Programs Team and reviewed draft Program Guidelines and documentation for the new round.

This Evaluation also highlights where the RJCF has implemented a particularly good practice that should be considered for DRNSW's regional program administration, as well as instances where recommendations for the Fund are applicable to other regional programs.

## Evaluation Findings

### Evaluation Domain 1: Overview of program results

*KEQ: What happened?*

<p><b>Finding 1a.</b> The program committed over 90% of available funding across 123 projects, mostly in the manufacturing and agriculture sectors, and will exceed the 5,000 new direct jobs target.</p>	
<p><b>Finding 1b.</b> The program did not consistently meet publicly stated timeframes for outcome notification largely due to factors outside of the Department's control.</p>	
<p><b>Recommendations for future RJCF Rounds</b></p>	<ul style="list-style-type: none"> <li>• In future rounds, consider advertising the program as a 14-week turnaround period from application submission to notification of outcome.</li> <li>• Provide proactive communications with applicants regarding outcome notification delays.</li> <li>• For time-sensitive programs such as those dealing with businesses, the department should be able to provide confidential notification of the outcome to businesses following Departmental Delegate approval of the Assessment Panel's recommendation. Following the Deputy Premier's approval of public announcement, the proponents would then be able to talk publicly about their funding.</li> </ul>
<p><b>Considerations for other Programs</b></p>	<ul style="list-style-type: none"> <li>• The recommendation relating to confidential notification of outcome following Delegate approval is applicable to all time sensitive programs.</li> </ul>

This section provides an overview of the program results, including the extent to which the program was subscribed, the proportion of applications that were successful and the extent to which the program met its publicly stated timeframes.

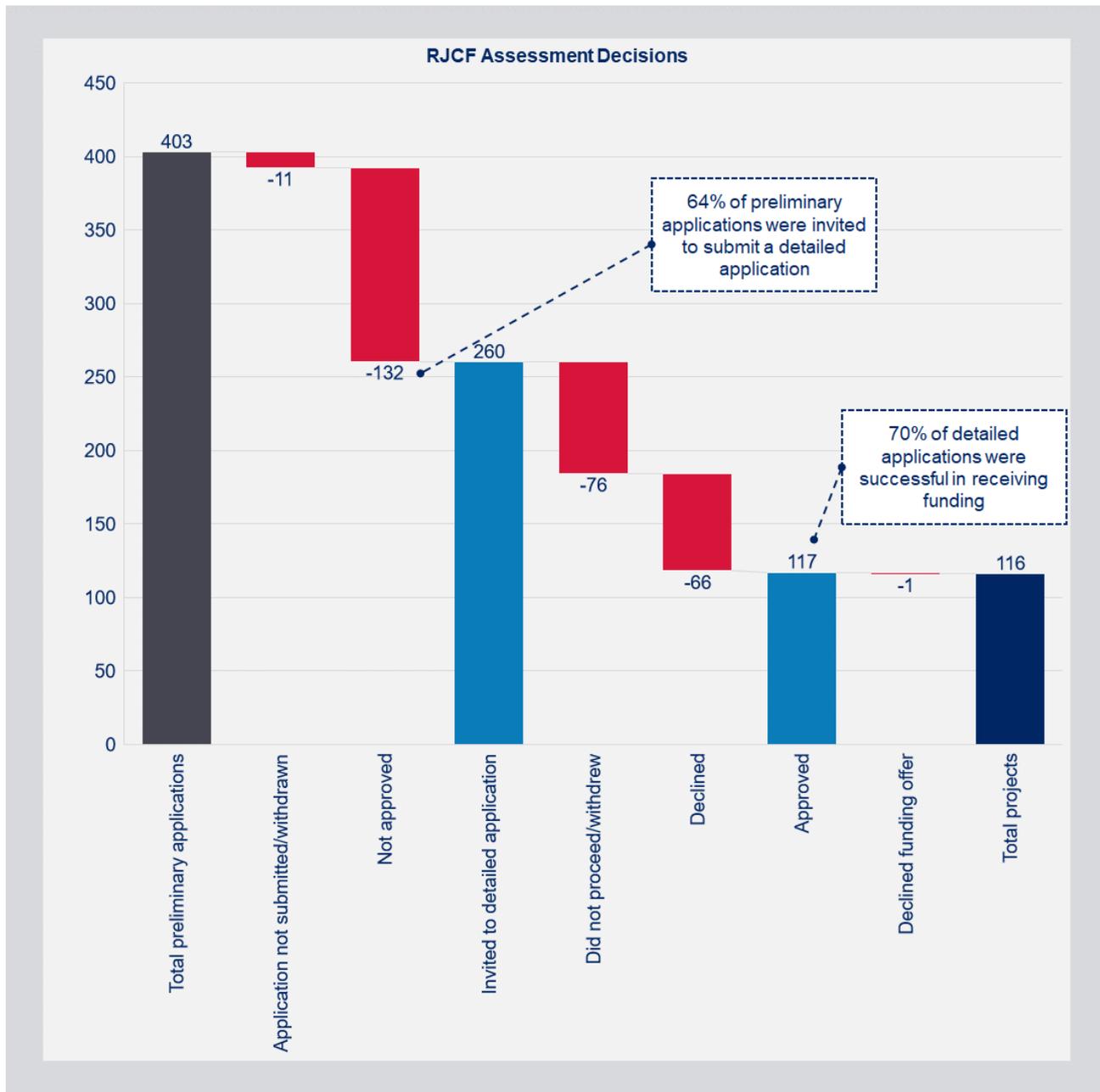
**Finding 1a. The program committed over 90% of available funding across 123 projects, mostly in the manufacturing and agriculture sectors, and will exceed the 5,000 new direct jobs target.**

The program generated significant interest, receiving 403 preliminary applications requesting a total of \$350 million, which is approximately 3.5 times the total value of the Fund. As shown in Figure 1, approximately two-thirds of preliminary applications were invited to submit a detailed application. Of these, just under half were approved for a total of \$91.8 million. These projects are expected to generate 4,910 jobs over the next three years. Six projects funded under the RIAF to a value of \$5.6 million will also be administered under the RJCF, creating an additional 373 jobs, meaning RJCF is set to exceed its 5,000 FTE job creating target for Round 1.<sup>2</sup>

The RJCF will be slightly underspent (by \$8.2m of original commitment), as there were not enough projects assessed as suitable to fund. However, this underspend will be rolled into Round Two of the program.

<sup>2</sup> As at 31 January 2022.

Figure 1 | RJCF assessment decisions



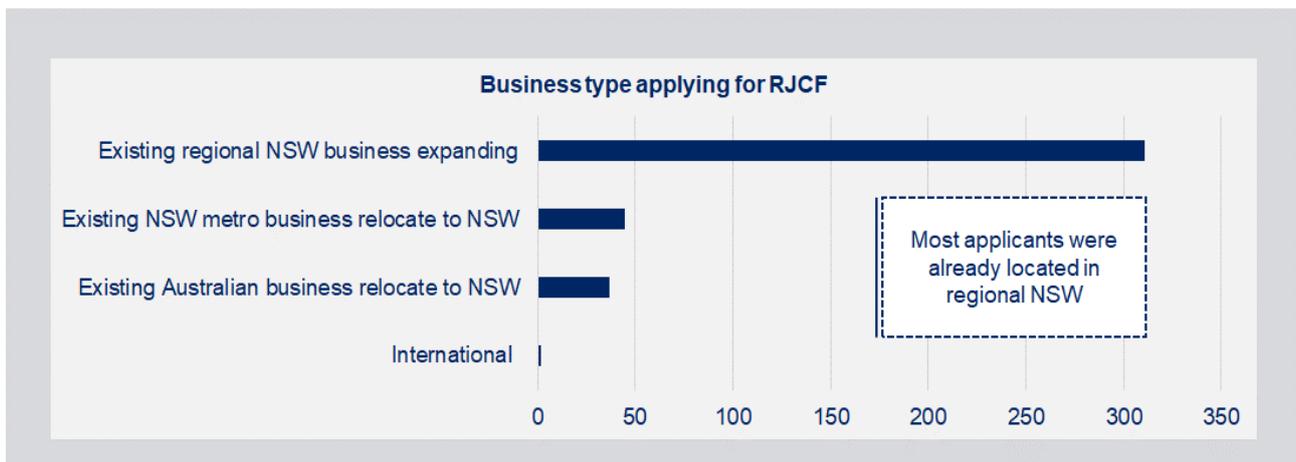
Source: RJCF Round One Application data, accessed December 2021

*The program largely attracted existing businesses in regional NSW seeking to expand their manufacturing or agricultural operations.*

While the RJCF Guidelines stated that ‘applicants can be based internationally, interstate or in either metropolitan or regional NSW’, the majority of applicants were those who already operated a business in regional NSW, as shown in Figure 2.<sup>3</sup>

<sup>3</sup> RJCF Program Guidelines, accessed from <https://www.investregional.nsw.gov.au/assets/Uploads/Regional-Job-Creation-Fund-Program-Guidelines..pdf>

Figure 2 | Business type applying for the RJCF at the preliminary stage



Source: RJCF Round One Application data, accessed November 2021

This is not surprising due to the promotion of the program through DRNSW's Regional Development Network and on the Department's website and social media platforms, which are likely to have a higher following from regional NSW businesses. In addition, the structure of the grant and the short timeline for project completion favoured businesses with shovel-ready projects (explored further in Evaluation Domain 2).

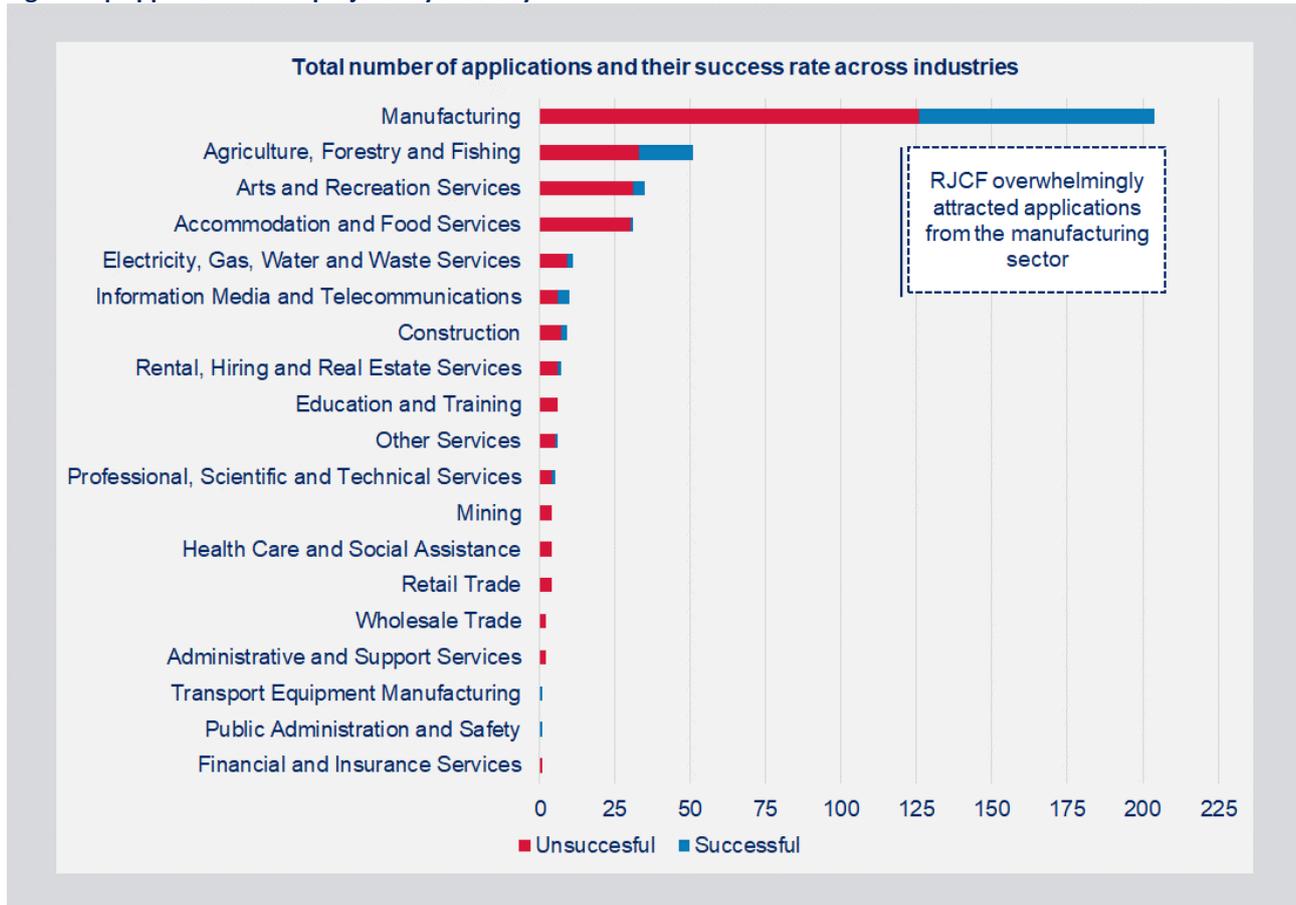
Businesses in almost all sectors were eligible to apply, aside from the following:

- accommodation, except where a proposal is unique to the existing market
- retail
- localised trades
- administrative services.

These sectors were excluded due to competitive neutrality issues which may have advantaged or disadvantaged businesses legitimately competing in the same immediate market.

As shown in Figure 3, the overwhelming majority of applications and successful projects were in the manufacturing sector. Projects in the agriculture, forestry and fishing industry were the next most common. This is likely due to the eligible costs for the grant being largely geared toward purchasing or constructing new facilities or equipment to expand production.

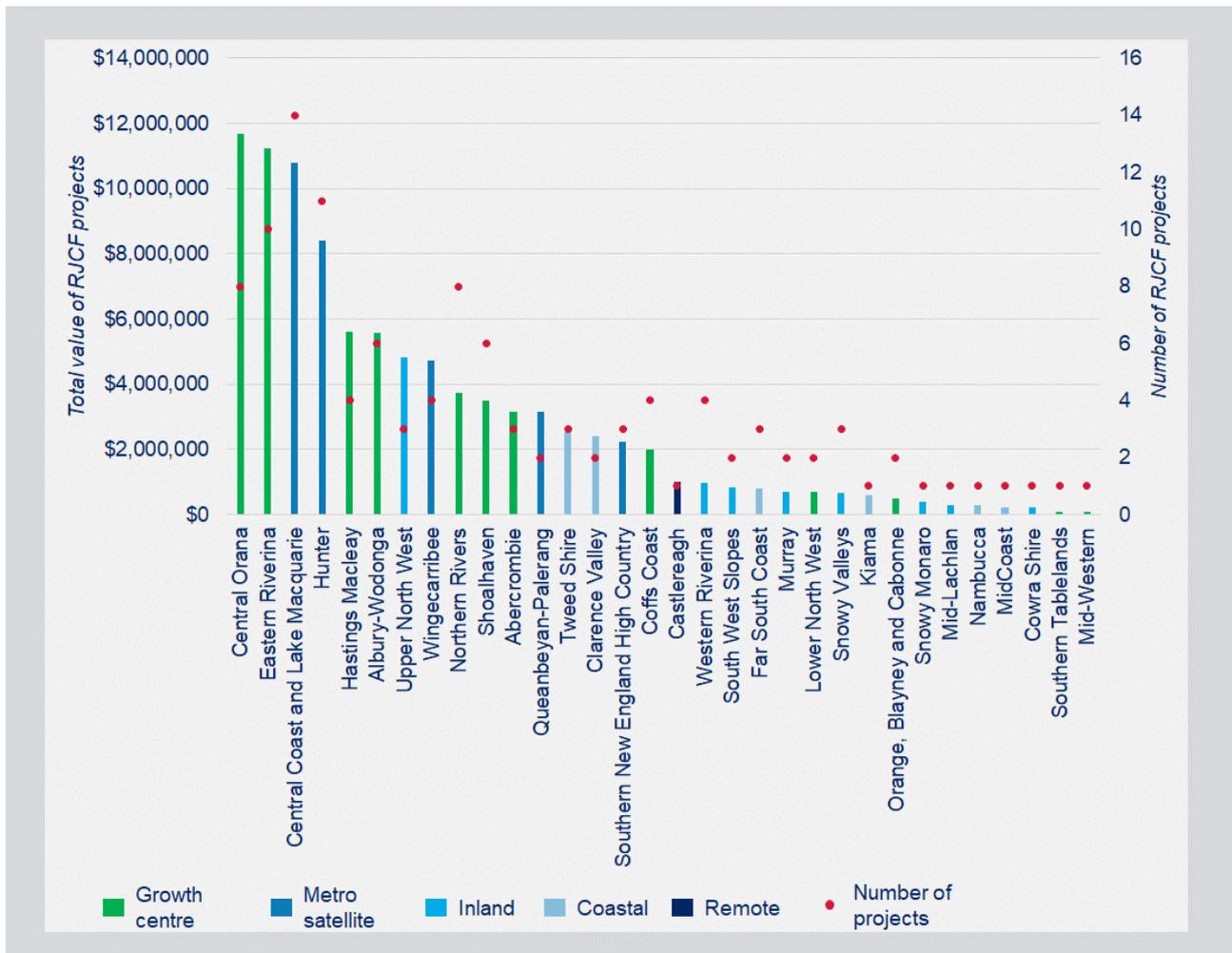
Figure 3 | Applications and projects by industry



Source: RJCF Round One Application and Program Data, accessed November 2021

As would be expected, the geographic distribution of the grant was concentrated in growing locations with high levels of manufacturing and agriculture. [Error! Reference source not found.](#) shows that of the top ten Functional Economic Regions (FERs) that received RJCF funding, six are 'Growth Centre' FERs. Coastal and Remote FERs were unlikely to apply for the RJCF, which both tend to have less focus on manufacturing as their engine industries.

Figure 4 | Number and value of RJCF projects by Functional Economic Region (FER)



Source: RJCF Round One Program Data, accessed December 2021

The extent to which the geographic distribution of funding is equitable is described further under Finding 5e.

**Finding 1b.** The program did not consistently meet publicly stated timeframes for outcome notification due to a variety of factors within and outside of the Department’s control.

A key feature of the RJCF was the ‘rolling’ nature of the fund, in that applications could be submitted at any point over an extended period and were assessed once submitted. This was a key design feature, allowing businesses to access the fund when they were at the appropriate point of planning. The Program Guidelines stated that preliminary applications would be assessed within seven working days, and those that were invited to submit a detailed application would receive their outcome within 12 weeks of a complete submission, as shown in Figure 5.

Figure 5 | Publicly communication timeframes for the RJCF

Applications open	25 October 2020
Applications close	When program funding has been fully allocated or 5pm 14 May 2021, whichever occurs first

Applications open	25 October 2020
Assessment	Preliminary stage: 7 working days from date of submission Detailed applications: 12 weeks from date of <b>complete submission</b>
Announcement of successful projects	Confidential notification will occur as soon as possible after a grant is approved. Public announcement by the NSW Government may occur at any time.
Projects to be completed by	30 June 2022
Job creation to be completed	Within 3 years of project approval

Source: *RJCF Round One Program Guidelines, Version 2*

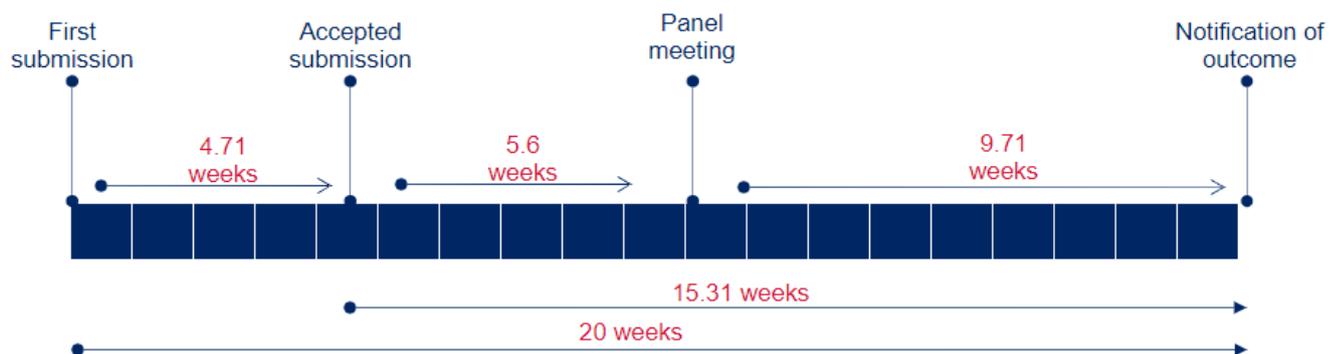
The Department consistently met the preliminary application review timeframes, however the detailed application generally took much longer to return an outcome than had been stated in the guidelines.

