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The Hon. Tara Moriarty, MLC
Minister for Regional NSW
52 Martin Place
SYDNEY NSW 2000

31 January 2024

Dear Minister Moriarty,

Re: Hunter Region Position on Regional Development and Road Map & Trust Fund

The Member Councils of the Hunter Joint Organisation (JO) welcome the recent invitation from the Minister to provide feedback in the form of a submission to the "Review of the Regional Development Act 2004 Issues Paper".

This comprehensive review of the approach by which funding is invested across regional NSW, via the Regional Development and Road Map process and Trust Fund, is likely to significantly impact the Hunter Region. The Member Councils of the Hunter JO have therefore endeavoured to provide a coordinated response to the review.

The ten Member Councils of the Hunter JO strongly supports the following points;

- Recognition that local government is the primary provider of critical infrastructure and services which underpin economic development and liveability across Regional NSW. Investing in local government and ensuring local government is adequately represented in informing decision making by the Regional Development Advisory Council will be critical to ensuring the success of the Trust Fund.
- Support for incorporating into the NSW Regional Development Trust Fund, a dedicated amount for mining-affected councils, with block funding per affected council preferred. If grants are offered, then weighting should be given to mining affected councils.
- A mechanism needs to be developed to incorporate areas and relationships, currently outside of regional NSW, that are critical to grow, support and underpin regional economic development. For example, the City of Newcastle is often considered outside regional NSW but is important for current and future economic evolution in the Hunter region.




- Block funding preferred to competitive grants. A higher level of predictability (i.e. less variability) in the timeframes and levels of funding delivered through the Trust Fund will provide more certainty and flexibility for councils. Ideally the block funding is aligned to the Integrated Planning and Reporting Framework to give The Trust a higher level of assurance of council and community support.
- If any competitive grants are offered, they should be separated into categories for business and local government. We do not want Councils, Joint Organisations and ROCs considered alongside business for the same grant as community infrastructure deliver different levels of benefits when compared to businesses. Transparency in decision making will be important to local government.
- Simplifying and streamlining grant administration processes, to improve consistency and efficiencies for both the funding agency and recipients.
- If any competitive grants are offered, co-contribution should not be a requirement for councils and joint organisations that cannot afford the contribution. Any assessment weighting for co-contribution should only apply to those councils who can afford the contribution.
- Encouraging ongoing availability of funding for business case and strategy development through the Trust Fund, to provide access to funding that is critical to assessing and progressing regionally significant economic development initiatives.

I refer you to the following submission providing further detail on our recommendations, which we encourage you to consider in determining the focus and scope of the current review process.

Should you have any further queries please don't hesitate to contact Steve Wilson, Director Hunter JO at steview@hunterjo.com.au or on 0448 401 436.

Yours Sincerely



Cr Sue Moore
Chair, Hunter Joint Organisation
Mayor, Singleton Council
cc LOCAL STATE MPS AND MINISTERS



Submission: Recommendations from the Hunter Region on the “Review of the Regional Development Act 2004 Issues Paper”

The Hunter Joint Organisation

The Hunter Joint Organisation is the statutory local government entity established by the NSW Government, through the *NSW Local Government Act 1993*, to support the Councils of the Hunter Region work together for better rural and regional outcomes, and to enhance the way local and state governments work together to plan and deliver important regional infrastructure and investment.

Member Councils of the Hunter JO include:

- Cessnock City Council
- Dungog Shire Council
- Lake Macquarie City Council
- Maitland City Council
- MidCoast Council
- Muswellbrook Shire Council
- City of Newcastle
- Port Stephens Council
- Singleton Council
- Upper Hunter Shire Council

The core statutory functions established by the NSW Government for the Hunter JO include:


1. **Strategic planning and priority setting** – to establish strategic regional priorities for the Joint Organisation area and to establish strategies and plans for delivering those priorities.
2. **Intergovernmental collaboration** - to identify and take up opportunities for inter-governmental cooperation on matters relating to the Joint Organisation area.
3. **Shared leadership and advocacy** - to provide regional leadership for the Joint Organisation area and to be an advocate for strategic regional priorities.

