

Growing Local Economies

STRATEGIC REVIEW



MESSAGE FROM THE DEPUTY PREMIER

The \$500 million Growing Local Economies Fund was the largest program under the \$2 billion Regional Growth Fund, investing in a pipeline of well-developed projects that are stimulating and revitalising regional economies.

When Growing Local Economies was launched in 2017 to invest in projects that boost economic growth, we didn't know just how vital these funds would be. Our regional communities have suffered through some of the hardest times in recent years, with drought, devastating bushfires, floods and a global pandemic. This investment by the NSW Government is helping to build the economic resilience of regional communities and is securing jobs for the future.

More than 2.8 million people, 30 per cent of the NSW population, live and work in regional areas. Producing one-third of the state's total gross product, regional industries, businesses, goods and services play a critical role in our growth, productivity and sustainability. The NSW Government's investment via the Growing Local Economies Fund is ensuring regional communities continue to be great places to live, work and play. It's keeping the money flowing through local economies, allowing businesses to stay open and safeguarding the future prosperity of regional NSW.

The NSW Government has funded 66 projects under the Growing Local Economies Fund that capitalise on the strengths of our regions and their unique specialisations. The design and open structure of the program allowed flexibility and responsiveness to emerging issues. It allowed applicants the opportunity to apply for funds at the time when they needed them most.



Through Growing Local Economies, we have encouraged economic diversity by funding investment-ready projects that can help transform a region, building on their particular strengths to drive growth. Funding has targeted projects that generate real jobs in the community and support growing centres. We are continuing to see our regions build on that economic advantage and thrive through a sustainable return on investment. The Growing Local Economies Fund has provided new roads, industrial areas, transport hubs and airport upgrades. These projects have immediate economic benefits through construction jobs and create opportunities for further investment, so benefits like ongoing job creation and business growth continue to flow for years to come.

We have learned so much from this program and we will put that information to use in our future initiatives. The collaborative approach of Growing Local Economies helped many applicants successfully receive funding, and we will incorporate these elements into planning for upcoming Regional Growth Fund programs. There is still more to do, and opportunities exist to further support our local economies. We are looking forward to continuing our important investment in regional NSW.

A handwritten signature in black ink that reads "Paul Toole".

The Hon. Paul Toole MP

Deputy Premier
Minister for Regional New South Wales
Minister for Police

GROWING LOCAL ECONOMIES

The \$500 million Growing Local Economies Fund was the largest program under the \$2 billion Regional Growth Fund. Growing Local Economies was established in 2017 to identify and fund opportunities to change the economic outlook, activate local economies and deliver transformative regional benefits. In just three years, the program has funded 66 projects across regional NSW. These projects are creating jobs and building important infrastructure which will encourage further investment.

The Fund is building resilience in regional communities and helping them get back on their feet after the drought, bushfires, floods and COVID-19.

Growing Local Economies aligns with the third objective of the Regional Development Framework, to identify and activate economic potential by identifying opportunities to change the economic outlook and activate local economies.

A strategic review of the Fund confirmed Growing Local Economies is on track to achieve this objective and identified opportunities to strengthen program design and improve outcomes for future economic activation programs.

INVESTING IN OUR REGIONS



Total net present value of \$1.33 billion from \$463 million invested



66 approved projects - supporting approximately 6,000 post construction jobs



Funds allocated across 45 Local Government Areas



Successful applicants - 41 regional councils, two educational institutions, one NSW Government Department and one incorporated entity



FUNDED PROJECTS



Business parks and
industrial precincts



Education and
research facilities



Roads and
bridges



Tourism
infrastructure



Airport upgrades
and development



Support for agricultural
research infrastructure

STRONG ECONOMIC BENEFITS

- Growing Local Economies targeted funding to shovel-ready infrastructure projects that create jobs and ecosystems for further investment, business diversification and expansion.
- Growing Local Economies complemented other State and Commonwealth programs, with funded projects leveraging opportunities to gain further investment from other funds.
- The place-based approach to investment built upon existing economic strengths within each region by aligning funding to local engine industries and natural endowments.
- Growing Local Economies responded to the priorities of the Regional Economic Development Strategies of each region and encouraged collaborative action across Local Government Areas to achieve regional growth.
- The open nature of the program meant applications could be submitted at the ideal time for the applicant and for multiple projects.
- Applicants were able to seek advice and support from the Department of Regional NSW's Regional Network throughout the collaborative application and assessment process.