As shown in Figure 6, once the Department accepted the completed detailed application, the median timeframe for notification of outcome was 15 weeks. The components of this timeframe included:

- Approximately five weeks for the Regional Programs Team to conduct their assessment and submit the application to the Assessment Panel for approval
- Almost 10 weeks between the Assessment Panel making their recommendations, and approval being provided by the Deputy Premier for the applicant to be notified of the application outcome. This time period included the internal process to develop and clear the brief to the Deputy Premier.

Importantly, the Regional Programs Team commenced the 12-week timeframe from the point at which they considered the detailed application to be a 'complete' submission, per the Program Guidelines. On average, applications were accepted four weeks post their original submission as additional information or clarification was sought. If this additional four-week period is considered from the perspective of the applicant, the total timeframe is closer to 20 weeks.

Figure 6 | Median timeframes for RJCF detailed applications



Source: *RJCF Round One Application data (n=199), accessed November 2021*

This timeline demonstrates that generally, the Department's assessment and Assessment Panel funding decisions were made within a reasonable timeframe, allowing approximately six-weeks for final approval in order to meet the 12-week timeframe.

Following the Assessment Panel recommendation, the projects either required ERC endorsement or Departmental Delegate approval.<sup>4</sup> However, in order to notify the applicant of their outcome, approval from the Deputy Premier was required. This is where there were significant delays resulting in the 12-week timeframe not being met.

The delays in outcome notification caused significant stress and frustration for applicants, the Regional Development Network and program staff.

While the timeframes for outcome notification may be outside the Department's control, programs seeking to provide stimulus funding to businesses need for timely responses and certainty in timeframes. Looking at the elements of the application process, there are aspects that could be improved for future rounds to reduce this issue. These are summarised in Table 2.

**Table 2 | Considerations for improving timely outcome notification**

Stage of application	Issue	Mitigation considerations
Program promotion	Businesses will plan for the timeframes that they are provided. While a 12-week turnaround is beneficial from a business point of view, if the Department cannot make the timeframe the outcome may be worse for the program than stating a longer timeframe from the outset.	In future rounds, consider advertising the program as a 14-week turnaround period from application submission to notification of outcome.  Provide more regular updates regarding outcome notification delays.
Application development and assessment	The four-week timeframe between application submission and acceptance was due to low-quality applications received for the round. The program team and assessors had to make a significant number of requests for additional information before the application could be assessed.	Improve the application format and guidance to provide greater clarity regarding evidence requirements.
Approval	The delay in outcome notification was largely due to standard timeframes for approval briefs to be signed by the Deputy Premier, which were exacerbated by Ministerial changes at the time.	For time-sensitive programs such as those dealing with business applicants, the Department is able to provide confidential notification of the outcome to businesses following Departmental Delegate approval of the Assessment Panel's recommendation. Following the Deputy Premier's approval of public announcement, the proponents would then be able to talk publicly about their funding.

The need for timely responses to applicants is equally applicable to any program working with the private sector and should be factored into the design of the program.

<sup>4</sup> The approval process changed during the administration of RJCF, which is explored in Domain 5.

**Recommendation:** In future rounds, consider advertising the program as a 14-week turnaround period from application submission to notification of outcome.

**Recommendation:** Provide proactive communications with applicants regarding outcome notification delays.

**Recommendation:** For time-sensitive programs such as those dealing with businesses, the Department should be able to provide confidential notification of the outcome to businesses following Departmental Delegate approval of the Assessment Panel's recommendation. Following the Deputy Premier's approval of public announcement, the proponents would then be able to talk publicly about their funding.

**Consideration for other Programs:** The recommendation relating to confidential notification of outcome following Delegate approval is applicable to all time sensitive programs.

## Evaluation Domain 2: Program Design

*KEQ: Was the program design appropriate?*

<b>Finding 2a.</b> The RJCF was well aligned with key NSW Government strategies and formed an appropriate response to an identified need for sustainable employment opportunities in regional NSW.	
<b>Finding 2b.</b> The short timeframe for project completion was a major design constraint.	
<b>Recommendations for future RJCF Rounds</b>	<ul style="list-style-type: none"> <li>• Consult with DRNSW’s Strategy, Delivery and Performance Division regarding any updates to the REDS to ensure the Strategic Alignment Assessment is fit-for-purpose.</li> <li>• Consult with business peak bodies on the design of future Rounds of the RJCF to ensure the program remains relevant to the needs of business.</li> <li>• For Round Two of the RJCF, which has a similarly short funding profile, emphasise project completion timelines to preliminary applicants.</li> <li>• For future rounds, where possible, extend the project completion timeframe to at least two years.</li> </ul>
<b>Considerations for other Programs</b>	<ul style="list-style-type: none"> <li>• Programs that interact with business should consider consultation with business peak bodies in the design of future rounds.</li> <li>• Consider shifting focus of ‘stimulus’ funding from short expenditure profiles to capacity to achieve some immediate stimulus such as expenditure in the first year.</li> <li>• Consider the implications and limitations of short funding profiles on program design, including the downward impacts on grantees in imposing these timeframes.</li> </ul>

This section explores the way the RJCF was designed, including its policy alignment, stakeholder engagement processes and the extent to which the design was appropriate to meet the objective.

**Finding 2a. The RJCF was well aligned with key NSW Government strategies and formed an appropriate response to an identified need for sustainable employment opportunities in regional NSW.**

The RJCF aligns with the NSW Government’s *20-Year Economic Vision for Regional NSW* by providing the foundations for business to invest in regions with confidence and harness the flow on benefits of economic stimulation through growth and job creation.

The objectives of the RJCF align with the REDS which provide a map of key economic endowments, specialisations and engine industries for investment within each FER. Regional NSW developed the REDS in collaboration with regional Local Government Areas (LGAs) in 2018 to provide a place-based approach to government investment targeted at strategic and regionally significant projects within an FER.

To be eligible for the RJCF, applicants had to be a business or co-operative:

- operating in an engine industry, enabling industry or emerging engine industry as described in the relevant REDS
- or aligned with government strategies, including the NSW Government’s *20-Year Economic Vision for Regional NSW*.

Strategic Alignment of RJCF projects to relevant REDS and other NSW Government strategies was one of six assessment criteria used to assess the suitability of projects for funding. Assessment data from Round One of the RJCF indicated that 81% of approved projects (n=94) demonstrated ‘strong’ strategic alignment to relevant REDS.<sup>5</sup> Approved projects were also strongly aligned with the objectives and strategic themes of other key government strategies, including:

NSW Government strategies	Total applications with alignment
<i>NSW Advanced Manufacturing Industry Development Strategy 2018</i>	72
<i>DRNSW’s Regional Youth Strategy</i>	54
<i>Global NSW Strategy</i>	26
<i>DPI Strategic Plan 2019-2023</i>	25
<i>NSW Food and Beverage Manufacturing Industry Development Strategy 2019</i>	18
<i>NSW 2040 Economic Blueprint</i>	15
<i>NSW OCHRE Strategy, Growing NSW’s First Economy, Aboriginal Economic Prosperity Framework</i>	15

**Source: RJCF Round One Application Data, accessed 09/12/2021**

While the REDS provided a relevant framework to identify and target key industries most likely to support regional job creation, some emerging industries were not captured in the strategies due to the changing economic landscape of the regions at the time.

*“There have been some industries which are emerging which haven’t necessarily been captured within the REDS say like the film industry on the North Coast which probably wasn’t called out as much, but has been definitely emerging with COVID, especially turbocharging that industry in that area so we had to be able to adjust to that.”*

*DRNSW Interviewee*

For future rounds of the RJCF, the Department may look to supplement the use of the REDS for the Strategic Alignment Assessment of project suitability with more recent analysis of regional economic growth to ensure emerging industries are identified and targeted for funding. The REDS provide coverage until 2022 when they are scheduled for review.

**Recommendation: Consult with DRNSW’s Strategy, Delivery and Performance Division regarding any updates to the REDS to ensure Strategic Alignment Assessment is fit-for-purpose.**

***The need to boost sustainable employment opportunities in regional NSW was well evidenced.***

The RJCF’s design as a job creation program is informed by an evidence-based need for investment in key growth industries to boost long term jobs growth, following the impact of recent drought, flood, bushfires and the COVID-19 pandemic on regional economies. The funding intent of the program is to ‘help businesses in engine industries to withstand the impact of these shocks by co-funding projects that initiate or accelerate investment, create jobs and support economic recovery and resilience in regional NSW’.<sup>6</sup>

<sup>5</sup> Application Data (SmartyGrants), accessed 09/12/2021

<sup>6</sup> RJCF Program Guidelines, accessed from <https://www.investregional.nsw.gov.au/assets/Uploads/Regional-Job-Creation-Fund-Program-Guidelines..pdf>

The RJCF's initial program design was informed by an early concept paper to establish a Regional NSW Business Investment Program (RNBIP). In August 2020, the NSW Government approved \$100 million for DRNSW to establish the RNBIP to mitigate the economic impact of drought, flood, bushfires and COVID-19 on regional NSW communities. RNBIP was later renamed the RJCF, following the NSW Government's decision to consolidate three streams funding into one stream to remove duplication from the program administration process. Round One of the RJCF provided grant opportunities for businesses to expand their operations in regional NSW or to relocate to regional NSW in key growth industries most likely to support job creation.

The RNBIP early concept paper provided an economic assessment of the impact of recent drought, flood, bushfires and COVID-19 on NSW regions. It identified key sectors, industries and FERs most disrupted by these events and provided early forecasts for recovery:

- The effects of drought and subsequent bushfires generated a weak outlook for business investment in regional NSW by February 2020. This was for non-mining sectors and related to investment in machinery and equipment, and buildings and structures
- Impacts of COVID-19 have subsequently exacerbated that outlook, with non-mining business investment forecast to decline by 9.5% in 2020
- As a result of this, regional businesses across most sectors do not have the capability or appetite, unassisted, to bring forward projects of scale that can create substantial jobs growth in the immediate short term to two-year period
- Regional economic recovery is anticipated to be uneven across different regions, sectors and industries. Sectors reliant on growth, such as residential construction, parts of manufacturing and professional services, are forecast to continue weakening as other sectors begin recovery
- Regional economies reliant on tourism without mining or agriculture industries are forecast to be mostly negatively impacted by the combined effects of bushfire and COVID-19
- Arts and recreation and accommodation and food industries are forecast to suffer most significant job losses and take over six years to recover.

The RNBIP paper aligns with the NSW Government's *20-Year Economic Vision's* position that government intervention in the market is needed to support economic recovery through stimulus of regional investment and job creation:

*The NSW Government should identify and remove market failures that serve as obstacles to competition and regional growth. In doing so, it is important to avoid unsustainable industry assistance. However, where a market failure can be addressed through better coordination, regulatory improvements or efficient public investment, the government can and should act to promote sustainable growth.<sup>7</sup>*

*The 20-Year Economic Vision* states that sustainable growth to bolster regional NSW from future shocks and kickstart the recovery from the impacts of drought, flood, bushfires and the COVID-19 pandemic is unachievable without additional government investment or bold reforms. It affirms the importance of government encouraging investment to foster economic growth in job-creating industries within NSW regions.

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<sup>7</sup> NSW Government, *20-Year Economic Vision for regional NSW*, [https://www.nsw.gov.au/sites/default/files/2021-02/20%20Year%20Vision%20for%20RNSW\\_0.pdf](https://www.nsw.gov.au/sites/default/files/2021-02/20%20Year%20Vision%20for%20RNSW_0.pdf), accessed 23/12/2021

The RNBIP paper proposed that three streams of government investment were needed to bring forward business projects that could accelerate economic recovery, create sustainable employment and build resilience to future shocks in regional NSW:

- *Business Growth Grant* - a \$20 million competitive round for existing regional NSW businesses to expand their operation and create between 5 and 20 direct new jobs (FTE).
- *Investment Acceleration Grants* - a \$80 million non-competitive round for businesses looking to relocate to regional NSW and create at least 20 new jobs (FTE).
- A \$1 million program to support young people to establish or expand a business in regional NSW.

While the decision was made at a later point to consolidate all three streams into one funding stream for Round One of the RJCF, the program's design essentially remained the same – as a stimulus measure designed to attract investment in industries most likely to create growth and jobs in regional NSW.

The RNBIP's design was also informed by the Murray Darling Basin Economic Diversification Program and the RIAF:

- The Murray Darling Basin Economic Diversification Program led to over \$102 million in co-investment, or \$3 to every \$1 of government investment, and 435 jobs were created or retained in Basin communities. The program was key in helping regional businesses affected by drought to maintain staff, diversify product offerings, and undertake training and skill development activities, as well as providing key funding to support continued investment in regional businesses
- The RIAF's results showed positive outcomes for approved incentive packages and appetite for assistance to grow or expand business in regional NSW.

Both programs in their design emphasise the critical link between targeted government investment in industry and regional job creation.

The RJCF was the only DRNSW grant program that sought to create sustainable employment outcomes through business investment in the market at the time. The Regional Jobs and Investment Packages, a national program funded by the Australian Government, was also available to businesses in three pilot NSW regions (Goulburn Valley, North Coast, and South Coast) at a similar time to RJCF.<sup>8</sup>

***A range of government stakeholders contributed to the design of the RJCF, though no business representatives were involved due to the tight design timeframes.***

The Regional Programs Team established a consultation process in the program design phase of Round One to develop the Guidelines and program administration processes. NSW Treasury (Trade and Investment) and the DPC (Economics Branch, Program Evaluation) were consulted on development of the Program Guidelines. Consultation feedback from DRNSW's executive, ORED and Regional Development Network was also collected. The experience of these stakeholders provided some insight into business perspective for initial program design.

*“The Guidelines were distributed through the Department's Remote Investment Attraction Working Group which was a group of BDMs and Deputy Directors. Regular monthly meetings were done through the Department's Office for Regional Economic Development to then be able to consult with the rest of (the) Regional Development (Network).”*

*DRNSW Interviewee*

The Regional Programs Team facilitated consultation with the business sector on designing communications to promote public awareness of the program. This consultation proved effective in developing

<sup>8</sup> Funding announcements for the Regional Jobs and Investment Packages were made in June 2020.

communication activities that attracted significant interest from the targeted business audience. There is potential to extend consultation with business stakeholders to other aspects of program design in future rounds of the program.

**Recommendation: Consult with business peak bodies on the design of future Rounds of the RJCF to ensure the program remains relevant to business needs.**

**Considerations for other Programs: Programs that interact with business should consider consultation with business peak bodies in the design of future rounds.**

## Finding 2b. The short timeframe for project completion was the only major design constraint.

The RJCF's design included a minimum cash-contribution of 50 per cent of the total project cost from applicants and/or other Australian government agencies. Round One of the RJCF leveraged \$286 million in co-contributions, or \$3.12 to every \$1 of government investment for the creation of 4,910 FTE jobs in NSW FERS. The co-contribution requirement in the program's design effectively tested the market for regional investment in growth industries most likely to create jobs.

*“Overall, the program was fit-for-purpose in terms of what it was trying to do to bring forward investment that would not occur otherwise or would happen over an extended period of time. I think when you look at the projects that have been funded that it (RJCF) has done that and in some instances, it has done that within a competitive environment against other (Australian) states.”*

*DRNSW Interviewee*

Eligibility Criteria provided in the RJCF Guidelines was effective in filtering preliminary applications that did not meet program requirements early on in Round One:

- **Applicant eligibility.** Businesses or co-operatives operating in an engine industry, enabling industry or emerging engine industry as described in relevant REDS and/or aligned with other government strategies. Financial and governance requirements standard in Australian grant opportunities for business applicants (such as Australian Business Number and public liability insurance) were also set out in the Guidelines.
- **Competitive neutrality.** Competition issues were reviewed as part of the assessment process to avoid advantaging or disadvantaging businesses legitimately competing in the same immediate market. Businesses whose primary operation is in the following industries were not eligible for assistance: accommodation, except where a proposal is unique to the existing market, retail, localised trades and administrative services.
- **Project eligibility.** Projects needed to meet specific requirements to be eligible for funding. Some examples of eligible projects and ineligible projects were provided in the Guidelines.
- **Eligible grant amounts.** Eligible grant funding ranged from a minimum grant amount per application of \$100,000 (GST excl.) to a maximum grant amount per application of \$10,000,000 (GST excl.)
- **Eligible Costs.** Capital and other expenses directly related to the delivery of eligible projects were clearly identified as within funding scope.

Out of a total of 403 applications received for Round One, 132 projects were assessed as 'ineligible' at the preliminary application stage. The Eligibility Criteria enabled a diverse range of projects funding regional investment and job creation across growth regions to be considered for the RJCF at the detailed application stage.

While the program's Eligibility Criteria proved effective at filtering ineligible projects at application and assessment stages, further clarification needed to be sought by the Department's GMO regarding project eligibility requirements at the contracting phase of Round One of the RJCF (see Evaluation Domain 6 for further detail).

***The major constraint in design was the short timeframe for project completion, which was a function of the funding profile, and appears somewhat at-odds with the intent of the program.***

As the source of funding for the RJCF was stimulus (the \$3 billion Jobs and Infrastructure Package approved in the NSW Government's 2020-21 Budget), approved projects needed to be completed by 30 June 2022. Several internal stakeholders identified the short timeframe for project completion as a major constraint impacting on the program's potential to stimulate long-term regional investment and create sustainable employment opportunities. On the one hand, the RJCF was designed as a stimulus measure to activate regional business and employment activity in the immediate short term to two-year period, on the other, outcomes look to long-term investment including sustainable jobs.

*"We (DRNSW) flagged issues about the constraints of funding infrastructure as stimulus expected within the timeframes that had been indicated by the government for the whole \$3 billion (Jobs and Infrastructure) Package that the Regional Job Fund was funded out of."*

*"The timing for this program, the dates and the cash flow profile was a constraint on the RJCF imposed through the budget process and through the bid process for funding ... I don't think it's an ideal situation where you have the cash flow profile against a program like this, because you would expect more tail payments towards the end on outcomes."*

*"The timeline constraint around having capital expenditure spending by June 2022 limited who could apply even though we had a long application period."*

*"RJCF is stimulus funding, so it needs to go out the door really quickly, but actually the outcomes we're looking for it are actually quite long-term and what we are asking people to do is like a long-term investment."*

DRNSW Interviewees

This dual objective of quick stimulus through expenditure by June 2022 and creation of long-term job outcomes was a tension point in design. With the delay of outcome notification further compressing project timelines, it meant that only truly shovel-ready projects would be appropriate to fund.

The Deliverability Criteria used by DRNSW's PWA to assess the capacity of the applicant to deliver the project by June 2022 was also perceived by some interviewed stakeholders as advantaging existing businesses in regional NSW with shovel ready projects over applicants located outside the regions, with project proposals at a less advantaged stage of planning development.

*"One of the criteria which was that this project wouldn't go ahead without government funding, yet the funding timeline was so short that a business basically had to be shovel ready and getting through the PWA."*

*"Deliverability Criteria ...if they didn't really have a date in place and they weren't ready to go they are not going to get the money and so that was completely opposite to the criteria ..."*

DRNSW Interviewees

For Round Two, which faces a similar challenge due to its funding source, applicants will need to be made well-aware of the timeline constraints. This is further heightened in 2022, as COVID-19 continues to significantly impact supply chains and labour availability, making short turnaround projects even more challenging. This will need to be taken into consideration by PWA in the Deliverability Assessment. For any future rounds, and other programs that are seeking to achieve long-term job creation, funding sources with

longer funding profiles may be more important. This goes to a broader point, which is that economic stimulus can be achieved with funding profiles that allow for expenditure over a longer time period, and may be better suited for programs whose primary objective is long-term sustainable employment outcomes rather than short-term construction or delivery employment.

**Recommendation: For Round Two of the RJCF, which has a similar short funding profile, emphasise project completion timelines to preliminary applicants.**

**Recommendation: For any future rounds of the RJCF, where possible, extend the program completion timeframe to at least two years.**

**Consideration for other Programs: Consider shifting focus of ‘stimulus’ funding from short expenditure profiles to capacity to achieve some immediate stimulus such as expenditure in the first year.**

**Consideration for other Programs: Consider the implications and limitations of short funding profiles on program design, including the downward impacts on grantees from imposing these timeframes.**

*While a range of project types and businesses were encouraged to apply for the RJCF, the program’s assessment process tended to favour existing businesses within regional NSW over footloose investments by businesses located outside the state.*

Several internal stakeholders commented that the Economic and Financial assessment may disadvantage businesses or cooperatives not owned in NSW. Analysis of application data indicated that a majority of foreign or interstate business projects in the round received a BCR below 1.