Strategic Priorities

The Hunter is the powerhouse of both the NSW and National Economies, boasting the largest regional economy in Australia. It currently drives around 28% of regional NSW’s total economic output, \$23 billion of which can be attributed to coal exports.

The Hunter is currently experiencing a significant rise in population while also facing the decline of its traditional coal and energy-based industries. The Hunter’s economy needs to evolve substantially and rapidly to maintain its considerable contribution to the State and Commonwealth economies, particularly as we approach a population of one million people by 2040. This is required to maintain the region’s, and the state’s, resilience, liveability, and economic prosperity.

To help achieve the strategic priorities and economic evolution required for the region ten Hunter JO Member Councils have developed shared aspirations in the following documents;

- [Hunter JO Strategic Plan 2032](#)
 - [Hunter JO Advocacy Framework & Priorities](#)
 - [Hunter JO Blueprint for Evolving the Hunter’s Economy](#)
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- A decorative graphic element in the bottom right corner of the page, consisting of a thick, curved swoosh with a rainbow color gradient, transitioning from yellow and orange at the bottom to purple and blue at the top.

Response to the “Review of the Regional Development Act 2004 Issues Paper”

Guiding Question 1: Are there any other matters that should be included in the objects of the Regional Development Act?

Hunter JO Response:

The fund should remain focused on the goals of the Regional Development Act, and shouldn't be diverted outside of that.

The Act should include the following additions, to further define the use of the Fund;

- Improve the enabling and community infrastructure needed for regional communities to grow and live well.
- Support mining and mining-affected communities in their ongoing evolution (includes existing and previously mined areas with a wide range of impacts to the immediate and surrounding areas).
- Clear definition of "regional" so that communities that house mining workers and or mining related infrastructure, aren't excluded.

Guiding Question 2: Are there any objects currently in the Act that are no longer relevant to regional NSW and should be changed or removed?

Hunter JO Response: No feedback

Guiding Question 3: What else should the Government consider when making investment decisions to support regional communities and industries?

Hunter JO Response:

Simplifying and streamlining block funding and grant administration processes

To improve consistency and efficiencies for both the funding agency and recipients, and to allow Councils to better plan according to funding. Without block funding it is difficult for Councils to anticipate what funds they may receive for projects under the Act, hampering delivery if and when funding is received.

There should also be consideration of options for co-contributions to delivery on funded programs. For Councils who have the capacity to invest a co-contribution in their grant applications, prior acquittal records should be considered in assessing the application. However, for any Councils that don't have the financial capacity to offer co-contribution, other options should be considered, so that these Councils don't miss out on funding.

A mechanism needs to be developed to incorporate areas and relationships, currently outside of regional NSW, that are critical to grow, support and underpin regional economic development.

For example, the Hunter Region's regional development and economic evolution is and will be supported by critical businesses, infrastructure and services located in the Newcastle LGA – currently considered metro not regional. The Newcastle Port and rail infrastructure, the John

Hunter Hospital are prime examples of key assets in the Newcastle LGA that underpin current and future economic evolution of the region (and beyond).

Guiding Question 4: What factors should drive investment in each region?

Hunter JO Response: The Councils within the region should help to determine and drive where investment is most needed. Local government should be well-represented in the decisions that drive investment in their region, and Joint Organisations can play a key role in this representation in regions such as the Hunter. For instance, in the Hunter Region, councils are already collaborating to shape where investment is needed to support regional growth, through the Hunter JO's 'Blueprint for Evolving the Hunter's Economy'. Where investment is being planned on a regional scale, Joint Organisations can play an important role, bringing local and state governments together to shape investment decisions.

Guiding Question 5: What are the most important areas to you for investment over the next 1-2 years? (Rank in order of most to least preferred.) • Improving community services • Aboriginal business and partnerships • Growth of new industries • Supporting regional supply chains • Local and regional infrastructure • Sustainable food and fibre industries • Capacity-building in local Government • Other (please specify)

Hunter JO Response:

Ranked in order of most to least preferred;

1. Local and Regional Infrastructure
2. Supporting regional supply chains
3. Improving community services
4. Growth of new industries
5. Aboriginal business and partnership
6. Capacity-building in local government
7. Sustainable food and fibre industries

Other areas where investment should be focused, particularly in the Hunter Region include;

- Economic evolution / City-region deal
- Port and Airport expansion
- Pilot, venture and innovation funds
- Improved planning pathways for adaptation and re-use of mining lands
- Inter and intra-regional transport – for people and goods
- Circular Economy
- Tourism and Events

Guiding Question 6: How can Government, through the Trust, help encourage and support investment from other sources (including outside Government) to maximise outcomes for regional communities?