BUILDING ON GROWING LOCAL ECONOMIES

The strategic review revealed that Growing Local Economies has successfully met its objective to support the delivery of economically significant infrastructure projects that capitalise on the strengths of the regions of NSW. The review highlighted elements that are working well and potential future considerations to strengthen any further economic activation programs.

- **There is strong evidence to support ongoing economic activation programs.**

No other program under the Regional Growth Fund offers the same level of economic funding targeted to build on the strengths of the regions and is accessible to all Local Government Areas. Future economic activation funds should support economic activity in a flexible way that draws strongly on the Regional Economic Development Strategies and encourages diversification and resilience building.

- **Continue with a place-based approach to regional investment.** Further alignment of funding with engine industries and more robust use of Regional Economic Development Strategies will capitalise on the opportunity to activate regional economies.

- **Better support for some Local Government Areas.** The review highlighted capacity constraints as a key issue with widespread support for a greater investment in capacity-building for applicants. Increased assistance, especially for smaller and remote Local Government Areas with less capacity and resources should be built into future programs.

- **Foster regional collaboration.** Involving regional leadership, strengthening the role of the Department's Regional Networks, and engaging Local Government Organisations and other key stakeholders in program design and the application and assessment process are key to leveraging the benefits of the regional approach to activating regional economies.

- **Revisit the current application and assessment process.** Maintaining the openness of the fund while introducing streams or time-bound intakes is an option to reduce duplication and ensure strategic priorities are being met. Revision of broad terminology in the guidelines could improve local interpretation of projects of 'economic significance'. Support resources that help enhance the understanding of the benefit cost ratio requirements could also improve application quality.

- **Expansion beyond enabling infrastructure.** There is an opportunity to expand future economic activation funding beyond infrastructure. Funding could work alongside other funds to support other State and Commonwealth investment, provide incentives for private investment and increase alignment with other government policies and targeted industry growth.



DESTINATION NSW

Case study

WENTWORTH AERODROME

Wentworth is a small border town in the far south west of NSW where the Murray and Darling Rivers meet. The Wentworth Aerodrome previously had two unsealed runways that could only accommodate light planes and could not be used in wet weather. An \$8,420,000 Growing Local Economies grant has provided upgrades including runway sealing, taxi way and apron improvements, aircraft parking areas, lighting and communication systems. The project has enhanced and diversified the local economy by leveraging growth opportunities. The Aerodrome can now support emergency, air freight and charter planes used by mining, corporate sectors and tourists visiting Mungo National Park.



Case Study

ARMIDALE AIRSIDE BUSINESS PARK

The new business park ideally situated alongside the Armidale Regional Airport will generate significant additional employment and economic growth by attracting new businesses to the site and allow other existing businesses to expand through relocation. A \$6 million Growing Local Economies grant funded lead in infrastructure (road, storm water drainage, kerb and guttering, sewerage and water services, lighting, internet, and electricity) to activate stage 1A of the business park. The project addresses a critical shortage of suitable, well serviced and affordable industrial land and provides businesses with direct access to the rail, air and road transport links.