From one stakeholder’s perspective, there appeared to be a disconnect between the RJCF’s broad intent to attract footloose investment and the program’s economic assessment criteria:

*“RJCF was about supporting the business already here to grow, but also bringing companies in. If anything, we probably went too far towards supporting those that are already here. One of the improvements could be that we’re a little bit more sympathetic to offshore investments.”*

*NSW Government Interviewee*

The CBA model, mandated for use by NSW Treasury across state government agencies, could be supplemented by additional assessment considerations relating to international and interstate business ownership in weighing up the benefits of investment attraction. This is discussed in further detail in Evaluation Domain 4 of this Report.

## Evaluation Domain 3: Program Administration

*KEQ: Was the program set up for success?*

<p><b>Finding 3a.</b> The program had appropriate project planning in place for the most part.</p>	
<p><b>Finding 3b.</b> The program demonstrated considerable adaptive management during the administration, which in future could be better documented.</p>	
<p><b>Finding 3c.</b> The program lacked resourcing at application surge points.</p>	
<p><b>Recommendations for future RJCF Rounds</b></p>	<ul style="list-style-type: none"> <li>• Ensure the dynamic approach to risk management is recorded by regularly updating the RJCF Risk Register with emerging risks, updated risk assessments and mitigation strategies.</li> <li>• Communications planning conducted at the start of the program should provide additional emphasis on communications with applicants who are waiting to receive their notification of outcome.</li> <li>• Where a communications risk is identified, the Department's Communications Team should be engaged to develop appropriate messages.</li> <li>• Where publicly stated timelines are at risk of not being met, the Department should proactively communicate with applicants.</li> <li>• Mitigation strategies for managing potential risks associated with shortfalls in resourcing should be implemented and reviewed for effectiveness over the complete cycle of the program.</li> </ul>
<p><b>Considerations for other Programs</b></p>	<ul style="list-style-type: none"> <li>• All recommendations listed for Finding 3b are equally applicable to other programs and is an area for improvement across Regional Growth Programs.</li> <li>• Potential resourcing pools to deal with application surges need to be identified at the start of any rolling program.</li> </ul>

This section explores the extent to which the program was set up appropriately, including through adequate program and risk planning, governance arrangements, communications and resourcing.

### Finding 3a. The program had appropriate project planning in place for the most part.

The Regional Programs Team developed key planning documents to cover the program's administration period which are generally considered standard for DRNSW regional programs:

- **Project Plan** defining specific tasks and what resources will be needed for developing key documents and communications
- **Project Budget** providing estimates of expenses within approved budget for program administration
- **Risk Register** identifying real and perceived risks to the program's administration and mitigation strategies
- **Assessment Methodology** setting out the process to assess applications submitted for funding

- **Probity Plan** providing guidance on the application of Probity Principles, as outlined in the RJCF Guidelines
- **Conflict-of-Interest Register** for identifying, disclosing and managing any actual, potential or perceived conflicts of interest
- **Communications Plan** outlining communications activities for the launch/ongoing promotion of phase (phase 1) and applications closing phase (phase 2) of the program round to May 2021
- **Communications Strategy** outlining communications activities to announce and promote the successful projects (phase 3).

As a rolling funding round, some project planning required updating (such as the Assessment Methodology) to reflect changes made to program design during the period. The changes mainly related to the implementation of a new approval process for projects recommended for funding late in the round.

***There was a clear governance framework and probity plan in place from the outset.***

The RJCF Assessment Methodology and Probity Plan set out clear governance structures and processes for the program administration period. As is standard with DRNSW regional programs, probity risks were managed in accordance with the Probity Plan developed for the round:

- Assessment Panel members identified potential probity risks as a part of the application assessments
- An independent Probity Advisor was present at all RJCF Assessment Panel meetings to provide guidance on probity issues
- All NSW Government employees participating in the assessment process were required to sign a Conflict of Interest and Confidentiality Declaration before accessing confidential documents and assessing applications.

The Regional Programs Team coordinated detailed pre-briefings to assessment panellists, assessors and Regional Development Network BDMs on their roles and responsibilities during the program administration period. However, staff turnover in the Regional Development Network during later stages of the round resulted in some BDMs not receiving pre-briefing about their specific role and responsibilities for the RJCF. Interviewed network stakeholders suggested that more detailed internal guidelines should be developed and updated during any future rounds to ensure new staff are briefed on their role and responsibilities for RJCF administration.

*“I think just recognising that there is a certain amount of churn or there are new faces all the time. That’s why those (internal) guidelines are critical ... that they are there for that turnover and when you have got a program that is open for nine months you are getting new people coming through all the time, so you are just reinforcing that point across the make-up of the team.”*

*Regional Development Network BDM Focus Group*

***The program received a high volume of applications, indicating an effective promotion approach.***

Round One of the RJCF attracted 403 applications in total. The program mainly attracted existing businesses located in regional NSW.

As is standard with DRNSW regional programs, a Communications Plan was developed by the department’s Communications Team. The Regional Programs Team provided input into planned communications activities for the launch/ongoing promotion phase (phase 1) and applications closing phase (phase 2) of the project out to May 2021. A separate Communication Strategy was developed to announce and promote successful projects (phase 3).

As part of the planning process, the Department consulted with the business sector (industry associations, business chambers) on the design of communications activities for phase of the project. The selection of a range of media to promote the RJCF's launch enabled the program to achieve a high level of awareness by the targeted business audience:

- Social media channels
- Stakeholder emails
- Web content
- Networks and partner websites/newsletters.

Survey data collected from applicants (n=25) and grantees (n=18) for this Evaluation indicated that most of the sample first heard about the program from either a Regional Development Network BDM or by word of mouth from other sources.

### **Finding 3b. The program had to demonstrate considerable adaptive management during the administration process, which in future could be better documented.**

The Regional Programs Team was required to make several decisions and adjustments to the program in response to new information and changes in context during the 14-month period of program administration. As described in Evaluation Domain One, the program had to contend with a change in approval pathway and Deputy Premier while the bulk of proposal announcements had to be made. While management of the program on the whole was adaptive to the change in circumstances, and these adjustments were implemented as quickly as possible, it still resulted in significant delays in outcome notification for applicants.

#### ***Communications planning for the early stages of the program was in place, but greater planning for communication during assessment would have been beneficial.***

The roll-out of Round One of the RJCF would have benefited from a more co-ordinated and planned approach to supporting the communication of ongoing changes made to the program's design and administration to key stakeholders. Specifically, during the period of July to October 2021, when outcome notification was delayed due to issues outside of the Department's control, Regional Development Network stakeholders felt that applicants and projects were disadvantaged by a lack of clarity around notification timeframes and the approach to communication with applicants was not sufficiently proactive.

Unfortunately, timely communication of government changes to the project approval process to external stakeholders was constrained by the fact that the Regional Programs Team was unable to disclose specific information relating to notification delays until the approval process was finalised and approved for implementation. The likely timeframe of when the notifications could occur was also unclear to the Department. The Regional Programs Team met with the Regional Development Network weekly throughout the administration of RJCF, but due to this constraint, they were unable to provide specific timeframes for outcome notification. As the delays continued, the Regional Programs Team provided the Regional Development Network with standard wording to communicate with applicants regarding the program delays, but without any details of when the notification might occur this did little to satisfy applicants who had significant time pressures.

Several applicant and Regional Development network stakeholders interviewed for the Evaluation highlighted their frustration with the lack of clarity around timeframes for notification. One network stakeholder reflected on the potential damage to reputation that resulted from unexplained delays:

*“There are reputational issues arising from the delayed responses - both for me personally as the BDM, for the Department and for the Minister/s. I make a point of not blaming anyone or denying responsibility - that doesn't help. But overall, we all look bad when the business is put under extreme pressure over something that, if successful, should be a source of joy for them that reflects well on the government.”*

*Regional Development Network BDM Survey Response*

In future, the communications planning conducted at the start of the program should include protocols for managing delays to outcome notification for rapid deployment when required. For example, where possible, agreed approach to proactive and early written and verbal communications to applicants to explain delays in approvals, what this means for their application and any updates.

**Recommendation: Communications planning conducted at the start of the program should provide additional emphasis on communications with applicants who are waiting to receive notification of their outcome.**

***A Risk Register was in place to mitigate identified risks during the program administration period. However, risk treatments could have been more effective in some areas.***

A comprehensive Risk Register for mitigating 30 identified risks from the program's establishment to the contracting process was developed for Round 1 of the RJCF. On the Register, risks relating to program governance and probity were rated 'High', with a range of risk treatments identified to mitigate conflicts of interest and fraudulent application behaviour. The risk treatments selected are standard for DRNSW regional programs and include probity planning and commissioning an independent probity advisor to provide impartial advice on managing probity issues during the program administration period.

The management of risks in other areas such as reputation and communications proved more challenging to mitigate, however. The underlying causes of a number of risk events that eventuated during Round One of the RJCF – NSW Government endorsement of changes to the project approval process and Treasury implications associated with the use of stimulus funding – were beyond the direct control or influence of the Department. As the Round progressed, timeliness issues arose in meeting publicly committed timelines for notification of application outcomes due to Government's endorsement of changes to the project approval process and machinery of government changes. The change in Deputy Premier resulted in delays to sign off on notification of application outcomes. Longer than expected delays in notifying applicants impacted on the program's reputation, according to several Regional Development Network stakeholders interviewed for this Evaluation.

*“I had an application in the first tranche which had significant delays in notification of outcome. Had to field enquiries then and now for most recent tranche. Businesses concerned about meeting tight timelines with some potentially not meeting commitments. A lot of apologising for delays and trying to manage expectations.”*

*“Understand that announcements were not in control of the Program Team, but this did nothing to alleviate stress on businesses waiting for outcomes. Delays on getting Funding Deeds executed is not a good look for the department – need to project competency and professionalism throughout the process.”*

*Regional Development Network BDM Survey Responses*

The Regional Programs Team regularly monitored risk treatments over the program administration period, including attending scheduled meetings with other internal stakeholders from the Regional Programs Branch to discuss and address risk management issues.

While the completion of a Risk Register is a critical first step for program areas to assess and plan treatments to mitigate potential risks to program administration, processes to support effective risk

management go beyond initial assessment and documentation. NSW Treasury's *Risk Management Policy*, which provides the current risk management standard for NSW government agencies, 'emphasises that the process of managing risk should be integrated into an organisation and continuously improving a risk management framework'.<sup>9</sup>

The NSW Audit of Risk Management in public sector agencies scheduled for 2022 presents DRNSW with an opportunity to review and strengthen current risk management processes for program administration. This Process Evaluation of Round One of the RJCF has highlighted RJCF as a case in point of the challenges for program areas to mitigate risk where the underlying causes of risk events are beyond the immediate influence or control of the department.

**Recommendation: Ensure the dynamic approach to risk management is recorded by updating the RJCF Risk Register with emerging risks, updating risk assessment and mitigation strategies.**

**Consideration for other Programs: All recommendations listed for Finding 3b are equally applicable to other programs and is an area of improvement across the Regional Growth Program.**

### Finding 3c. The program lacked resourcing at application surge points.

The program administration for Round One of the RJCF was supported by an appropriate level of resourcing for the most part. However, the program lacked sufficient resourcing to cope with higher work demands at surge points, including when senior staff were on leave at the same time as the bulk of preliminary applications for Round One required processing, coupled with the receipt of an increased volume of detailed applications that required individual staff to follow-up with applicants.

*"I don't think the team (Regional Programs Team) had enough resources to deal with the particular pinch point around January and February when lots of preliminary applications were coming through as well as the first batch of detailed applications, so it was just at that particular point that we were expecting to be slightly quieter in December and January than in reality it was."*

*DRNSW Interviewee*

Programs that implement a rolling application process need to develop strategies to manage what can often be 'lumpy' and unpredictable resourcing requirements. Where traditional rounds-based programs can predict their total application numbers and therefore resourcing requirements prior to the application window closing, it is much more challenging to predict the application numbers for a rolling fund throughout the year. Additionally, the tasks for a rounds-based program are more or less sequential, whereas a rolling fund will see an overlap and cumulative increase in workload as preliminary applications continue to be submitted for assessment while detailed applications need to be prepared for the Assessment Panel and recommendations briefs prepared for approval.

**Recommendation: Mitigation strategies for managing potential risks associated with shortfalls in resourcing should be implemented and reviewed for effectiveness over the complete cycle of the program.**

**Consideration for other Programs: Potential resourcing pools to deal with application surges need to be identified at the start of any rolling program.**

<sup>9</sup> NSW Treasury, *Risk Management Toolkit for NSW Public Sector Agencies: Volume 1 – Guidance for Agencies*,

<https://www.treasury.nsw.gov.au/information-public-entities/governance-risk-and-assurance/internal-audit-and-risk-management/risk>, accessed 12/01/2022

## Evaluation Domain 4: Program Application Process

*KEQ: Was the application process fit-for-purpose?*

**Finding 4a.** The two-stage application process was appropriate and reduced potential wasted effort by applicants and the Department.

**Finding 4b.** Involvement of BDMs in the application development process improved application quality and the applicant experience.

**Finding 4c.** The rolling application process was the right mechanism to meet the needs of business, but delays meant the benefit was not fully realised.

**Finding 4d.** The Program Guidelines were generally clear and consistent, though further clarity regarding eligibility and competitive neutrality is required.

**Finding 4e.** The detailed application form was difficult to navigate and resulted in many requests for additional information post submission.

### Recommendations for future RJCF Rounds

- BDM involvement in the RJCF should be further strengthened, including through involvement at the preliminary application stage, and strongly recommending that applicants at the detailed application stage work with their allocated BDM in order to submit their application.
- Provide clearer information in Program Guidelines about eligible project types and costs through the use of practical examples.
- Provide a more detailed explanation of competitive neutrality in Program Guidelines and documents to ensure consistency and clarity in interpretation.
- Redesign application form templates to be more user friendly for applicants and follow the criteria in the assessment methodology more closely.
- Revise business data sheet template to provide clearer information about what evidence applicants need to provide to support their proposal at the detailed application stage.

### Considerations for other Programs

- Programs with similarly complex applications should adopt a similar preliminary assessment process.

The purpose of this section is to explore the extent to which the two-stage and rolling application process was fit-for-purpose, and the user experience of the application.

The application process for Round One of the RJCF had the following design features:

- **Two-stages.** RJCF required the completion of two applications<sup>10</sup>:

<sup>10</sup> Projects previously submitted but not approved under the Regional Investment Attraction Fund (RIAF) were progressed directly to the detailed application stage for consideration.

- **Preliminary application.** This document was a high-level outline of the proposed project. Preliminary applications were assessed by the Regional Programs Team in DRNSW against the assessment criteria based on information provided in the preliminary application. The Regional Programs Manager approved preliminary applications to be invited to submit a detailed application.
- **Detailed application.** Preliminary applicants invited to develop a detailed application were to work with an assigned BDM on completing the application. This involved the completion of a business data sheet template for DRNSW to prepare a Cost-Benefit Analysis (CBA) to determine if the proposed project achieved the requirement of a Benefit-to-Cost Ratio (BCR) greater than 1.0.
- **Demand-driven.** The RJCF was open to all eligible businesses to apply, and applications were assessed for eligibility as well as against the assessment criteria. While the application process may have been competitive if demand of suitable projects exceeded the available funding, sufficient funding was available to cover all applications assessed as suitable at the end of the process.
- **Rolling.** Rolling grant programs have an extended application phase, during which applications may be submitted at any time, and are approved in several tranches, rather than assessing all applications at once. The RJCF opened for applications in October 2020 and closed in May 2021 for preliminary applications and June 2021 for detailed applications. Assessment Panel meetings were held almost monthly. Panels were held when at least one suitable application was available for assessment. Applications recommended by the Assessment Panel from October 2020 to June 2021 for funding were submitted to the ERC of Cabinet and from July to September 2021 to a Departmental Delegate for funding approval. Program Guidelines stated that complete applications would be assessed and approved within 12 weeks of submission, including eight weeks for assessment and four weeks for approval (at the Government's discretion).

The appropriateness and effectiveness of each of these components of the application process are discussed below.

#### Finding 4a. The two-stage application process was appropriate and reduced potential wasted effort by applicants and the Department.

The two-stage application process was largely effective in filtering out applicants and projects that were ineligible with a relatively low level of investment on the part of the applicant and the Department.

*"The preliminary application itself was specifically designed to be light touch, so you wouldn't be putting businesses off straight away and to clear out some of the less appropriate applicants."*

DRNSW Interviewee

The Regional Programs Team reflected that the preliminary application meant those that completed the detailed application were more likely to succeed. Applicants who responded to the survey and participated in interviews agreed that the two-step process was beneficial, and that the preliminary application was easy to complete.

Of the BDMs who responded to the survey, 83% (n=18) said that the preliminary application improved the quality of the applications progressing to the detailed application stage to a 'great' or 'moderate' extent.

The BDMs also felt that the level of information required at each stage of the application was commensurate to the stage and the level of grant funding.

*“The preliminary process was relatively quick and easy for applicants and it (sic) consulted also the BDMs so it quickly and easily eliminated projects [that were] clearly ineligible. That saved applicants and the department a lot of work preparing and reviewing detailed applications that were never going to be successful.”*

*“The preliminary application was a great way to let applicants test the water without spending too much effort. It was a good way to weed out projects that had a low likelihood of success.”*

Regional Development Network Survey Responses

*“I think the preliminary application was fantastic because it was really quick and it didn’t take much of their (applicants’) time and they could put their toe in the water and see if it was worth investing further.”*

Regional Development Network Interviewee

*“Two step application was great. It was easy to follow.”*

Grantee Interviewee

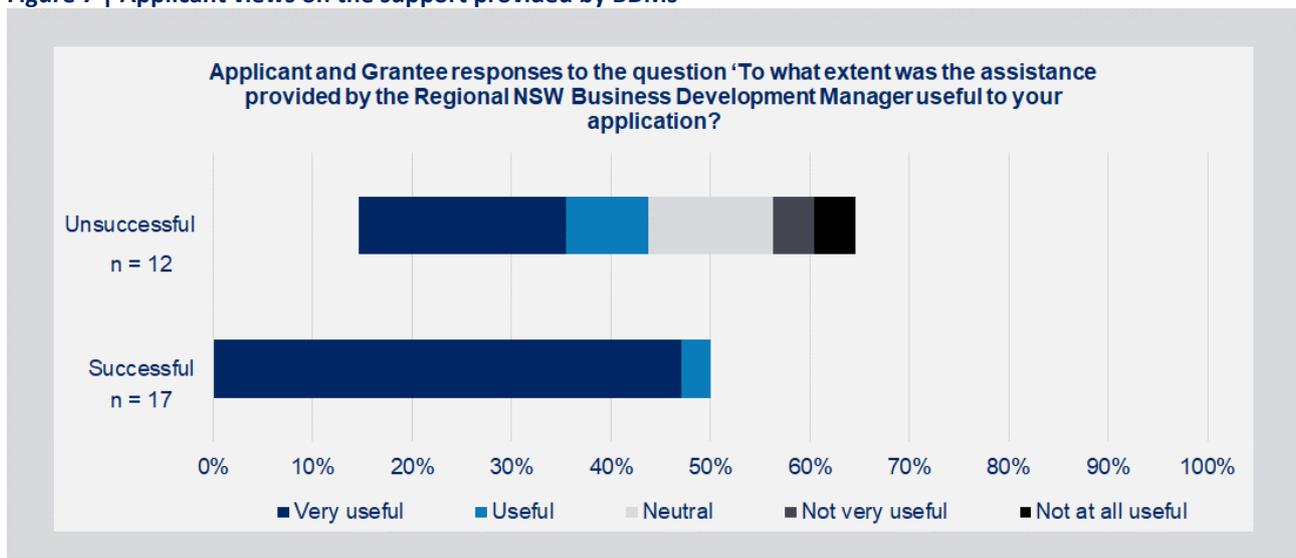
The high success rate of applications at the detailed application stage (70%) is further indication of the appropriateness of the preliminary application.

### Finding 4b. Involvement of BDMs in the application development process improved application quality and the applicant experience.

Regional Development Network BDMs played a strong role in supporting the application process for the RJCF, with a BDM allocated to each applicant at the detailed application stage. Applicants were encouraged to work with their assigned BDM to develop their detailed application and to address any initial queries. BDMs had access to applications in SmartyGrants, so were able to provide detailed guidance on the submissions.

Successful and unsuccessful applicants both highly valued the support provided by the BDMs. As shown in Figure 7, all successful applicant survey respondents were very positive about their experience with the BDM. Understandably, unsuccessful applicants were more likely to be neutral or negative about their experience, but the majority (n=7/12) found working with the BDM to be ‘very useful’ (n=5) or ‘useful’ (n=2).