Hunter JO Response:



The government can provide support through special purpose funds that attract private investment or can help underwrite external investment.

This could also include direct funding to areas where geographically unique problems relevant to the Hunter need addressing. Economic transition and the adaptive reuse of mining lands represent a significant threat to the economic prosperity of many Hunter communities. Trust funding directed at resolving the unique legislative and commercial barriers present in the Hunter preventing the rapid reuse of historic employment lands will encourage private equity investment in the economic transition of the region.

For example, by providing low or no interest loans for infrastructure investments or funds for venture capital, like the [Hunter Venture Fund](#) to assist the Hunter's economic evolution. Another example is the mine grouting fund in Newcastle, which allows for the underwriting of/ reduces risks for private investment.

Guiding Question 7: Should investment through the Trust allow for a range of approaches to support regional communities (e.g., joint partnerships, funding agreements, service delivery)?

Hunter JO Response:

Block funding in place of competitive grants

A higher level of predictability (i.e. less variability) in the timeframes and levels of funding delivered through the Trust Fund will provide more certainty and flexibility for councils. Ideally the block funding is aligned to the Integrated Planning and Reporting Framework to give The Trust a higher level of assurance of council and community support.

Any competitive grants offered should be separated into categories for business and local government

We do not want Councils/ JOs / ROCs considered alongside business for the same grant as community infrastructure deliver different levels of benefits when compared to businesses. Transparency in decision making will be important to local government.

Joint partnerships should be permitted but opportunity should be made available to all councils within a JO.

Dedicated funding for mining affected communities with block funding preferred or extra weighting in grants.

Mining affected communities include existing and previously mined areas with a wide range of impacts to the immediate and surrounding areas. We cannot have a scenario where more coal royalties are given to the state and current and previous mining communities get no funding. Current mining communities are impacted daily by many elements that require investment (e.g. health, services, roads and traffic impacts). Ex-mining communities need to deal with land rehabilitation, land use changes and old underground mines. For example, the recent removal of the grouting fund in Newcastle is currently blocking the investment in and development of 2000 apartments and ex-mining lands have a very constrained approvals pathway for re-use.

Remove requirement for co-funding where council's can't afford to.



Ensure there is an assessment weighting for co-contribution. However, allow for Councils to apply for an exemption due to their inability to co-contribute to worthwhile projects and note or weight their ongoing financial commitment to maintenance and operations.

Encouraging ongoing availability of funding for business case and strategy development through the Trust Fund, to provide access to funding that is critical to assessing and progressing regionally significant economic development initiatives.

Guiding Question 8: What are some of the key outcomes that would help track the benefits of investment decisions over time?

Hunter JO Response:

Reactivation of former mining lands rather than simple rehabilitation.

Guiding Question 9: Are there any other skills/expertise that Advisory Council members should have to effectively guide investment in regional NSW?

Hunter JO Response:

Local government must be adequately represented on the Regional Development Advisory Council

Recognition that local government is the primary provider of critical infrastructure and services which underpin economic development and liveability across Regional NSW and that local government carry much of the collective intelligence of communities, understanding the economic and social impacts of decisions. To this end, investing in local government and ensuring local government is adequately represented in informing decision making by the Regional Development Advisory Council will be critical to ensuring the success of the Trust Fund.

Guiding Question 10: How can the Advisory Council help build the resilience, capacity and long-term sustainability of communities and industry?

Hunter JO Response:

- Simplifying and streamlining block funding and grant administration processes
- Any competitive grants should be separated into categories for business and local government
- Remove requirement for co-funding where council's can't afford to.

Guiding Question 11: Do you have any further suggestions for how the NSW Government can effectively respond to regional issues as part of this work?

Hunter JO Response: No additional feedback