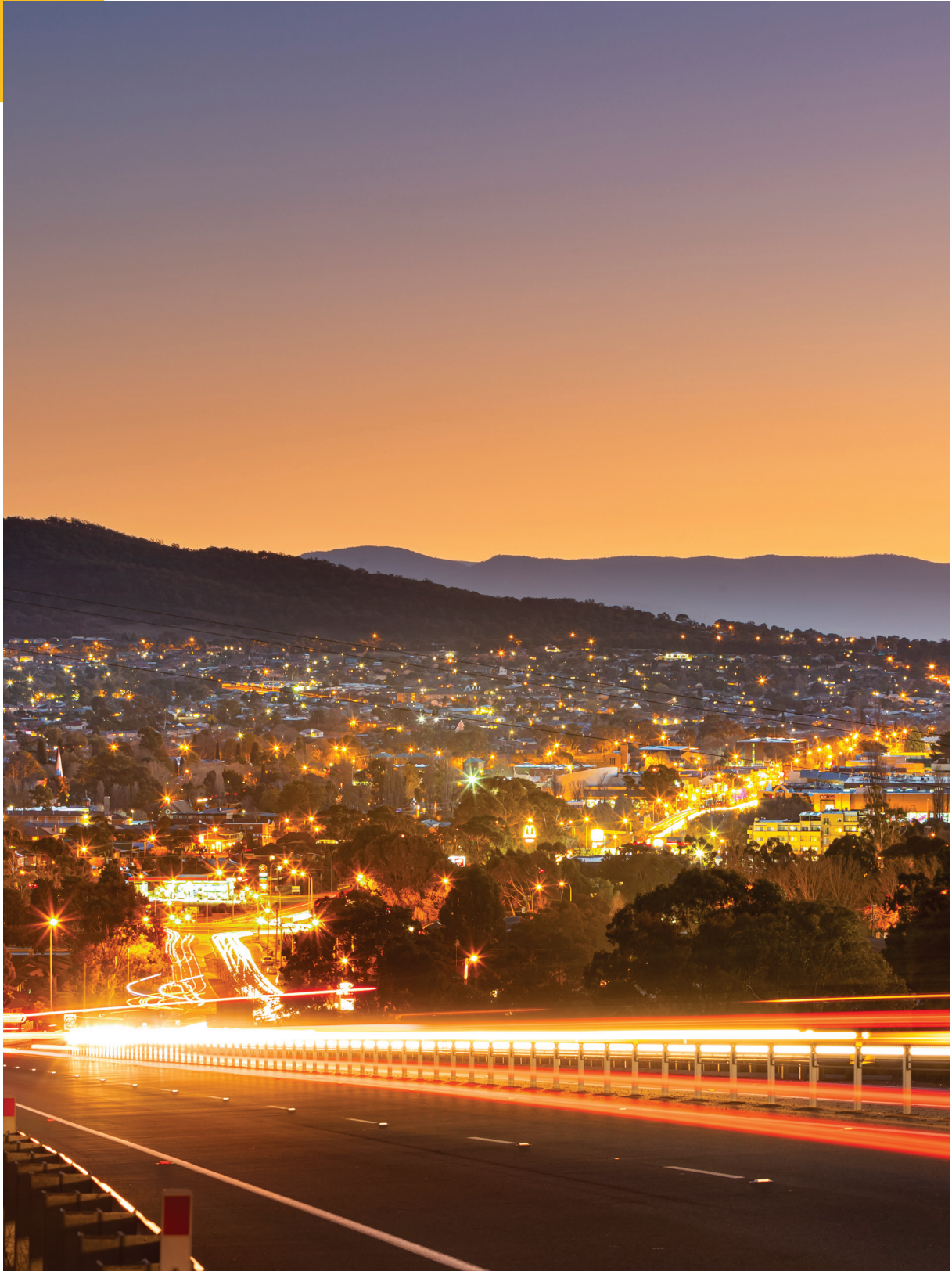
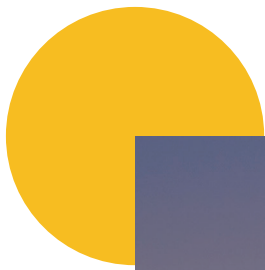
Case study

AUSTRALIA'S HERITAGE PERFECTLY HIGHLIGHTED AT BROKEN HILL

The unofficial capital of the NSW outback, the city of Broken Hill has a rich history, vibrant artistic community and plenty of colourful characters and a \$750,000 Growing Local Economies grant is building on that to produce a new tourism attraction. A 'Vivid-style' light projection attraction using local buildings within Broken Hill now creates a festival of light, pictures, music and sound and establishes a new kind of public space for Far West NSW.

By interweaving significant historical media with entertaining and vibrant local stories, the project promotes the city's iconic public buildings as the canvas to showcase the story of Australia's first heritage listed city. The project creates a new night-time tourism experience in Broken Hill and provides an incentive for visitors to extend their stay.





Regional
NSW