**Figure 7 | Applicant views on the support provided by BDMs**



Source: RJCF Round One Applicant and Grantee Surveys, accessed November 2021

*“The service provided was exceptional - I can't overstate the value of her support in guiding us through the process. She was readily available, an exceptional communicator, clearly knowledgeable in the process and able to grasp concepts related to our business and manufacturing processes quickly. (The BDM) made what seemed a daunting and bureaucratic process very manageable.”*

*“My queries regarding the application were not straightforward and I received good advice on how to proceed (from the BDM).”*

*“Having never applied for a grant before, (the BDM's) input and guidance was and continues to be invaluable.”*

*“(The BDM) made herself available and understood what we were trying to achieve, breaking through government lingo.”*

*RJCF Successful Applicant Survey Responses*

*“The NSW BDM carefully looked at our application and gave good advice on how to proceed (even if I was not successful)!”*

*“Zoom meeting with (the BDM) was very helpful.”*

*RJCF Unsuccessful Applicant Survey Responses*

The level of support provided by BDMs to each applicant varied to some degree, largely based on what was requested by applicants, though many BDMs provided considerable support across a large number of applications. Providing this support to applicants was a large resourcing commitment from the department but was considered appropriate and worthwhile by both the Regional Programs Team and the Regional Development Network.

During the Evaluation, both stakeholder groups and some Assessment Panellists proposed that BDMs should also be involved in the preliminary application stage in future rounds to assist the Department to further filter-out unsuitable applications using their local knowledge of the regions and applicants. Their involvement in the detailed application stage could also be strengthened by strongly encouraging applicants to work with their allocated BDM to submit their application. Further opportunities for applicants to access tailored assistance would improve application quality and should go some way to reducing the number of requests for additional information during assessment (described in detail in Finding 4d).

Note that in Round Two, each preliminary application will be assigned to a BDM for initial review.

**Recommendation: BDM involvement in the RJCF should be further strengthened, including through involvement at the preliminary application stage, and strongly recommending that applicants at the detailed application stage work with their allocated BDM in order to submit their application.**

**Consideration for other Programs: Programs with similarly complex applications should adopt a similar preliminary application process.**

**Finding 4c. The rolling application process was the right mechanism to meet the needs of business, but delays meant the benefit was not fully realised.**

The rolling approach to application submission is appropriate to meet the needs of business, enabling applications to be developed when it makes the most sense for the business to apply for grant funding and at an appropriate stage of project planning. However, being able to submit an application at any time must be coupled with certainty in timeframes for receiving an outcome. As previously described, the program struggled to consistently meet the 12-week turnaround time for the reasons outlined above. In the detailed application stage of the process, this was largely due to the multiple requests for additional

information post-submission. This is described further in Findings 4d and 4e. However, as previously noted, the largest contributor to delays was during the assessment and approval phase, detailed in Evaluation Domain 5.

*“You are going to get a better cross-section of projects because you know the real world doesn’t work in three months you are going to get all the best projects coming forward (with a rolling process). A company might not be ready now but they might be ready in three months’ time so you know our preference from a purely business development perspective is that you know it’s a rolling type thing or even a bucket of money that we can be quite strategic about.”*

*RJCF Assessment Panel Interviewee*

Due to the time constraints of the funding profile Round Two will be a closed competitive process. However, in any other future rounds of the Program, a rolling process is still considered appropriate.

#### **Finding 4d. The Program Guidelines were generally clear and consistent, though further clarity regarding eligibility and competitive neutrality is required.**

The Program Guidelines stated the objective of the Fund is to support economic recovery and resilience by activating, bringing forward or attracting investment in regional NSW by co-funding business projects that create at least five new jobs. This, along with the target to create ‘at least 5,000 new direct jobs (FTE) in regional NSW over a three-year period’<sup>11</sup> are consistent throughout the Guidelines. However, the definition of FTE is not provided in the Guidelines, which is explored further in Evaluation Domain 7.

The RJCF Guidelines were supported by Frequently Asked Questions (FAQs) published on the website, that were updated following the Public Information Webinar. However, the complexity of the program’s application process and the range of businesses applying, and projects proposed created demand for additional information. The Regional Programs Team in consultation with relevant NSW government agencies developed detailed FAQs for four industries with specific requirements to meet the ‘strategic alignment’ criteria:

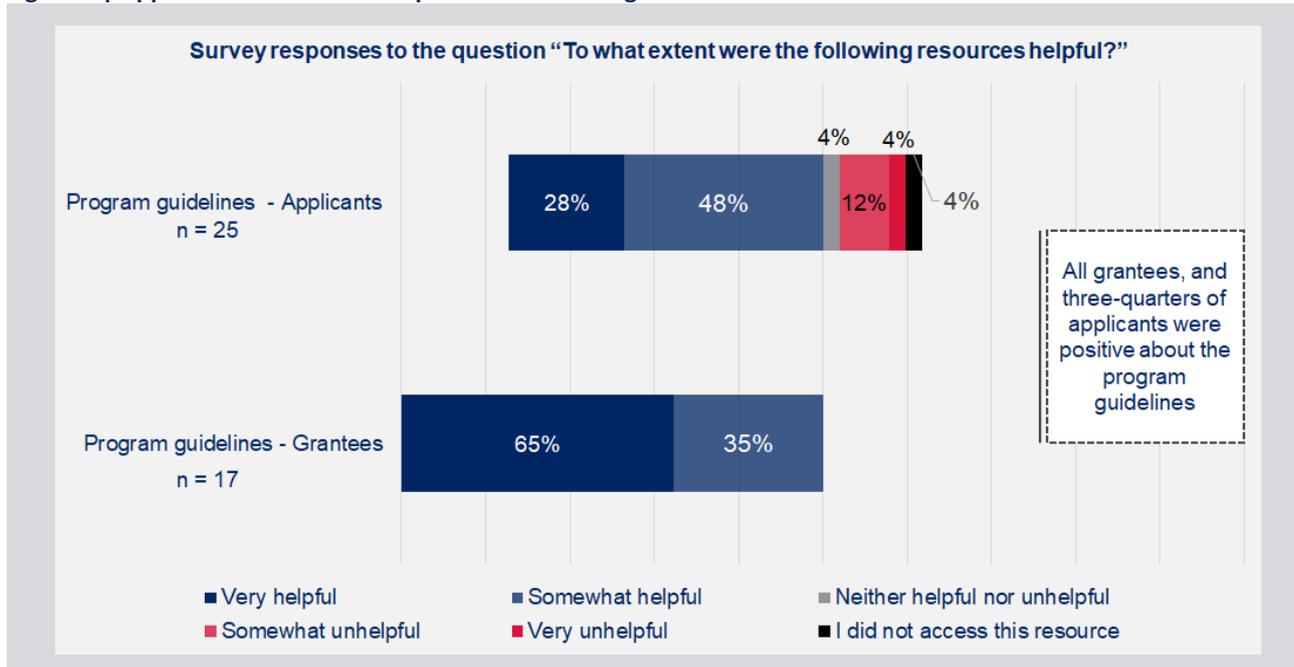
1. Meat processing sector
2. Agriculture
3. Viticulture
4. Brewing sector.

In general, applicants found the RJCF Guidelines to be helpful for developing their submissions. As shown in Figure 8, all successful grantees and three-quarters of unsuccessful applicants who responded to the Process Evaluation survey found the Guidelines to be ‘very’ or ‘somewhat’ helpful.

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<sup>11</sup> RJCF Program Guidelines, accessed from <https://www.investregional.nsw.gov.au/assets/Uploads/Regional-Job-Creation-Fund-Program-Guidelines..pdf>

Figure 8 | Applicant views on the helpfulness of the Program Guidelines



Source: RJCF Round One Applicant and Grantee Survey Responses, accessed November 2021

The Regional Development Network, who were assisting applicants with their submissions, also found the Guidelines to be generally clear and consistent but required more detailed internal guidelines to adequately answer all questions. Internal guidelines were developed and circulated in September 2021, but the evaluation survey of Regional Development Network staff revealed that many BDMs were not aware that the guidelines existed. This could be attributed to information provided by staff to applicants prior to the finalisation of the internal guidelines, as well as staff turnover in the Regional Development Network during the program round.

Two areas of the Program Guidelines in particular required clarification:

1. **Competitive neutrality.** To be eligible, the investment by the NSW Government cannot provide unfair advantage to a business within a competitive market. The Guidelines provided some examples of industries that would never be eligible due to these issues, but the eligibility of projects in other industries was a source of confusion for BDMs, assessors tasked with undertaking strategic alignment assessments and applicants. This is explored further in Evaluation Domain 5.
2. **Eligible project types and costs.** Broad examples of projects were provided, but more specific examples of the types of projects that could be funded, with the specific costs within that project that would be eligible would provide greater clarity for applicants. Note, this has been adopted in the draft Program Guidelines for Round 2.

*“I’m a true believer that the eligibility criteria for any of these public facing documents have to be right up front and clear as crystal so that potential applicants can self-assess to the ninth degree, so they are not wasting their time putting an Expression of Interest in.”*

*“My main improvement would be ... be clearer about who can apply ... I mean what does it look like?”*

*“More detail/information regarding eligibility upfront would have saved time for businesses.”*

*DRNSW Interviewees*

These key components of eligibility should be made as clear as possible in the Program Guidelines.

**Recommendation: Provide clearer information in Program Guidelines about eligible project types and costs through the use of practical examples.**

**Recommendation: Provide a more detailed explanation of competitive neutrality in Program Guidelines and documents to ensure consistency and clarity in interpretation.**

#### Finding 4e. The detailed application form was difficult to navigate and resulted in many requests for additional information post submission.

As described in Evaluation Domain 1, the median time taken between submission of the detailed application and its acceptance as ‘complete’ by the Regional Programs Team was four weeks. This was due to a high volume of detailed applications not providing the required detail or evidence to substantiate their responses. The programs team elected to take a case management approach to supporting individual applications to ensure that projects with merit had the best chance possible to be funded. Where responses were incomplete, the programs team contacted applicants to seek additional information. In earlier stages of the round, these requests for information originated from PWA, the ORED or the IAU as they undertook the Deliverability, Strategic Alignment or Economic Assessments. During the later stages of the application process, the programs team was able to pre-empt information requests most likely to come from assessors and as a result, accelerate processing of information requests within shorter timeframes.

##### ***The structure of the application form was problematic.***

BDMs and applicants reflected that the volume of additional information requests and clarifications pointed to an issue with the application form and accompanying guidance. The application form was not structured in an applicant-centric way causing confusion and leading to inefficient assessment (explored in Evaluation Domain 5). The Evaluation Team’s review of the application form confirmed the structure was not user-friendly. For example, the applicant was required to provide details regarding their organisational capability to deliver the project before entering details about the project itself.

*“I think it is very important to structure the application in a sensible fashion. We found when we were reviewing the applications that we had to jump all over the application form to first find out what is the project. I mean that’s probably the first thing and that competitor analysis was right up front that needs to be further down and also the questions need to be clearer.”*

*“I think we just went back and forth way too much so obviously the questions on the application forms were not drawing out the information that was required so if we get that a lot better, have an application form that’s better ordered I think we will have a much better response and less need to go back and forth and not ask for things ... additional things that weren’t even in the application process.”*

*DRNSW Regional Development Network Interviewees*

The application form should be updated to enable applicants to understand more clearly what is required of them, and to assist efficiency of assessment. There needs to be a focus on user-centric design across all

documents. DRNSW may consider drawing on expertise from the Department of Customer Service to improve the design of application documentation template, for use across all Regional Programs.

**Recommendation: Redesign application form templates to be more user friendly for applicants and follow the criteria in the assessment methodology more closely.**

*The data sheet and project scope were particular pain points at the detailed application stage for applicants.*

In addition to issues related to the structure of the detailed application template, there were limited prompts under questions to provide guidance regarding the level of detail required, or how claims could best be substantiated. This was the most common reason for additional requests for information from assessors and was often associated with the data sheet required for the economic assessment and project scope information required for the deliverability assessment.

In the Regional Development Network Survey administered for this Process Evaluation, 55% of BDM respondents (n=10/18) identified the business data sheet as one of the most challenging aspects of the detailed application process. Several surveyed BDMs reported that a significant number of applicants applying for RJCF grants did not understand the difference between the data sheet and the project budget and often found the fields for providing information confusing and difficult to interpret.

Surveyed BDMs suggested a number of specific changes that could be made to improve the clarity and consistency of information provided on the data sheet template and to ensure alignment with other application documents. A webinar on completing the data sheet as part of the application process was also provided to applicants when invited to submit a detailed application.

*Responses to the Regional Development Network Survey Question: "Were there particular areas of the application you noticed were particularly challenging for applicants?"*

*"Application form should clarify the difference between project budget and data sheet. Most applicants thought the datasheet covered the budget requirement."*

*"Data sheet and aligning data sheet information with narrative and attachments. For example, ensuring consistency across all information sources in the application so if they (applicants) changed one thing they had to review all documents and the online form to cross check for consistency."*

*"Data sheet completion; definition of "employee" with regard to labour hire numbers exclusion; ensuring consistency between data sheet and application descriptive content as the application progressed and was amended for content."*

*Regional Development Network Survey Responses*

The business data sheet is a common pain point across RGF programs. Greater guidance should be provided to applicants and BDMs to ensure its completion to an appropriate standard.

**Recommendation: Revise business data sheet to provide clearer information about what evidence applicants need to provide to support their proposed business project at the detailed application stage.**

Additionally, applicants expressed their concern about the level of detail that was required to support PWA's Deliverability Review of their project submission. Most requests that PWA made for applicants to provide additional information related to the quality or lack of technical drawings of proposed capital works, feasibility assessments and Development Approvals.

*I think there needed to be a better focus on the wording for some criteria. Examples are always helpful so you know what is to be filled out and where.*

*Successful Applicant Survey Response*

## Evaluation Domain 5: Application Assessment Process

*KEQ: Were applications assessed appropriately and transparently?*

**Finding 5a.** The approval processes used for the RJCF were appropriate.

**Finding 5b.** The assessment process enabled a rigorous assessment of due diligence but lacked efficiency due to the application form.

**Finding 5c.** The Assessment Panel implemented a consistent and robust approach to making their project recommendations.

**Finding 5d.** The delays in outcome notification were unavoidable within the program's governance arrangements, but communications could have been improved.

**Finding 5e.** Equity of funding in a rolling grant program is likely tied to equity of access.

### Recommendations for future RJCF Rounds

- Consider using risk or complexity, rather than funding request value, thresholds to determine which economic and financial assessments should be conducted by the Regional Programs Team, and which should be conducted by the IAU.
- Provide greater detail in the description of competitive neutrality in the Program Guidelines, internal guidelines and Assessment Methodology.
- The Department should seek approval for specified turnaround times for outcome notification briefs from the Deputy Premier's Office as part of the agreed governance arrangements of future rolling-rounds.
- Ensure special conditions imposed by the Assessment Panel are clearly outlined in the outcome notification letter to the applicant and recorded in an Assessment Panel Outcome Form in SmartyGrants to be included as activity deliverables prior to contracting.
- Two-way feedback sessions for applicants could provide useful feedback from end-user perspectives on improvements that could be made to future program rounds.
- Continue to monitor application rates from different regional areas to identify trends in application and success rate that might indicate lack of equitable awareness of the program, or access to BDM support.
- Where a region has a low application rate, ensure adequate promotion of the program is occurring in that area.
- Ensure, as far as possible, that applicants have equal access to quality BDM support for their application.

**Finding 5a.** The approval processes used for the RJCF were appropriate.

#### Considerations for other Programs

- Programs requiring a CBA to be conducted should consider using a short-form model conducted by the programs team, rather than the IAU, where appropriate.

The purpose of this section is to assess the extent to which the applications were assessed in a fair and transparent manner, in accordance with the Program Guidelines.

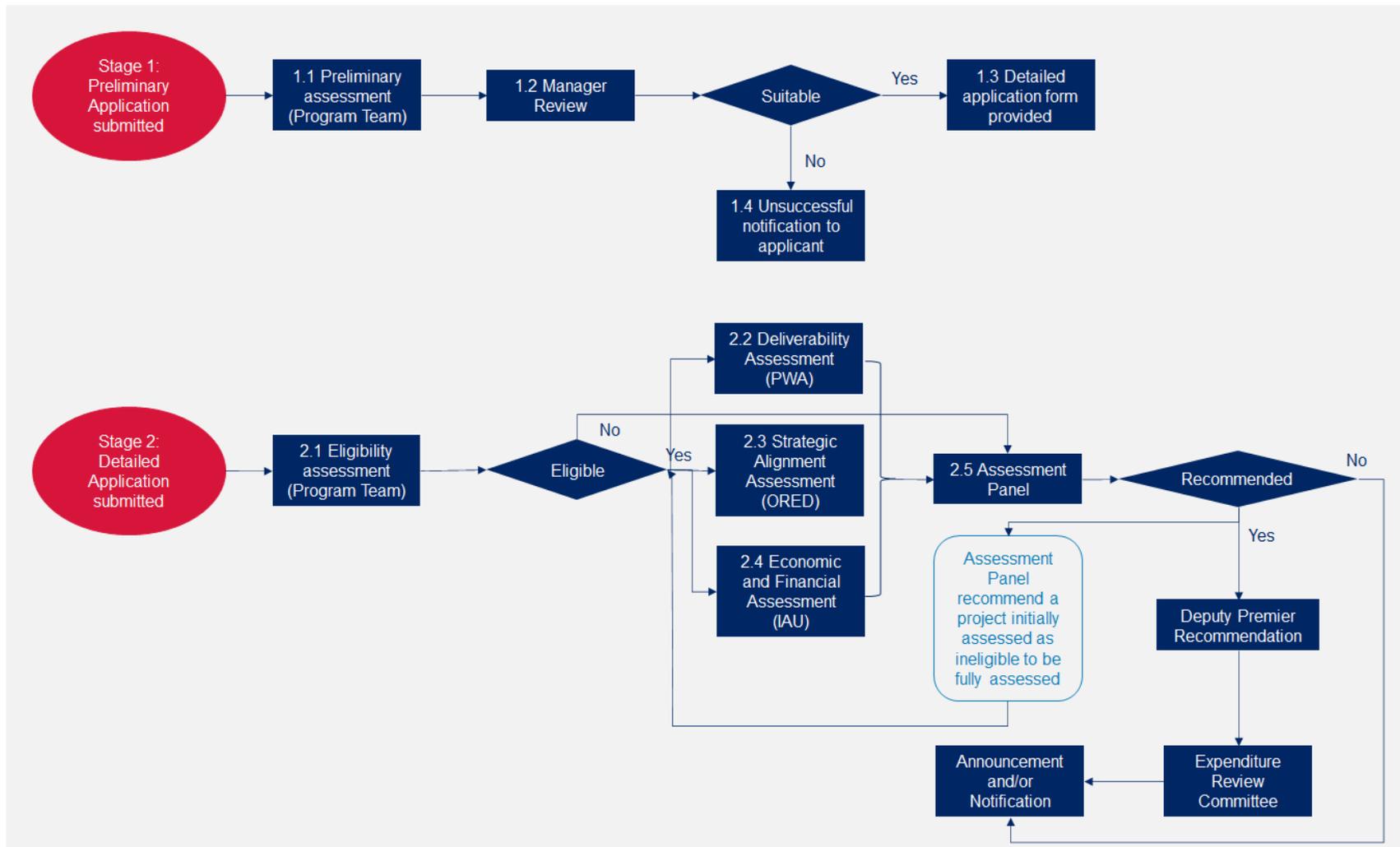
#### Finding 5a. The approval processes used for RJCF were appropriate.

The application assessment and approval process outlined in the Assessment Methodology were approved at the commencement of the program round. The Assessment Methodology provides a clear description of assessment process steps and the roles of the five key stakeholder groups involved in the assessment of applications:

- **Regional Programs Team.** The team was responsible for: identifying preliminary applications that should be invited to the detailed application stage; conducting the eligibility assessment of detailed applications; and Economic and Financial Analysis for applications requesting less than \$400,000 (GST excl.)
- **ORED in DRNSW.** The ORED conducted the Strategic Alignment Assessment of detailed applications.
- **PWA in DRNSW.** PWA conducted the Deliverability Assessment of detailed applications.
- **IAU within the DPC.** The IAU were responsible for conducting the Economic and Financial Analysis for applications requesting over \$400,000 (GST excl.)
- **Assessment Panel composed of DRNSW and other NSW government representatives.** Panellists reviewed the eligibility and merit-based assessments to make recommendations for funding.

The Assessment Panel recommendation would be put to the Deputy Premier to take forward to the ERC for consideration and final approval. This process is outlined in Figure 9. Approximately 117 projects were assessed in this manner.

Figure 9 | Original RJCF Assessment and Approval Process<sup>12</sup>



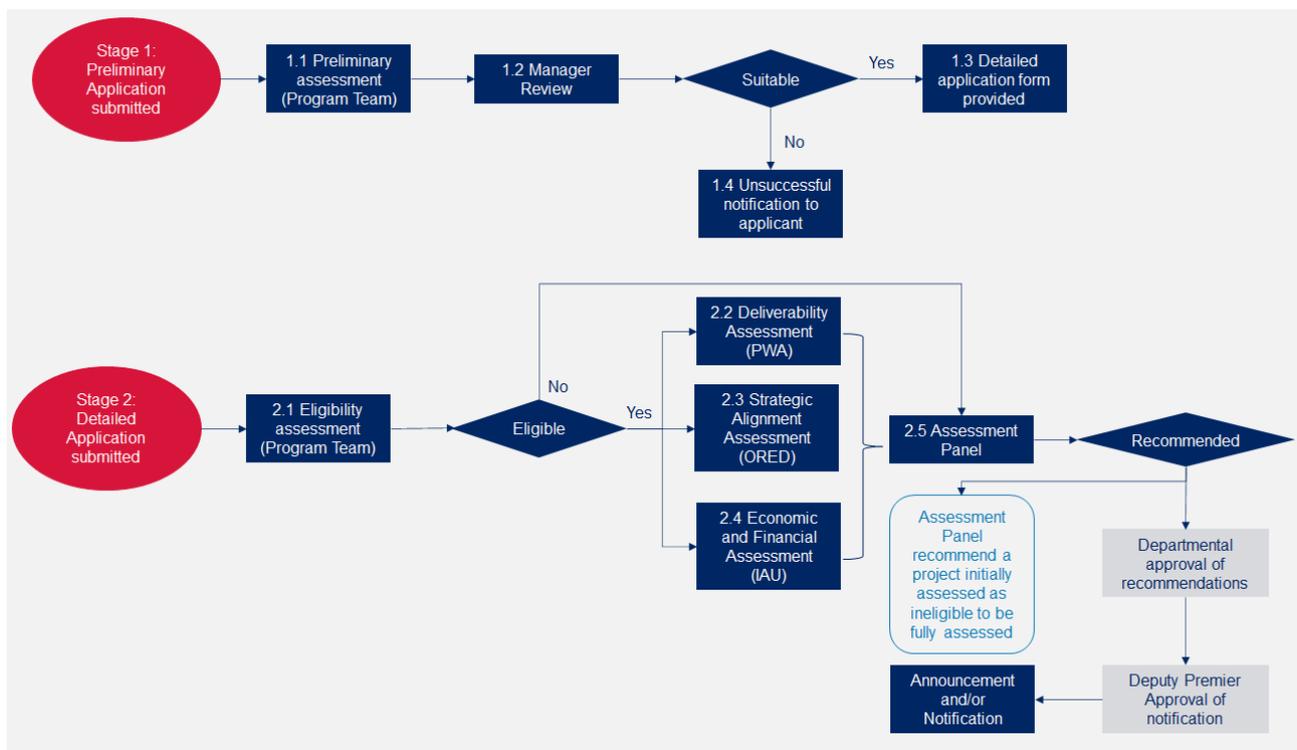
Source: RJCF Round One Assessment Methodology Version 1

<sup>12</sup> Adapted from the RJCF Assessment Methodology October 2020

**The approval process changed to bring the final approval of projects within the Department but had no material impact on the fairness or transparency of the program.**

In August 2021, the NSW Government endorsed changes to the approval processes for several DRNSW administered programs with amendments to approval pathways to be determined. This included the RJCF and required the pausing of any further applications being approved in Round One until a new project approval pathway was endorsed by the NSW Government. The NSW Government endorsed that a relevant Department Delegate would approve future funding for recommended RJCF projects, instead of final approval resting with the ERC. While delegation for the project approval effectively shifted to the Department, the assessment process remained unchanged. The approval to notify applicants of the outcome also remained with the Deputy Premier. This change is highlighted in the grey boxes Figure 10.

**Figure 10 | Updated approval process**



**Source: RJCF Round One Assessment Methodology Version 2**

This change in approval process part-way through the program had no material impact on the fairness of the program's administration and was overseen by an independently commissioned Probity Advisor at the time. The change in process has been welcomed within the Department, with some internal stakeholders stating that the new delegation arrangement should promote greater funding transparency, with all approvals and decision elements to the program to be administered within the Department.

**Finding 5b. The assessment process enabled a rigorous assessment of due diligence but lacked efficiency due to the application form.**

The four assessments conducted for applications (Eligibility, Strategic Alignment, Deliverability, Economic and Financial) were all appropriate, and the methodology for each clearly defined and explained in the Assessment Methodology. Each member of the Assessment Team reported to evaluators that they had a clear understanding of the assessment process, felt confident in their role and were able to conduct their assessment of applications independently.

**Applications often lacked required information to complete the Deliverability and Economic and Financial Assessments, further compounding resourcing issues with a lack of staff to meet assessment timeframes.**

The Strategic Alignment Assessment conducted by the ORED was generally straightforward, due to the program's strong alignment with NSW Government regional strategies and current business needs. The ORED also generally found that detailed applications to be of 'high quality'. The only suggestion from the ORED Assessment Team was to make it clearer in the Guidelines that the intention of the program is to grow the NSW economy overall, and to have applicants articulate how their project would do that.

However, PWA and the IAU often found that they required additional information from applicants in order to complete their assessments. This was largely due to flaws in the application form, already described in Evaluation Domain 4. Both teams were at times quite stretched to complete the required assessments within the timeframes.

PWA allocated relatively senior officers to complete the Deliverability Assessments, due to the complex and diverse nature of the applications submitted and the magnitude of funding being requested. From their perspective, the time the assessment process took was much more dependent on the quality of the application that had been submitted, rather than the complexity of what had been proposed. The structure of the application form meant that a lot of supporting documentation had to be attached, which the PWA Assessment Team then had to read through to see if the information they required had been included. They suggested that in addition to structuring the application to match the assessment process more closely, that more summary boxes should be provided within the application. This would require the applicant to answer the question directly, and then reference specific parts of their supporting documents to provide more detail. This would save assessors significant time. Again, user-centric design expertise, potentially from the Department of Customer Service, could improve the internal assessment process.

*"I found that with RJCF in comparison (to other programs) I had to read through everything, then go back and put it through. I think the way it (the application form) was aligned it was in all different spots, so it just meant that instead of just working through methodically and ticking the boxes I had to do everything and then come back."*

*RJCF Assessor Interviewee*

The assessment stress was compounded by a system quirk where the assessors could no longer access the application they had been assigned after the deadline for their assessment had expired. This resulted in further delays while access issues had to be resolved.

The IAU had similar resourcing constraints and needed to bring in additional resources to help clear the glut of assessments, particularly toward the end of the program. They perceived a decline in application quality as the deadline for detailed application submission drew closer, which also slowed down their assessments. The Regional Programs Team conducted Economic and Financial Assessments for applications requesting less than \$400,000 (GST excl.). This approach appeared to work well from the perspectives of both the IAU and the Regional Programs Team and should be maintained. There is potential to substitute a risk or complexity threshold in place of a value threshold to determine which assessments are conducted by the programs team and which are sent to the IAU (with the higher risk or more complex being completed by IAU).

**Recommendation: Consider using risk or complexity, rather than value, threshold to determine which economic and financial assessments should be conducted by the Regional Programs Team, and which should be conducted by the IAU.**

**Consideration for other Programs: Programs requiring a CBA to be conducted should consider using a short-form model conducted by the programs team, rather than the IAU, where appropriate.**

***The IAU and PWA assessment methodologies were not fit-for-purpose for a small number of applications, and/or there was not enough discretionary power for the Assessment Panel to account for anomalies.***

The four assessments and their methodologies were appropriate for the majority of applications. However, there were a small number where the use of the Economic and Financial Assessment, and/or the Deliverability Assessment were not quite fit-for-purpose to meet the needs of the program. For Deliverability, this was case when the application did not propose to build new infrastructure. As PWA's expertise lies in the logistics of construction, for projects that did not include construction, PWA conducting the Deliverability Assessment was not quite fit-for-purpose.

*"We found with some of our projects where they weren't necessarily building something (for example) they are renting a facility or putting a piece of equipment in. That's not really PWA core business so the Deliverability Assessment was not necessarily focused."*

*DRNSW Network Interviewees*

On the Economic and Financial Assessment, many internal stakeholders commented that there may be room for improvement in how applications from companies that are not owned in NSW are considered from an economic standpoint. The Economic and Financial Assessment currently utilises a Treasury-compliant Cost Benefit Analysis model. This model takes many factors into consideration, including whether the ownership of a company is within NSW. Within this model, it is possible that between two otherwise similar proposals, one submitted by an interstate or international business is less likely to achieve the required BCR.

The model of Cost Benefit Analysis does not necessarily need to change, but there needs to be greater discretion for the Assessment Panel to account for a lower BCR due to foreign or interstate ownership. While the Panel did approve a small number of projects with a BCR less than 1 using the discretionary levers provided in the Program Guidelines and the Assessment Methodology, it was uncommon. Some Assessment Panel members indicated that where a project failed a particular criterion, but the reasons for failure were not misaligned to the program's objective, that the suitability assessors should put these forward 'for Panel consideration' rather than initially marking them 'not recommended'. This would more clearly reflect the action required by the Assessment Panel.

#### ***The issue of competitive neutrality had some variation in interpretation.***

As previously described, one of the key areas that lacked clarity was the interpretation of competitive neutrality as presented in the Program Guidelines. As this determined eligibility for funding, consistency in its interpretation across assessors and the Assessment Panel was critical, along with clear and consistent advice to BDMs and applicants on competitive neutrality. On balance, the perception from a range of stakeholders was that assessments were made consistently, but that some ambiguity in the Guidelines frequently led to significant discussion. This presented challenges to clearly guide applicants, and to provide detailed explanations why seemingly similar applications received different determinations.

Tourism was a specific point of contention, as the Program Guidelines stated that the 'development of new tourism experiences and visitor attractions creating new demand in the region' was an eligible project type. In the internal guidelines though, greater clarity was provided:

*'Where a project's primary focus is tourism, to meet competitive neutrality, the infrastructure or investment must result in a facility or outcomes that are regionally significant and / or iconic to claim new overnight interstate and/or international tourism to the region. If a tourism project is not regionally iconic and not sufficiently differentiated from existing similar experiences, it is unlikely to increase the market and more likely to result in displacement from existing businesses. This will not meet the objective of the Fund to be competitively neutral.'*

The nuance of 'iconic or regionally significant' had not been fully understood by all BDMs and therefore applicants, causing some confusion about when a tourism project would be accepted.

*“Remove reference to tourism in the Guidelines. There is a paragraph that caused much issue in our region due to competitive neutrality.”*

*“It would be great to get some clarity around decision making on this competitive neutrality. This can be immensely difficult to articulate as a reason for an unsuccessful application when other projects are successful in similar industries. I understand that would come down to the specifics of the application and project however further information and points on how to address this would be beneficial.”*

*Regional Development Network Survey Responses*

*“In the Assessment Panel we found they were looking for ‘significant’ impact, not just any impact (of competitive neutrality). That makes a difference in how you assess.”*

*“Competitive neutrality was inconsistent, for example, abattoirs not considered to be competing, but applicants with competitors up to 1,200 km away had to justify.”*

*DRNSW interviewees*

As is the case for all programs, the more clear-cut the criteria, the easier it is for the Assessment Panel to make objective and consistent decisions. For Round Two of RJCF, advice has been updated on the program website to provide greater clarity.

**Recommendation: Provide greater detail in the description of competitive neutrality in the Program Guidelines, internal guidelines and Assessment Methodology.**

### Finding 5c. The Assessment Panel implemented a consistent and robust approach to making their project recommendations.

The Assessment Panel makeup had an appropriate mix of skills, experience and roles relevant to the program’s objective. The Assessment Panel was comprised of:

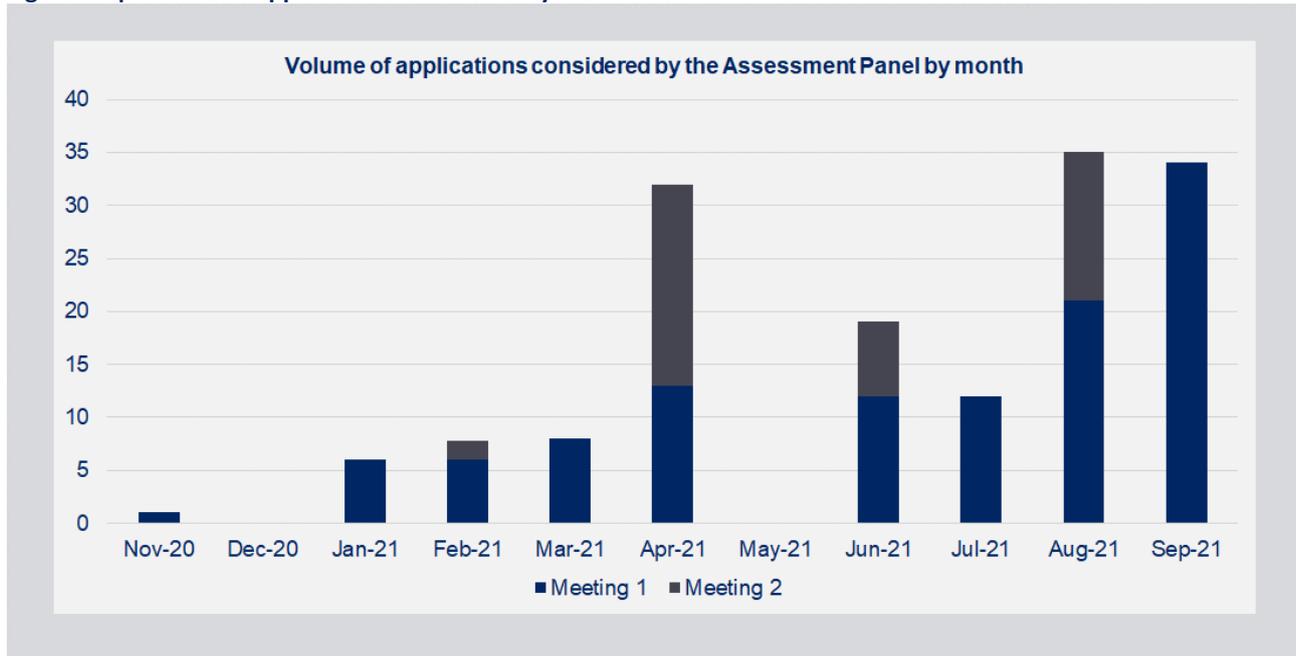
- Two representatives from DRNSW’s PWA and Regional Development Group (one as Assessment Panel Chairperson)
- A representative from INSW
- A representative from the Department of Education and Training (Training Services NSW).

Subject matter expertise from relevant NSW government agencies was available to the Panel to support assessment of business projects which were of a specific nature (for example, the Department of Primary Industry advice on whether sufficient natural stock/assets available to support proposed business case for sea urchin processing).

The Panel met monthly or twice monthly as required. The Regional Programs Team prepared the papers for each panel meeting, which included:

- An agenda outlining each application to be considered
- Summary information for each application
- Summary of the initial suitability assessment for each application.

As more panel meetings were conducted, the Regional Programs Team also began preparing pipeline and expenditure statistics to provide the Panel with an understanding of what had already been spent and where, and what was coming up. Due to the growing volume of applications being put to each panel meeting (see Figure 11) and the complexity of some applications, the program team began conducting verbal pre-briefings for each Assessment Panel member.

**Figure 11 | Volume of applications considered by the Assessment Panel each month**

Source: RJCF Round One Applications Data, accessed November 2021

These briefings were highly valued by Panel members and ensured that more complex issues could be covered at panel meetings. The briefings also enabled each panellist to come to the meeting with a well-formed view.

*“The cover sheets reflected directly the components of the Guidelines, the eligibility and assessment criteria directly mirrored what we had in the Guidelines.”*

*“I think the pre-briefings were fantastic ... that allowed for a much more educated discussion on the day and people would probably [have] already made up their mind.”*

*“Month on month the (Regional Programs) Team did a really good job in adapting the information slightly to how either the type of information or how it was being presented to enable better and more effective decision making.”*

RJCF Assessment Panel Interviewees

While Round Two of the program will run differently, in that there will not be a rolling schedule of panel meetings requiring new information and pre-briefings, should there be future rounds of the RJCF that use a rolling assessment process these pre-briefings should continue.

#### ***The probity of the process was robust.***

A Conflict-of-Interest Register was maintained in accordance with the Probity Plan for the program. As standard practice for DRNSW Regional Programs, an independent Probity Advisor was contracted to provide oversight on probity issues throughout the program administration period. The Probity Advisor was present at all assessment panel meetings.

The Register was actively managed (perceived conflicts of interest were acted upon, as per probity advice), records management process in place.

The RJCF assessment decisions were transparent. Assessment Panel decisions were clearly documented in panel minutes which then formed the basis of approval briefing for ERC and the Department Delegate. Assessment decisions were documented in line with the eligibility criteria and assessment criteria provided in the Program Guidelines.

Occasionally, the Assessment Panel included specific conditions on projects they approved. While this is at the discretion of the panel, in Round Two, further emphasis should be placed on ensuring these conditions are able to be included in the contract, including through an Assessment Panel Outcome Form in SmartyGrants. This will improve the handover of the application from the Program Team to the GMO. Special conditions should also be clearly outlined in the outcome notification letter to the applicant.

**Recommendation: Ensure special conditions imposed by the Assessment Panel are clearly outlined in the outcome notification letter to the applicant and recorded in an Assessment Panel Outcome Form in SmartyGrants to be included as activity deliverables prior to contracting.**

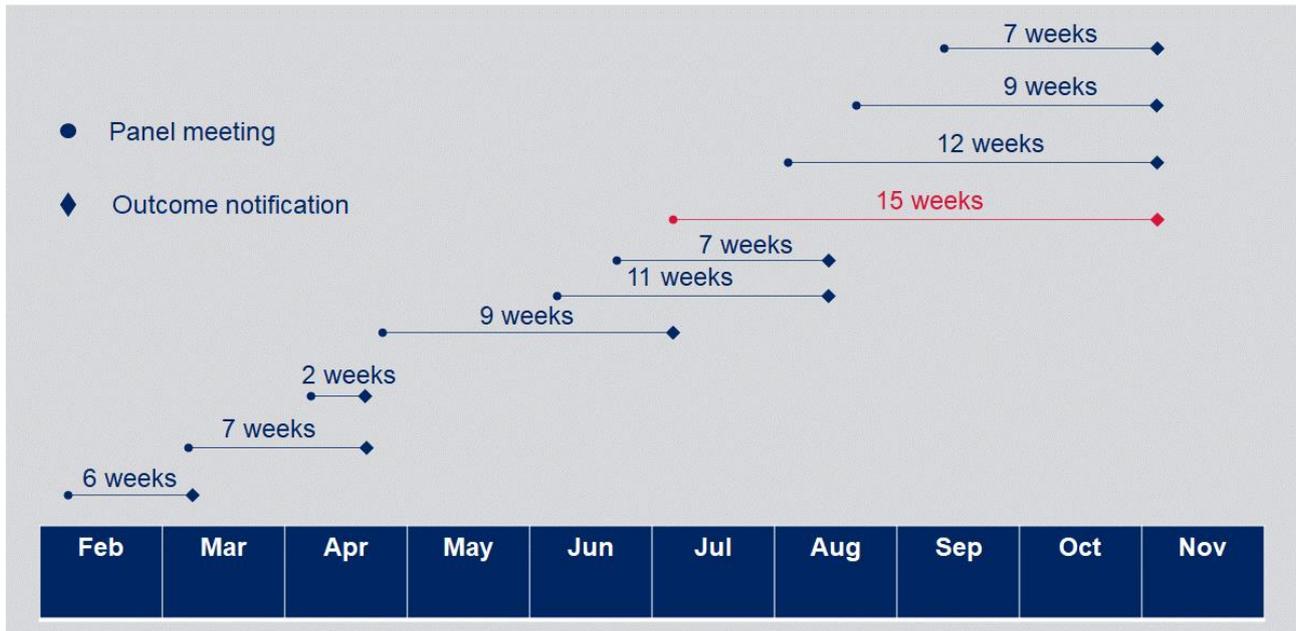
**Finding 5d. The delays in outcome notification were largely unavoidable within the program's governance arrangements, but communications could have been improved.**

As described in Evaluation Domains 1 and 4, there are some efficiencies in the application process that may slightly reduce the timeframe from application submission to notification of outcome. However, the largest part of the delay was from the Assessment Panel making their recommendations to the department receiving approval to notify the applicants of their outcome, which on average was 10 weeks. While the new approval process was being designed and endorsed by the NSW Government, applicants faced an even longer wait to be notified of their application outcome. This delay was further compounded by the resignation of the Deputy Premier on 3 October 2021 and subsequent machinery of government changes.

In all, the Assessment Panel recommended 70 projects for funding at the conclusion of panel meetings held in July, August and September 2021. However, the Department did not receive final approval until November 2021 to proceed with contracting the projects. As illustrated in Figure 12, this had the largest impact on projects assessed in July, for which there was a 15-week wait between the panel making their recommendations and the Department receiving approval to notify the applicants of their outcome. This is as long as the average total time from submission to notification of outcome for the program. It is these applicants that experienced the longest wait between application and notification, at a median of 20 weeks, which is two-months longer than the advertised timeframe.

This delay was entirely outside the control of the Department but caused significant frustration for applicants at the time.

**Figure 12 | Number of weeks between Assessment Panel meeting and notification of outcome**



Source: Round One RJCF Assessment and Program Data, accessed November 2021

During this time, the Regional Development Network fielded numerous enquiries from applicants seeking clarification as to whether they could proceed with their project. The Department was unable to indicate when they would be notified of their application outcome. Earlier and proactive communication about the delay would have been appreciated by applicants, even if it was just to acknowledge that the process had been delayed, as described in Evaluation Domain 3.

*"I think probably more than anything it was just the lack of clarity on when (funding) announcements would be made and we know businesses would be alerted and maybe everyone read that question slightly differently. But you know we went for a long period of time where we were told 'Yes, decision will be made soon or you will know when you will be able to talk to businesses soon'. And that just went on and on and on."*

DRNSW Regional Development Network Interviewee

*"The additional time it took to articulate decisions to applicants was incredibly difficult to manage. Applicants are required to propose well developed projects however they are expected to wait (in some cases a very long) amount of time for a response. This caused much distress to the business and had an impact on the good-will generated by providing the grants."*

DRNSW Regional Development Network Survey Response

Since the new project approval process has been implemented, the timeframe for notification of outcome remains longer than ideal, because the approval to notify applicants still resides outside the Department, which is the cause of significant delays. It is suggested that for programs that are highly time-sensitive, the Deputy Premier's Office agrees to specified turnaround times for notification of outcome briefs as part of the program governance, to ensure publicly stated timeframes are met. A Confidentiality Clause already exists in the Letter of Offer requiring applicants to refrain from disclosing the outcome of their application until advised by the Department.

Confidential notification within the publicly stated timeframes is critical to ensure the program meets its objectives.

**Recommendation: The Department should seek approval for specified turnaround times for outcome notification briefs from the Deputy Premier's Office as part of the agreed governance arrangements of future rolling-rounds.**

***Feedback was provided to unsuccessful applicants.***

The Regional Programs Team provided feedback to unsuccessful applicants at Stage 1 mostly via notification letters which detailed reasons for decision. The Feedback Register maintained by the program team indicated that 23 out of the 132 unsuccessful applicants at Stage 1 were provided feedback on their applicants at feedback sessions arranged by the program unit.

More explicit feedback was provided to Stage 2 applicants which was appropriate given the level of information, time and resources that applicants spent in submitting a detailed application for the program round. Individualised feedback was provided to applicants at sessions, advising them of specific reasons why their application was assessed as unsuccessful.

**Recommendation: Two-way feedback sessions for applicants could provide useful feedback from end-user perspectives on improvements that could be made to future program rounds**

**Finding 5e. Equity of funding in a rolling grant program is likely tied to equity of access.**

One of the key considerations in the administration of a rolling grants program is maintaining the same requirements for applications as the fund has less money. It requires balancing fairness of assessment of merit, with fairness of access to the fund by geographic region and entity type. That is, the Assessment Panel need to ensure that as far as possible applications submitted at the start of the program are assessed in the same way as applications assessed toward the end. At the same time though, there is a due diligence requirement for the department to ensure the funds are not too highly concentrated in one part of the state, or within a single industry or sector.

As previously described, the Regional Programs Team conducted pipeline and expenditure analysis for panel meetings that included a breakdown by FER. The Assessment Panel members reflected that while this was helpful, it did not have a high influence over their decision making. Rather, they felt they were able to assess the applications presented to them at each meeting based on their merit on the day.

While this may have played out differently should the program have been over-subscribed with high quality detailed applications, in this instance, it appears that equity of distribution of funding is likely achieved through equity of opportunity to apply. That is, provided all regions and sectors within the state have equal awareness of the program and are able to equally access support to apply, it is acceptable that a disproportionate number of applications may be received and/or deemed successful in a concentration of areas.

While there is no evidence to suggest that the program was promoted differently in different locations, or that BDMs provided different levels of support, it is clear that some BDMs had to provide help with a significantly greater number of applications in some areas.

The amount of time each BDM has to spend with each applicant is finite and varies depending on their other commitments at the time. The assumption that BDM support will result in a greater quality of application, draws attention to potential resourcing limitations as an area of concern regarding equity of access to the RJCF.

*“For fairness in the way it (RJCF) has been promoted and the accessibility of the application process I think it is great. I am interested though if we look at where resourcing of our business development is or regional development around the state and whether each region equitably has the same level of support that can be provided to applicants.*

*RJCF Assessment Panel Interviewee*

*“I think a lot of BDMs in the (region) probably had new relationships with companies, but the context certainly in my patch with bushfire funding being run in parallel for a period of that ... so I’ve got 40 odd projects for bushfires in my LGA.”*

*“When I came in as a BDM I was just focused on RJCF because of the timing and that certainly was a fulltime position for me. If I had to manage other funds as well RJCF I think that would have been a pretty big challenge ... Certainly the most time I could spend with an applicant if I look at the results now they had a better chance of getting through right to approval.”*

*Regional Development Network BDM Interviewees*

Going forward, it is not necessarily expected that all areas of NSW receive the same proportion of funding from the RJCF. However, it is important to ensure that no regions are missing out due to lack of access or support.

**Recommendation: Continue to monitor application rates from different regional areas to identify trends in application and success rate that might indicate lack of equitable awareness of the program, or access to BDM support.**

**Recommendation: Where an area has a low application rate, ensure adequate promotion of the program is occurring in that area.**

**Recommendation: Ensure, as far as possible, that applicants have equal access to quality BDM support for their application.**

**Consideration for other Programs: These recommendations are equally applicable to any open, rolling fund.**

## Evaluation Domain 6: Funding Deed

*KEQ: Was the contracting process fit-for-purpose?*

**Finding 6a.** The contracting process was resource intensive, with the GMO needing to clarify project eligibility and other program requirements for a significant number of approved projects.

**Finding 6b.** Reporting design could be tweaked to better manage and mitigate risks to government funding, noting this was a function of the imposed budget profile for Round 1, and funding deed structure better communicated to applicants.

### Recommendations for future RJCF Rounds

- The Department could further streamline the contracting process by clarifying program requirements in the Guidelines, including the management of COVID-19 impacts on supply chains and labour availability, and improving the design of application forms to reduce the need for the GMO to clarify requirements and make additional information requests to grantees.
- The Regional Programs Team should work with the GMO to ensure the internal guidelines for Round Two provide clear and consistent advice in relation to contracting processes and requirements prior to the launch of the program.
- The Department should require applicants to provide a COVID-19 Plan to advise the department how they will mitigate potential delays in project completion timelines.
- For Round Two of the RJCF, the Department should set aside at least 10 per cent of total grant funding for final payment and replace six monthly reports with quarterly reporting to better monitor the financial position of grantees and enable earlier mitigation to recover government funding when required.
- The structure of the Funding Deed needs to be more clearly explained to applicants at the earliest stages, to ensure they can plan accordingly. The milestone breakdown should be included in the Program Guidelines and there should be detailed FAQs and internal guidelines to ensure BDMs can answer questions accurately and comprehensively.

### Considerations for other Programs

- The requirement for a COVID-19 Plan should become a standard feature of Regional Growth Programs for the foreseeable future.

The purpose of this section is to assess the extent to which funding deeds were executed in a timely and appropriate manner.

**Finding 6a.** The contracting process was resource intensive, with the GMO needing to clarify project eligibility and other program requirements for a significant number of approved projects.

The contracting process for Round One of the RJCF differed from the standard process of funding deed negotiation used by the GMO to execute agreements for the department's regional programs. The reason for this was that no negotiation of capital works was required, as RJCF grantees had been funded to deliver

an agreed number of jobs specified in their applications. The RJCF Guidelines and information supplied in the detailed application forms replaced the standard *EFT and Project Details Form* used by the GMO to negotiate project milestones and clarify requirements with grantees.

*“We (the GMO) had to hold the grantee to the detailed application so everything we referred back to in the Deed was based on the (Program) Guidelines and the information in the detailed application. They can have some minor changes but really minor and normally the GMO drives a lot of those changes, as we have autonomy because we’re contracting.”*

*“The Terms and Conditions that are in the Deeds are all based off the (Program) Guidelines.”*

*DRNSW Interviewee*

From the GMO’s perspective, the process to execute Funding Deeds was resource intensive requiring considerable time devoted to clarifying program requirements, including project eligibility with the Regional Programs Team. Additional steps also needed to be added to the contracting process for a significant number of grants. Frequently the GMO were required to request additional information and evidence from grantees such as Development Application Approvals (DAAs).

*“I appreciate that there is a broader approach (to Program Guidelines), but there are some things that really should be known and it’s just that we ... have found in certain situations that we have got to go back and say what does this actually mean. What did you consider as an [eligible] project?”*

*DRNSW Interviewee*

Surges in the number of approved projects received for contracting also placed high work demands on GMO resourcing during the contracting process. The GMO lacked sufficient resourcing to contract the bulk of approved projects towards the end of Round One of the RJCF when a majority of projects were approved. The resource shortfall was caused by a combination of factors:

- delays in the approval of projects and notification of application outcomes had flow on effects for contracting, with a bulk of deeds needing to be executed within a two-month period
- the rolling application process and unpredictable rate of project approvals used for Round One meant that the GMO was unable to plan ahead in allocating resources for contracting RJCF grants
- new programs coming online and requiring contracting at short notice also meant less resources could be allocated for RJCF contracting.

*“For an open or closed round with very firm dates you obviously know from a resourcing perspective ... I only allocate resources for that time period to get them into contracts and then they move through the team then onto the next stage of the grant cycle. But when it’s a rolling round ... the problem we have got now is we have had quite a few delays in the approval process so now it is backed up and then that is when it causes issues.”*

*DRNSW Interviewee*

Department stakeholders interviewed for this Process Evaluation indicated that Guidelines and advice provided during the application stage could have been clearer in preparing grantees for contracting processes and requirements. Feedback included:

- **Program Guidelines did not provide sufficient direction** about requirements for contracting at the application stage, resulting in the GMO needing to clarify project eligibility late at the contracting stage
- **Key documents were not collected at the application stage**, further compounding delays in contracting processes while the GMO followed up evidence requirements with grantees. For

example, milestone payments could not be processed until grantees could provide evidence of Development Application approval

- **Communication about program changes** during Round One did not always reach key stakeholders involved in the contracting process, resulting in incorrect advice being provided to some grantees. While weekly meetings arranged by the Regional Programs Team with BDMs and the GMO were considered helpful, it was suggested that further communication channels were needed to ensure key stakeholders involved in the contracting process are aware of program changes and current advice. For example, the development of more detailed internal guidelines to provide clear and consistent guidance for department stakeholders engaging directly with grantees in progressing approved projects to the funding deed stage.

*“Some organisations were not aware of changes that were made to the milestone payment structure. They were not aware that they would only get a small percentage upfront and then they would have to do the (capital) works and that included not only the shortfall in the grant but also their cash contribution because at the end they get reimbursed for the grant amount. So that did cause a problem with some organisations.”*

DRNSW Interviewee

In consultation with the Regional Programs Team, the GMO has also included as a requirement that applicants provide a COVID-19 Plan to advise how they will mitigate potential delays in project timelines.

*“COVID-19 really should have been highlighted to make sure that if you know the state goes into lockdown you have a COVID-19 Backup Plan or Proposal to vary your timelines and you know that it is something realistic not just a guess estimate.”*

DRNSW Interviewee

It has been agreed that the COVID-19 Plan will be assessed as part of the Viability Assessment process for Round Two of the RJCF.

**Recommendation: The Department could further streamline the contracting process by clarifying program requirements in the Guidelines, including the management of COVID-19 impacts on supply chains and labour availability, and improving the design of application forms to reduce the need for the GMO to clarify requirements and make additional information requests to grantees.**

**Recommendation: The Regional Programs Team should work with the GMO to ensure the internal guidelines for Round Two provide clear and consistent advice in relation to contracting processes and requirements prior to the launch of the program.**

**Recommendation: The Department should require applicants to provide a COVID-19 Plan to advise the department how they will mitigate potential delays in project completion timelines.**

**Considerations for other Programs: The requirement for a COVID-19 Plan should become a standard feature of Regional Growth Programs for the foreseeable future.**

Finding 6b. Reporting design could be tweaked to better manage and mitigate risks to government funding, noting this was a function of the imposed budget profile for Round One, and funding deed structure better communicated to applicants.

The GMO designed a specific Funding Deed template for Round One of the RJCF in consultation with the Regional Programs Team and Regional Development. The process was iterative with six versions of the

template created before a final design was accepted. The sample Funding Deed was provided on the RJCF website for applicants to view.

***The structure of the funding profile imposed by NSW Treasury means that all grant funding will be paid at the completion of capital works, rather than at the achievement of the project outcome of job creation which introduces risk for the Department.***

The use of stimulus funding for the program was a constraint on the Deed's design in terms of when funding needed to be paid to grantees to deliver projects by June 2022. For the RJCF, 30 to 40 percent of the grant was to be paid upfront as an initial payment with following payments for project and/or employment creation milestones. Business grantees were required to return grant payments already received if they fail to deliver agreed employment outcomes within three years of executing the Funding Deed.

From the GMO's perspective:

- Financial risk needs to be factored into the design of milestone payment structure for future rounds, as RJCF grant funding is tied to the delivery of jobs, not capital works. For example, DRNSW could retain between 10 to 20 per cent of grant funding until project completion to ensure that some funding could be held back in the event a grantee declares bankruptcy and is unable to complete the jobs delivery component of the project.
- Six monthly reporting should be replaced with quarterly reporting post completion of capital works due to the higher level of financial risk associated with the delivery of business projects. Quarterly reporting would provide DRNSW with a better gauge for identifying potential risks (such as lack of business growth) and enable earlier mitigation to guarantee government funding.

*"The problem is that our funding is actually not tied to the capital works ... it is based on delivery of the jobs. If in a year and a half we have paid them and they don't deliver the jobs they said in the Deed then we need to try and claw back that funding."*

*DRNSW Interviewee*

Future rounds of the RJCF should consider mechanisms to reduce the risk to the department of grantees not meeting their outcomes, such as holding over a small portion of funds until the grantee's job target has been met.

**Recommendation: For Round Two of the RJCF, the Department should set aside at least 10 per cent of total grant funding for final payment and replace six monthly reports with quarterly reporting post completion of capital works to better monitor the financial position of grantees and enable earlier mitigation to recover government funding when required.**

***The Funding Deed structure was appropriate, but required improved communication with BDMs and applicants***

Several Regional BDMs who participated in the Evaluation also highlighted risk as a key consideration for future RJCF Deed design. Their view was that DRNSW could place risk on grantees to deliver by basing payment on individual performance, rather than a set milestone structure.

*“We know with other funds that we have worked on is that (performance-based milestones) are a much better model so we can actually shorten the assessment period considerably because the risk is all with the business. You are not getting paid until you actually do what you say you are going to do. I know we wanted money out the door, but we would have been in contract with just about all of these projects a month or two ago had we actually designed this differently.”*

*“Performance-based milestones would also allow us to work more with say international businesses. We had two up here that were start-up companies ... neither of them were successful (in the grant round) and I think it was because the (Assessment) Panel wasn’t happy with the level of risk which you completely understand when we are giving them 40 per cent on signing of a Funding Deed. But if we were able to manage it on performance and you see them actually doing something before we give them the money.”*

*DRNSW Regional Development Network Interviewees*

There was also a view that milestones should be structured according to the needs of each grantee, as different project types have different requirements.

There are practical challenges with both suggestions of performance-based milestones and bespoke Deed structures:

- Performance-based milestones increase the risk that the Department will not meet the expenditure profile set by NSW Treasury, which can result in losing program funding.
- No upfront payment is challenging for some proponents, depending on their cashflow profile.
- Bespoke Deed structures take longer to negotiate and create a higher compliance workload for the GMO, which is impractical in programs with a short delivery timeframe.

On balance, this Process Evaluation found that within the constraints of the funding profile for Round One of the RJCF (and for Round Two) and the emphasis on economic stimulus through immediate investment, the structure of the Funding Deed was appropriate. However, there does need to be improved communication with applicants at the earliest stages about the way in which the grant will be paid to them so they can plan their project, and other sources of funding, accordingly.

**Recommendation: The structure of the Funding Deed needs to be more clearly explained to applicants at the earliest stages, to ensure they can plan accordingly. The milestone breakdown should be included in the Program Guidelines and there should be detailed FAQs and internal guidelines to ensure BDMs can answer questions accurately and comprehensively.**

## Evaluation Domain 7: Monitoring and Evaluation

*KEQ: Can the program be effectively evaluated*

**Finding 7a.** Current evaluation planning supports effective monitoring and evaluation of RJCF grants but will need reviewing on an ongoing basis to remain fit-for-purpose.

**Finding 7b.** Advice provided to applicants for describing project job outcomes could be clearer to ensure data collection consistency and quality.

<b>Recommendations for future RJCF Rounds</b>	<ul style="list-style-type: none"> <li>• The Program Monitoring and Evaluation Plan (PMEP) for the RJCF is updated prior to the commencement of any new funding rounds.</li> <li>• A new theory of change should be developed for any rounds funded beyond Round Two. An evidence review should be undertaken to ensure the program remains relevant and to alter the design if required.</li> <li>• Program Guidelines for Round Two of the RJCF include a standard definition for FTE. The FTE definition is also included application form and the Funding Deed templates.</li> <li>• An Outcomes Reporting Guidance Note is provided to recipients as part of the contracting process.</li> <li>• Jobs data by occupation classification (ANZSCO) should be collected to enable DRNSW to compile and analyse industry employment trends in FERs to identify needs.</li> </ul>
<b>Considerations for other Programs</b>	<ul style="list-style-type: none"> <li>• An Outcomes Reporting Guidance Note is provided to recipients as part of the funding deed negotiation.</li> </ul>

The purpose of this section is to assess the extent to which the program has effective monitoring and evaluation processes in place.

**Finding 7a. Current evaluation planning supports effective monitoring and evaluation of RJCF grants but will need reviewing on an ongoing basis to remain fit-for-purpose.**

The DPC, then lead agency for the evaluation of regional programs in NSW government agencies, developed a Program Evaluation Plan (PEP) in consultation with the Regional Programs Team at the commencement of Round One of the RJCF in mid-2020. This Plan was replaced with a more comprehensive PMEP in 2021, with DRNSW assuming responsibility for evaluating Regional NSW programs in late 2020.

The PMEP for Round One of the RJCF, developed by the Regional Programs Evaluation Team in consultation with the Regional Programs Team, aligns with the program's design and guidelines. The plan reflects broader changes to evaluation introduced by DRNSW following the implementation of an overarching Monitoring and Evaluation Strategy for Regional Growth and Recovery Programs. It includes a theory of change and complete program logic to assess RJCF outputs and outcomes and dedicated resources to its implementation.

The program logic articulates how the RJCF's objectives link with its grant activity and the DRNSW's Regional Programs Outcomes Framework. Following on from the program logic, the outcomes sought by the RJCF and how these will be measured are detailed in the PMEP. Appropriate indicators attached to the outputs and outcomes listed in the program logic have been selected for the program.

The monitoring and evaluation approach for the RJCF is designed around the program logic and is intended to regularly collect program and performance data. The monitoring approach provides ongoing oversight of the performance of the program, enabling early insights and opportunities for improvement prior to an evaluation. The monitoring includes applicant and grantee surveying, monitoring of delivery activities such as variation requests and regular analysis of grantee progress and acquittal reporting.

Current evaluation planning for the RJCF carries some risks in demonstrating the benefits of the program and setting up effective data collection mechanisms for any future program rounds if evaluation planning is not reviewed or updated in line with any significant changes to program design and Guidelines. The PMEP was recently updated in late 2021 to reflect the announcement of new funding for Round Two of the RJCF in 2022. While at this stage there are no plans to conduct further Rounds of this program beyond Round Two, a review of monitoring and evaluation considerations will need to be made if future rounds are announced.

***An assessment of the quality of project completion reports submitted for Round One grants provides an opportunity for the Regional Programs Evaluation Team to review the appropriateness of the PMEPs design.***

The program would benefit from theory of change development for future rounds based on an evidence review to create more specific solutions for driving investment that will create sustainable employment opportunities.

As part of evaluation planning processes, the Regional Programs Evaluation Team worked with the Regional Programs Team to develop a basic, narrative-based theory of change for the RJCF. The theory of change was developed retrospectively for the program mid-way in 2021, as Round One of the RJCF had already been designed, with the commencement of the funding round in October 2020.

The theory of change articulated how the RJCF:

- contributes to economic recovery and resilience of NSW regions by driving investment and job creation
- by offering co-funding to businesses to activate or bring forward regional projects in engine, enabling or emerging engine industries in FERs throughout regional NSW LGAs.

The theory of change for Rounds One and Two of the RJCF is summarised in Figure 13.

**Figure 13 | Theory of Change summary for RJCF**

**Problem statement:** The impacts of drought, fire and flood have compounded the economic effects of the COVID-19 pandemic in regional NSW. The lack of economic diversity and job opportunities also limits the ability of regional NSW to attract investment and adapt to a changing economic environment. Regional residents need to be skilled and responsive to industry demands and regional NSW's merits need to be promoted. Without additional government investment, regional economic recovery and future development will be a significant challenge.

**If we...** provide businesses or cooperatives with access to funding to assist them to deliver projects aligned with relevant Regional Economic Development Strategies (REDS) and/or the NSW Government's *20-year Economic Vision for Regional NSW*,

**Then...** businesses and co-operatives will invest in projects that stimulate engine and enabling industries and diversify the skills base in local communities,

**So that...** jobs are created and retained, businesses gain confidence in relocating to regional areas or accelerate projects which in turn encourages further investment. This will lead to sustainable employment and stronger and more resilient regional economies.

**Source:** *RJCF Rounds One & Two PMEP, accessed November 2021*

The analysis undertaken in this Process Evaluation highlighted the complexity of the program's design in responding to multiple policy priorities. On the one hand, the RJCF was designed as a stimulus measure to activate business and employment activity in regional NSW, on the other, outcomes look to long term investment (for example, sustainable jobs growth).

The development of a theory of change based on an in-depth literature and evidence review would help clarify the purpose of the RJCF and to develop more tailored responses to support regional investment and job creation in regional NSW.

A comprehensive, evidence-informed theory of change would also enable a stronger program logic, which sets out the exact activities, outputs and outcomes to be measured. Monitoring data collected during Rounds One and Two of the RJCF would be a critical evidence source for indicating whether and how the program is working.

**Recommendation: The PMEP for the RJCF should be updated prior to the commencement of any new funding rounds.**

**Recommendation: A new theory of change should be developed for any rounds funded beyond Round Two. An evidence review should be undertaken to ensure the program remains relevant and to alter the design if required.**

### Finding 7b. Advice provided to applicants for describing project job outcomes could be clearer to ensure data collection consistency and quality.

Round One of the RJCF is expected to create over 5,000 new direct jobs (FTE). The data used to calculate this jobs target was extracted from pre-project data provided by grantees in their applications and confirmed in executed Funding Deeds.

Applicants could access program guidance about describing and estimating job outcomes created by their business projects from two key sources:

- Application forms and business data sheet (completed as part of the detailed application)
- Sample Funding Deed.

While the Guidelines reference as a requirement that projects must create at least 5 FTE jobs to be eligible to apply for RJCF funding, a standard definition of FTE employment was not provided as a guidance note for applicants. An hours-based threshold of 35 hours per week to calculate full-time and part-time job creation was provided in the data sheet accompanying the detailed application form.

At the detailed application stage, applicants were asked to report on how many jobs and other quantifiable benefits their project would create over the first three years of the project (at a minimum). Table 3 shows standard questions and prompts applicants were asked to respond to in describing project outcomes and project specific job estimates in their detailed applications. It also lists specific changes to this guidance that this Evaluation suggests should be made in future rounds to ensure clarity and consistency in reporting guidance.

#### Table 3 | Application form job outcome questions

Detailed Application	Recommended changes to guidance on describing jobs outcomes
<p>How many new jobs (FTE) will be created during the construction phase of your project?</p> <p>Must be a number.</p>	<ul style="list-style-type: none"> <li>• Question asks applicants to estimate ‘number of FTE employed directly to deliver the project and construction of the infrastructure’</li> <li>• ‘FTE employment’ standard definition is provided in application form for Round 2 applicants to estimate and calculate full-time jobs to be created by the project</li> </ul>
<p>How many indirect jobs will your project create?</p> <p>Must be a number.</p>	<ul style="list-style-type: none"> <li>• Suggest this be removed from reporting requirements, as data is typically unreliable.</li> </ul>
<p>How many sustainable jobs (FTE) will your project create?</p> <p>Must be a number.</p> <p>Employment outcomes may be achieved over a 3-year period from project commencement but must be in place for at least 6 continuous months before the 3-year period ends.</p>	<ul style="list-style-type: none"> <li>• Prompt provided to applicants on definition of a ‘sustainable job {FTE}’ should be provided in Program Guidelines, application forms and the sample Funding Deed, to ensure consistency in description and reporting of this job outcome</li> </ul>
<p>Will your project contribute to youth and/or Aboriginal employment and training outcomes or local or regional supply chains?</p> <p>Yes or No</p>	<ul style="list-style-type: none"> <li>• Apply age grouping for youth employment (15 to 24 years), as per <i>ABS Labour Force Statistics</i> to all program documentation, including Program Guidelines, application forms and the Funding Deed template</li> </ul>
<p>How will your project contribute to youth and/or Aboriginal employment or training outcomes or local or regional supply chains?</p>	<ul style="list-style-type: none"> <li>• Apply age grouping for youth employment (15 to 24 years), as per <i>ABS Labour Force Statistics</i> to all program documentation, including Program Guidelines, application forms and Funding Deed template.</li> <li>• If applicable, ask applicant to specify level of training outcome: Traineeship/Trade Apprenticeship, Diploma or Higher, Certificate IV, Certificate III, Certificate II, Other training OR</li> <li>• If applicable, ask applicant to provide a summary (200 words) of how the project will address a supply chain vulnerability for a critical product</li> <li>• This data should be consistent across the application form and Funding Deed templates.</li> </ul>
<p>How will these benefits be measured?</p>	<ul style="list-style-type: none"> <li>• Completion of project deliverables and jobs growth data are listed as two measures Other potential measures could be added to an Outcomes Reporting Guidance Note to be included as part of the support application package.</li> </ul>

Detailed Application	Recommended changes to guidance on describing jobs outcomes
Please upload any supporting evidence on how your project will contribute to youth and/or Aboriginal employment.	<ul style="list-style-type: none"> <li>• Include prompts for applicants to ensure accuracy and correct titling of attached supporting evidence</li> </ul>
Please outline any other expected benefits of the project and how they will be measured.	<ul style="list-style-type: none"> <li>• Provide examples to further clarify other potential benefits that projects could generate aside from jobs and training outcomes</li> </ul>

**Source: RJCF Round One detailed application form template, accessed November 2021**

Along with the detailed application form, applicants could preview grantee requirements for reporting jobs data from a sample Funding Deed on the RJCF webpage:

- **Project details** – asks grantees to provide baseline project data on their current workforce (pre-project FTE jobs)
- **Schedule A Project Plan** – asks grantees to advise the agreed number of new jobs they commit to deliver under Jobs Growth Reporting
- **Evidence of agreed Job Creation** – asks grantees to provide evidence on the progress of jobs growth from the project in progress reporting.

Table 4 below provides a summary of guidance provided in the Funding Deed for reporting jobs outcomes.

**Table 4 | Funding Deed & Acquittal Reporting - RJCF**

Baseline project data	Jobs Growth Reporting	Progress Reporting
Number of current FTE positions within your organisation	Anticipated total number of new ongoing FTE jobs are being created with delivery of this project	Progress reporting will be required for Activity 3 – Evidence of Agreed Job Creation regarding the delivery of jobs growth.
Number of current FTE positions that identify as Aboriginal and Torres Strait Islander	FTE is calculated by a person being employed for 35 hrs per week and for a period of 6 months continuously	This will occur 6 monthly until agreed jobs creation has been completed.
Number of current FTE positions that identify as youth (aged up to 24 years)	Which industry/category will your new FTE positions be created in? Drop down menu	Evidence requirements: You will be required to provide information on the project's employment deliverability that will include (but not limited to);
Number of current FTE apprentices/trainees within your organisation	Of these, how many new FTE positions are expected to be filled by people with an Aboriginal and Torres Strait Islander background?	<ul style="list-style-type: none"> <li>• Employee ID number</li> <li>• Date FTE commencement</li> <li>• Date FTE completed (if applicable)</li> <li>• Average hours per week</li> <li>• Additional information as requested by the Department</li> </ul>
Number of current FTE apprentices/trainees within your organisation from Regional NSW	Of these, how many new FTE positions will be filled by young people (up to 24 years)? Number of construction and temporary jobs that will be generated during capital works delivery.	

Baseline project data	Jobs Growth Reporting	Progress Reporting
	<p>Figures listed here are separate from jobs being delivered at project completion.</p> <p>If you have not received this funding, what number of existing jobs (if any)</p> <p>If you didn't receive this funding how many jobs would have moved interstate?</p> <p>Due to this project being funded, have any additional jobs been relocated to NSW from interstate?</p> <p>With this funding, have any jobs require [sic] relocation to NSW from interstate?</p>	

**Source: RJCF Round One Funding Deed template, accessed November 2021**

While jobs outcomes reporting described in the Funding Deed supports the baseline collection of data to evaluate FTE jobs growth in Round 1 of the program, questions designed to measure change and progress in FTE apprentices/trainees' growth require standard definitions to ensure consistency in reporting by grantees.<sup>13</sup>

As with the application form, guiding questions and prompts in the Funding Deed designed to elicit FTE jobs growth about project impact need further clarity and consistency regarding the definition of 'sustainable FTE'. While the program's primary intent is to create ongoing jobs by bringing forward business investment in capital works, questions guiding jobs growth reporting in the Funding Deed focus on the more short-term job creation outcomes during the delivery of the project and construction phase of the project.

Some internal stakeholders interviewed for this Evaluation suggested that RJCF had the potential to collect further jobs data. One DRNSW Regional Network stakeholder saw Round One in of the RJCF as a 'missed opportunity' to collect data on the types of occupations created by the program across different sectors to enable DRNSW to better track employment and training trends and needs across the regions.

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<sup>13</sup> Training NSW Policy and Procedures, accessed from [https://www.training.nsw.gov.au/apprenticeships\\_traineeships/policy/policy\\_procedures/index.html](https://www.training.nsw.gov.au/apprenticeships_traineeships/policy/policy_procedures/index.html)

*“I would love to see a few extra questions in the application form that actually asks the type of job that is being created so that at the end of the program we (DRNSW) can actually just pull out all of that (jobs data) across the whole state and have a really nice map of these are the types of jobs for each sector that are going to be guaranteed because of the program. That then gives us (DRNSW) the ability to give that information to other skills providers (such as TAFE) and other people who we want to start making sure that (training) courses are in the right regional location to make sure that we are actually skilling people up for the projects that are coming down the pipeline.”*

*DRNSW Regional Development Network Interviewee*

With greater guidance for jobs data collection provided in the application form, the program will be able to predict the jobs outcomes more confidently. For the RJCF and other programs, more detailed advice on reporting obligations and expected data collection across a range of outcomes should be provided at the funding deed negotiation stage for grant recipients, in the form of an Outcomes Reporting Guidance Note.

**Recommendation: An Outcomes Reporting Guidance Note is provided to recipients as part of the contracting process.**

**Recommendation: Jobs data by occupation classification (ANZSCO) should be collected as jobs outcomes reporting to enable DRNSW to compile and analyse industry employment trends in FERs to identify needs.**

**Considerations for other Programs: An Outcomes Reporting Guidance Note is provided to recipients as part of the funding deed negotiation.**

## Appendix A: Document review

Evaluation Domain	Documents reviewed
<p>1. Overview of Program Results</p> <p>What happened?</p>	<p>Brief to Deputy Secretary of DRNSW</p> <p>Program data – Projects approved for Funding, Unsuccessful applications, Withdrawals</p> <p>Analysis of distribution of RJCF funding by FER, industry and sector</p> <p>Analysis of application, approval and notification timeframes</p> <p>RJCF Round 1 Program Guidelines</p>
<p>2. Program Design</p> <p>Was the program design appropriate?</p>	<p>Regional NSW Business Investment Program (RNBIP) early concept paper</p> <p>Cabinet submission – RJCF Guidelines</p> <p><i>NSW Government's 20-Year Economic Vision for Regional NSW</i></p> <p>Regional Economic Development Strategies (REDS)</p> <p>RJCF Round One Program Guidelines</p> <p>Internal guidelines</p> <p>External Frequently Asked Questions (FAQs)</p> <p>Assessment Methodology</p> <p>Probity Plan</p> <p>Risk Register</p> <p>Communications and Engagement Plan</p> <p>Communications Strategy</p>
<p>3. Program Administration</p> <p>Was the program set up for success?</p>	<p>Project Plan</p> <p>Project Budget</p> <p>Risk Register</p> <p>Issues Register</p> <p>Assessment Methodology</p> <p>Probity Plan</p> <p>Communications and Engagement Plan</p> <p>Communications Strategy</p> <p>Program Budget</p> <p>Financial Tracking of Funding Distribution</p> <p>NSW Treasury Risk Management Policy</p>

Evaluation Domain	Documents reviewed
<p>4. Program Application Process</p> <p>Was the application process fit-for-purpose?</p>	<p>RJCF Round One Program Guidelines</p> <p>External FAQs</p> <p>Application form and business data sheet templates</p> <p>Eligibility Checklist</p> <p>IAU Data Sheet Template</p> <p>Webinar/Information sessions</p> <p>Engagement Register</p>
<p>5. Application Assessment Process</p> <p>Were applications assessed appropriately and transparently?</p>	<p>RJCF Round One Program Guidelines</p> <p>RJCF Round One internal guidelines</p> <p>Assessment Methodology</p> <p>Help Guides for Assessments</p> <p>Assessment Panel minutes and papers</p> <p>Sample of Assessments – Eligibility, Deliverability Review, Economic and Financial Assessment, Strategic Alignment</p> <p>Analysis of RJCF Distribution by FER, Industry and Sector</p> <p>Notification Letters, incl. feedback on unsuccessful applications</p> <p>Conflict-of-Interest Register</p> <p>Feedback Register</p>
<p>6. Funding Deed Execution</p> <p>Was the contracting process fit-for-purpose?</p>	<p>RJCF Round One Program Guidelines</p> <p>RJCF Round One internal guidelines</p> <p>Sample of executed Funding Deeds</p> <p>Sample of completed administration forms</p> <p>Sample of detailed application forms</p>
<p>7. Monitoring and Evaluation</p> <p>Can the program be effectively evaluated?</p>	<p>RJCF Round One Program Guidelines</p> <p>Program Evaluation Plan (PEP)</p> <p>Program Monitoring and Evaluation Plan (PMEP), incl. Program Logic</p> <p>Detailed application form and accompanying business data sheet templates</p> <p>Sample Funding Deed</p> <p>Milestone Reporting template</p>

## Appendix B: Unsuccessful applicant Survey (Stage 1)

### Introduction

You are being invited to take part in this survey because you recently applied for grant funding through the Regional Job Creation Fund (RJCF) administered by the Department of Regional NSW (DRNSW). This survey is intended to help us to understand and improve our future grant application and assessment processes.

This survey is voluntary and anonymous, and your grant funding will not be affected in any way if you choose to participate or not. It is best for this survey to be completed by someone who was involved in the application process.

This survey is consistent with the *Privacy and Personal Information Protection Act 1998 (NSW)*. Any identifying information will be de-identified and aggregated prior to being reported.

Are you happy to continue?

- Yes
- No

About you and your project

*This information will be used to assist in our analysis and will not be used for identification purposes.*

1. Which type of application did you submit to the Regional Job Creation Fund?

- Preliminary application
- Detailed application

2. Where is the project you applied for located? (Select all that apply – see regions definitions at <http://www.regional.nsw.gov.au/our-work/pwa-rd/regional-development>)

- Far West
- New England and North West
- North Coast
- Central West and Orana
- Hunter
- Central Coast
- Greater Sydney
- Riverina Murray
- Illawarra-Shoalhaven
- South East and Tablelands
- Unsure

3. Which statement best reflects your previous grant application experience?

- I have lots of experience applying for grants

- I have some experience applying for grants
- This is the first grant I have applied for

4. To what extent do you consider the program’s objectives to be aligned to the priority needs of your community and/or industry?

- Highly
- Moderately
- Neutral
- Not very
- Not at all

Application process:

5. How did you first hear about the program?

- DRNSW website
- Newspaper
- Social media
- Newsletter
- Direct communication from DRNSW
- Other \_\_\_\_\_

6. Was this the best way for you to hear about it?

- Yes
- No

7. Why/why not? [Free text]

8. How helpful were the following resources in developing your application?

	Not helpful	Somewhat unhelpful	Neither helpful or un-helpful	Helpful	Very helpful	Did not access
Program Guidelines						
Webinar/Information sessions						
DRNSW website (incl. FAQs)						

9. Did you access any other resources?

- Yes
- No

10. What else did you access? How helpful did you find the resources? [Free text]

11. Did you receive assistance from the Regional Network Business Development Manager during the application process?

- Yes
- No

12. To what extent was the assistance provided by the Regional Network Business Development Manager (BDM) useful to your application?

Not at all	Not very	Neutral	Somewhat	Very satisfied

13. Why did you rate the statement in this way? [Free text]

14. Using the scale below, how strongly do you agree with each the following statements?

	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
The objective/s of the program was/were easy to understand					
I understood how my application would be assessed					
Overall, I had enough information from DRNSW to help prepare my application					
The application assessment process was transparent					
I was notified of the outcome of my application in a timely manner					

15. Did you contact DRNSW for any advice during the preliminary application process? For example, the Department’s 1300 number or enquiry mailbox.

- No [Go to Question 18]
- Yes

16. Using the scale below, how strongly do you agreed with the following statement?

	Strongly disagree	Disagree	Neutral	Strongly Agree	Not applicable
The advice provided by DRNSW addressed my specific question/s					

17. Why did you give this rating? [Free text]

Application outcome:

18. Were you informed why your application was unsuccessful?

- No
- Yes

19. Following notification of your application outcome, did you seek and/or receive feedback from DRNSW?

- Sought and received
- Sought, but did not receive
- Did not seek feedback [Go to Question 21]

20. Was the feedback helpful to you? [Free text]

Not at all helpful	Somewhat unhelpful	Neither helpful or unhelpful	Helpful	Very helpful

Program alignment with community needs and project:

21. To what extent did RJCF align with the priority economic and business needs of your region and sector/industry?

Not at all	Not very	Neutral	Somewhat	Very targeted

22. Why did you give this rating? [Free text]

Overall satisfaction:

23. To what extent were you **satisfied overall** with the application and assessment experience?

Not at all	Not very	Neutral	Somewhat	Very satisfied

24. Why did you give this rating? [Free text]

Close:

25. Do you have any final comments or feedback for DRNSW? [Free text]

Self-nomination for interview:

Would you be willing to participate in a short (15 minute) confidential interview with the Department's Regional Programs Evaluation Team?

Learning about your experiences with RJCF is critical for DRNSW to make ongoing improvements to regional programs.

Your Title and full name	
Organisation	

Position	
Email	
Phone contact	

## Appendix C: Unsuccessful applicant Survey (Stage 2)

### Introduction

You are being invited to take part in this survey because you recently applied for grant funding through the Regional Job Creation Fund (RJCF) administered by the Department of Regional NSW (DRNSW). This survey is intended to help us to understand and improve our future grant application and assessment processes.

This survey is voluntary and anonymous, and your grant funding will not be affected in any way if you choose to participate or not. It is best for this survey to be completed by someone who was involved in the application process.

This survey is consistent with the *Privacy and Personal Information Protection Act 1998 (NSW)*. Any identifying information will be de-identified and aggregated prior to being reported.

Are you happy to continue?

- Yes
- No

Your project:

1. In which region(s) was your proposed project located? *[Select all that apply]*

- Far West
- New England and North West
- North Coast
- Central West and Orana
- Hunter
- Central Coast
- Riverina Murray
- Illawarra-Shoalhaven
- South East and Tablelands
- Unsure

See [Our Regions](#)

2. Which statement best describes your previous experience in applying for grants?

- I have lots of experience applying for grants
- I have some experience applying for grants
- This is the first grant I have applied for

Application process:

3. How did you hear about RJCF?

- DRNSW's website
- Social media
- Media [i.e., Newspaper]
- Newsletter [i.e., Council]
- Direct communication from DRNSW
- Word of mouth
- Other [Please specify]

4. How helpful were the following in your developing your application?

	Not helpful	Somewhat unhelpful	Neither helpful or unhelpful	Helpful	Very helpful	Did not access
Program Guidelines						
Eligibility Criteria						
Assessment Criteria						
Pre-application webinar						
DRNSW website (i.e., FAQs)						
Application Forms						
Business Data Sheet						
Relevant REDS						
Sample Funding Deed						

5. Using the scale below, how strongly do you agree with each of the following statements?

	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
The objective of the program was easy to understand					
I understood how my application would be assessed					

Overall, I had enough information from DRNSW to help prepare my application, including business data sheet					
The application assessment process was transparent					

6. Did you contact DRNSW for any advice during the application process? For example, DRNSW’s 1300 number or enquiry mailbox

- No [Go to Question 9]
- Yes

7. Using the scale below, how strongly do you agree with each of the following statements?

	Strongly disagree	Disagree	Neutral	Strongly Agree	Not applicable
The advice provided by DRNSW addressed my specific question/s					

8. Why did you give this rating?

9. Did you receive assistance from a DRNSW Business Development Manager (BDM) to complete your application?

- No [Go to Question 12]
- Yes [Preliminary Application only]
- Yes [Detailed Application only]
- Yes [Both Preliminary and Detailed Applications]

10. To what extent was the assistance provided by the BDM useful for your application?

Not at all useful	Not very useful	Neutral	Useful	Very useful

11. Why did you give this rating? [Free text]

Application outcome:

12. Were you informed why your application was unsuccessful?

- No
- Yes

13. Following notification of your application outcome, did you seek and/or receive feedback?

- Sought and received
- Sought, but did not receive
- Did not seek feedback [Go to Question 15]

14. Was the feedback helpful to you?

Not at all helpful	Somewhat unhelpful	Neither helpful or unhelpful	Helpful	Very helpful

Program alignment with community needs and project:

15. To what extent did RJCF align with the priority economic and business needs of your region and sector/industry?

Not at all	Not very	Neutral	Somewhat	Very satisfied

16. Why did you give this rating? [Free text]

Overall satisfaction:

17. To what extent were you satisfied overall with the application and assessment experience?

Not at all	Not very	Neutral	Somewhat	Very satisfied

Close:

18. Do you have any final comments or feedback for DRNSW? [Free text]

Self-nomination for interview:

Would you be willing to participate in a short (15 minute) confidential interview with the Department's Regional Programs Evaluation Team?

Learning about your experiences with RJCF is critical for DRNSW to continue to make ongoing improvements to our regional programs.

Your Title and full name	
Organisation	
Position	
Email address	
Phone contact	

## Appendix D: Successful applicant Survey (Stage 2)

Timing: After notification of assessment outcome

Preamble:

You are being invited to take part in this survey because you recently applied for grant funding through the Regional Job Creation Fund (RJCF) administered by the Department of Regional NSW (DRNSW). This survey is intended to help us to understand and improve our future grant application and assessment processes.

This survey is voluntary and anonymous, and your grant funding will not be affected in any way if you choose to participate or not. It is best for this survey to be completed by someone who was involved in the application process.

This survey is consistent with the *Privacy and Personal Information Protection Act 1998 (NSW)*. Any identifying information will be de-identified and aggregated prior to being reported.

Are you happy to continue?

- Yes
- No

Your project:

1. In which region(s) was your proposed project located? *[Select all that apply]*

- Far West
- New England and North West
- North Coast
- Central West and Orana
- Hunter
- Central Coast
- Riverina Murray
- Illawarra-Shoalhaven
- South East and Tablelands
- Unsure

See [Our Regions](#)

2. Which statement best describes your previous experience in applying for grants?

- I have lots of experience applying for grants
- I have some experience applying for grants
- This is the first grant I have applied for

Application process:

3. How did you hear about RJCF?

- DRNSW's website
- Social media
- Media [i.e., Newspaper]
- Newsletter [i.e., Council]
- Direct communication from DRNSW

- Word of mouth
- Other [Please specify]

4. Was this the best way for you to hear about it?

- Yes
- No

5. Why/why not? [Free text]

6. How helpful were the following in your developing your application?

	Not helpful	Somewhat unhelpful	Neither helpful or unhelpful	Helpful	Very helpful	Did not access
Program Guidelines						
Eligibility Criteria						
Assessment Criteria						
Pre-application webinar						
DRNSW website (i.e., FAQs)						
Application Forms						
Business data sheet						
Relevant REDS						
Sample Funding Deed						

7. Did you access any other resources to complete the application? If yes, please provide detail.

- No
- Yes [Free text]

8. Using the scale below, how strongly do you agree with each of the following statements?

	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
The objective of the program was easy to understand					
I understood how my application would be assessed					

Overall, I had enough information from DRNSW to help prepare my application, including business data sheet					
The application assessment process was transparent					

9. Did you contact DRNSW for any advice during the application process? For example DRNSW’s 1300 number or enquiry mailbox.

- No [Go to Question 12]
- Yes

10. Using the scale below, how strongly do you agree with the following statement?

	Strongly disagree	Disagree	Neutral	Strongly Agree	Not applicable
The advice provided by DRNSW addressed my specific question/s					

11. Why did you give this rating? [Free text]

12. Did you receive assistance from a DRNSW Business Development Manager (BDM) to complete your application?

- No [Go to Question 15]
- Yes [Preliminary Application only]
- Yes [Detailed Application only]
- Yes [Both Preliminary and Detailed Applications]

13. To what extent was the assistance provided by the BDM useful for completing your application?

Not at all useful	Not very useful	Neutral	Useful	Very useful

14. Why did you give this rating? [Free text]

Program alignment with community needs and project:

15. To what extent did the RJCF align with the priority economic and business needs of your region and sector/industry?

Not at all	Not very	Neutral	Somewhat	Very targeted

16. Why did you give this rating? [Free text]

Application outcome:

17. Using the scale below, to what extent were you **satisfied overall** with the application an assessment experience?

Not at all	Not very	Neutral	Somewhat	Very satisfied

18. Why did you give this rating? [Free text]

Funding deed:

19. Using the scale below, to what extent were you **satisfied overall** with the negotiation of the funding deed with DRNSW?

Not at all	Not very	Neutral	Somewhat	Very satisfied

20. Why did you give this rating? [Free text]

Close:

21. Do you have any final comments or feedback for DRNSW? [Free text]

Self-nomination for interview:

Would you be willing to participate in a short (15 minute) confidential interview with the Department's Regional Programs Evaluation Team?

Learning about your experiences with RJCF is critical for DRNSW to continue to make ongoing improvements to our regional programs.

Your Title and full name	
Organisation	
Position	
Email address	
Phone contact	

## Appendix E: RJCF Grantee Interview Guide

### Introduction

Thank you for agreeing to participate in a 15-minute interview about your experience applying for the Regional Job Creation Fund (RJCF).

Your participation in this interview is voluntary and confidential, and your eligibility to apply for future grant funding will not be affected in anyway if you choose to participate or not.

With consent from you, we will record and transcribe the interview to assist us in collecting interview data. Interview transcripts will be treated as confidential information. It is your decision as to whether you agree for the interview to be recorded.

The interview is consistent with the *Privacy and Personal Information Protection Act 1998 (NSW)*. Any identifying information will be de-identified and aggregated prior to being reported.

As with the survey you completed, the interview is intended to help us to understand and improve our future grant application and assessment processes. We thank you for your time in sharing your experience.

#### Questions

The questions below have been prepared for the interview and others may arise during the course of the interview. During the interview, you may decline to answer any question or withdraw at any time.

Theme	Question
Application process	To what extent was the application process clear to follow?
	Did you access support from a DRNSW Business Development Manager? Why/Why not?
	How could communications with applicants regarding timeframes, the assessment process and notification of outcome be improved?
	How could the application process be improved?
Funding deed negotiation	Are there any improvements that could be made to the funding deed negotiation process?
General observations	Would you apply for a RJCF grant in the future? Why or why not?
	Any final comments you would like to make?

## Appendix F: RJCF Unsuccessful Applicant Interview Guide

#### Introduction

Thank you for agreeing to participate in a 15-minute interview about your experience applying for the Regional Job Creation Fund (RJCF).

Your participation in this interview is voluntary and confidential, and your eligibility to apply for future grant funding will not be affected in anyway if you choose to participate or not.

With consent from you, we will record and transcribe the interview to assist us in collecting interview data. Interview transcripts will be treated as confidential information. It is your decision as to whether you agree for the interview to be recorded.

The interview is consistent with the *Privacy and Personal Information Protection Act 1998* (NSW). Any identifying information will be de-identified and aggregated prior to being reported.

As with the survey you completed, the interview is intended to help us to understand and improve our future grant application and assessment processes. We thank you for your time in sharing your experience.

#### Questions

The questions below have been prepared for the interview and others may arise during the course of the interview. During the interview, you may decline to answer any question or withdraw at any time.

Theme	Question
Application process	To what extent was the application process clear to follow?

	Did you access support from a DRNSW Business Development Manager? Why/Why not?
	How could the application process be improved?
Assessment of application	What information about the assessment process needed to be clearer?
	Did you feel that the assessment criteria would provide a fair assessment of the merits of your application? Why or why not?
Notification of outcome	How could communications with applicants regarding timeframes and notification of outcome be improved?
General observations	Would you apply for a RJCF grant in the future? Why or why not?
	Any final comments you would like to make?

## Appendix G: Regional Development Network Survey

### Introduction

The Department of Regional NSW (DRNSW) Regional Programs Evaluation Team is conducting a Process Evaluation of the Regional Job Creation Fund (RJCF). The Process Evaluation will be used to inform continuous improvement of the program design and applications process of the RJCF and other Regional Programs.

The views of the Regional Development Network are crucial to understanding the appropriateness, effectiveness and efficiency of the RJCF process. Your responses will be confidential and will be analysed by the Regional Programs Evaluation Team. The outcomes of the survey will be reported in aggregate, and no identifying information will be published.

It should take less than 10 minutes to complete the survey. Survey responses must be submitted by **COB 27 October 2021**.

Should you have any queries about the survey, or the Process Evaluation, please contact [evaluation@regional.nsw.gov.au](mailto:evaluation@regional.nsw.gov.au) (<mailto:evaluation@regional.nsw.gov.au>)

Your assistance to support the continuous improvement of our programs is greatly appreciated.

### Program design & promotion

1. To what extent does RJCF align with the priority economic and business needs of your region and FER?\*

- To a great extent
- To a moderate extent
- Neutral
- To a small extent
- Not at all

2. How well does the intent of RJCF align with the priorities of the relevant Regional Economic Development Strategy (REDS)?

- To a great extent
- To a moderate extent
- Neutral

- To a small extent
- Not at all

3. How successfully was RJCF promoted to the target audience?

- To a great extent
- To a moderate extent
- Neutral
- To a small extent
- Not at all

4. To what extent were you involved in identifying potential projects for RJCF?

- To a great extent
- To a moderate extent
- Neutral
- To a small extent
- Not at all

6. Please elaborate on your answer, if you wish.

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7. To what extent was the information required of applicants at each application stage appropriate?

- To a great extent
- To a moderate extent
- Neutral
- To a small extent
- Not at all

8. Please elaborate on your answer, if you wish.

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9. How many applicants did you assist in developing a **preliminary** application?

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10. How many applicants did you assist to develop a **detailed** application?

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11. What types of assistance did you provide to these applicants?

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12. Were there particular areas of the application you noticed were particularly challenging for applicants?

13. How well did the Program Team prepare and support you to provide this assistance?

14. Please elaborate on your answer, if you wish.

**Funding Deeds and Project delivery**

15. Please describe the support you've provided to grantees in the funding deed negotiation process and/or ongoing monitoring of approved projects, if applicable.

16. How well did the Grants Management, Evaluation and Reporting team support you to undertake this role?

17. Please elaborate on your answer, if you wish.

**Overall impressions**

18. Please indicate the extent to which you agree with the following statements about the RJCF process?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The application process was commensurate to the available grant funding					

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The application process was easy for applicants to understand					
Applicant decisions were made transparently					
Prior to the most recent tranche, application assessment decisions were made and communicated in a timely manner.					

20. What impact has the change in approval process had for you in your role?

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21. Do you have any suggestions for RJCF?

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22. Any other feedback you would like to provide on the RJCF process?

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## Appendix H: Program team Interview Guide

### Background

The DRNSW Regional Programs Evaluation Team is conducting a Process Evaluation of the Regional Job Creation Fund (RJCF), as part of our routine monitoring and evaluation for continuous improvement of our program processes. The evaluation assesses the appropriateness, effectiveness and efficiency of key DRNSW process elements from the program design through to the point of funding deed negotiation.

Your participation in this interview is voluntary and confidential.

## Questions

The interview will be semi-structured. See below the types of topics we intend to cover, though there will be time to explore other relevant themes that arise during the conversation.

Theme	Question
Program design	How was the original concept developed?
	What stakeholder consultation was conducted as part of design?
	How were needs identified?
	What were the core objectives identified for the program?
	What Departmental policies and/or strategies were considered while developing the objectives and program logic?
Program Administration	Were you able to meet all publicly communicated timeframes? Why/why not?
	Did you have the resourcing and access to expertise required to effectively administer the program?
	How did the engagement of BDMs in the application process impact the reach of the program and application quality?
	What governance mechanisms were put in place to ensure accountability, fairness and funding transparency?
	How were roles and responsibilities for governance and probity articulated to DRNSW staff involved in program administration?
Application process	How did the rolling application phase work in practice? What were the benefits and challenges of this approach?
	Was the two-stage application process fit-for-purpose?
	How would you describe the quality of applications received?
	How well did the assessment process support the selection of quality applications for funding?
	How did the approval process ensure fairness, accountability and transparency in funding decision-making?
	How did the program respond to the change in approval process?
Monitoring and evaluation	Is the PMEP clear, easy to understand, and achievable / feasible to implement?
	Are the appropriate data collection mechanisms in place for monitoring and data collection throughout the implementation period?

Overall impressions	What worked particularly well in the program?
	What do you think could have been done differently to improve the program?

## Appendix I: GMO Interview Guide

### Background

The DRNSW Regional Programs Evaluation Team is conducting a Process Evaluation of the Regional Job Creation Fund (RJCF), as part of our routine monitoring and evaluation for continuous improvement of our program processes. The evaluation assesses the appropriateness, effectiveness and efficiency of key DRNSW process elements from the program design through to the point of funding deed negotiation.

Your participation in this interview is voluntary and confidential.

### Questions

The interview will be semi-structured. See below the types of topics we intend to cover, though there will be time to explore other relevant themes that arise during the conversation.

- What are your general reflections on rolling funds from a contracting perspective? What are the general benefits and challenges?
- With respect to RJCF, we understand the process to contract was a little different (no EFT). Can you please talk us through the rationale and impact of that change.
- How well did the guidelines and application process set up the funding deed negotiation process?
- What was the level of awareness of the funding deed process among grant recipients?
- Were funding deeds able to be established efficiently? Why/why not?
- Were funding deeds able to be executed within the specified timelines?

## Appendix J: Assessor Interview Guides

### DRNSW, Public Works Advisory (PWA) Deliverability Review

#### Background

The DRNSW Regional Programs Evaluation Team is conducting a Process Evaluation of the Regional Job Creation Fund (RJCF), as part of our routine monitoring and evaluation for continuous improvement of our program processes. The evaluation assesses the appropriateness, effectiveness and efficiency of key DRNSW process elements from the program design through to the point of funding deed negotiation.

Your participation in this interview is voluntary and confidential.

#### Questions

The interview will be semi-structured. See below the types of topics we intend to cover, though there will be time to explore other relevant themes that arise during the conversation.

Theme	Question
Preparation	To what extent did you feel suitably prepared to undertake Deliverability Assessments of applications?

	Was your role and responsibilities for this assessment process clearly communicated?
Assessment	Were the program objectives and assessment criteria clear?
	How well did the Assessment Methodology support the assessment process?
	To what extent did the assessment process meet your expectations in terms of rigour, fairness and transparency in funding decision-making?
General observations	What worked particularly well in the process?
	What could be improved in the future?

## DRNSW, Office for Regional Economic Development (ORED) Strategic Alignment

### Background

The DRNSW Regional Programs Evaluation Team is conducting a Process Evaluation of the Regional Job Creation Fund (RJCF), as part of our routine monitoring and evaluation for continuous improvement of our program processes. The evaluation assesses the appropriateness, effectiveness and efficiency of key DRNSW process elements from the program design through to the point of funding deed negotiation.

Your participation in this interview is voluntary and confidential.

### Questions

The interview will be semi-structured. See below the types of topics we intend to cover, though there will be time to explore other relevant themes that arise during the conversation.

Theme	Question
Preparation	To what extent did you feel suitably prepared to undertake Strategic Alignment assessments of applications?
	Was your role and responsibilities for this assessment process clearly communicated?
Assessment	Were the program objectives and assessment criteria clear?
	How well did the Assessment Methodology support the assessment process?
	To what extent did the assessment process meet your expectations in terms of rigour, fairness and transparency in funding decision-making?
	Was sufficient resourcing available to complete assessments within expected timeframes and to requirements?
General observations	What worked particularly well in the process?
	What could be improved in the future?

Investment NSW, Investment Appraisal Unit (IAU) Economic and Financial Analysis

### Background

The DRNSW Regional Programs Evaluation Team is conducting a Process Evaluation of the Regional Job Creation Fund (RJCF), as part of our routine monitoring and evaluation for continuous improvement of our program processes. The evaluation assesses the appropriateness, effectiveness and efficiency of key DRNSW process elements from the program design through to the point of funding deed negotiation.

Your participation in this interview is voluntary and confidential.

### Questions

The interview will be semi-structured. See below the types of topics we intend to cover, though there will be time to explore other relevant themes that arise during the conversation.

Theme	Question
Preparation	To what extent did you feel suitably prepared to undertake Economic and Financial Assessments of applications?
	Was your role and responsibilities for this assessment process clearly communicated?
Assessment	How well did the Assessment Methodology support the assessment process?
	To what extent did the assessment process meet your expectations in terms of rigour, fairness and transparency in funding decision-making?
	Was sufficient resourcing available to complete assessments within expected timeframes and to requirements?
General observations	What worked particularly well in the process?
	What could be improved in the future?

## Appendix K: Assessment Panel Interview Guide

### Background

The DRNSW Regional Programs Evaluation Team is conducting a Process Evaluation of the Regional Job Creation Fund (RJCF), as part of our routine monitoring and evaluation for continuous improvement of our program processes. The evaluation assesses the appropriateness, effectiveness and efficiency of key DRNSW process elements from the program design through to the point of funding deed negotiation.

Your participation in this interview is voluntary and confidential.

### Questions

The interview will be semi-structured. See below the types of topics we intend to cover, though there will be time to explore other relevant themes that arise during the conversation.

Theme	Question
Preparation	To what extent did you feel suitably prepared as an assessor?
	Was your role and responsibilities as a panellist clearly communicated?
Application assessment	To what extent was the application and assessment process fit for purpose?
	Were the program objectives, eligibility and assessment criteria clear and consistent?
	How well did the assessment guidelines support the assessment panel?
	To what extent did the assessment process meet your expectations in terms of fairness and transparency in funding decision-making?
	Were applications able to be assessed efficiently? Why / why not?
General observations	What worked particularly well?
	What could be improved in the future?

## Appendix L: Director, Regional Growth Programs Interview Guide

The Regional Programs Evaluation Team is conducting Process Evaluations of the Regional Events Acceleration Fund (REAF), the Regional Job Creation Fund (RJCF) and the DRNSW Regional Stimulus Package stream, as part of our routine monitoring and evaluation for continuous improvement of our program processes. The evaluation assesses the appropriateness, effectiveness and efficiency of key DRNSW process elements for the program design through to the point of funding deed negotiation.

### Regional Job Creation Fund

The RJCF section of the interview focuses on the design of the program and your general perceptions of the process.

### Questions

1. How did the concept for the RJCF arise? What was the driver for the funding investment (i.e., project completion by June 2022)?
2. What has worked well in the implementation of RJCF? What could be improved?