



New South Wales

Regional Development Amendment Bill 2024

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to make miscellaneous amendments to the *Regional Development Act 2004 (the Act)*, including to update the administrative arrangements for the Regional Development Trust Fund.

Outline of provisions

Clause 1 sets out the name, also called the short title, of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the date of assent to the proposed Act.

Schedule 1 Amendment of Regional Development Act 2004 No 58

Schedule 1[1] amends section 3 to provide that the object of the Act is to provide a framework for strategic intervention in the economies of regional New South Wales for the following purposes—

- (a) to promote economic and employment growth in regions,
- (b) to support sustainable economies and communities in regions,
- (c) to support place-based solutions, targeted to the development problems of particular locations and developed in collaboration with the local community, that promote improved economic and social outcomes in regions,

- (d) to assist communities in regions to capitalise on regional strengths by supporting the diversification, adaptation and resilience of regional economies, including in relation to established and emerging primary and other industries,
- (e) to facilitate the economic and social development of Aboriginal communities and Aboriginal enterprises in regions,
- (f) to encourage cooperation in relation to the matters in paragraphs (a)–(e) among all tiers of government, including local government, the private sector and not-for-profit organisations.

Schedule 1[2] omits the definition of *Director-General* and provides that *Department* means the department in which the Act is administered, *Fund* means the Regional Development Trust Fund established under section 11, *GSF agency* and *accountable authority* have the same meaning as in the *Government Sector Finance Act 2018* and *Secretary* means the Secretary of the Department. **Schedule 1[4], [8], [14] and [16]** make consequential amendments.

Schedule 1[3] substitutes section 5(1) to provide that the Minister may, on the Minister's own initiative, grant financial assistance to a person for a purpose consistent with one or more of the purposes specified in section 3, as amended by Schedule 1[1].

Schedule 1[5] substitutes section 6 to provide that financial assistance granted under the Act may include loans and other assistance determined by the Minister.

Schedule 1[6] substitutes section 7(1) to provide that the Minister may make a grant of financial assistance subject to a security. **Schedule 1[7]** inserts proposed section 7(2)(e), which provides that the Minister may impose a condition requiring the payment of interest on a grant of financial assistance.

Schedule 1[9] amends section 11(1) to provide that the following may be paid into the Fund—

- (a) the proceeds of the investment of money in the Fund,
- (b) money paid as the repayment of the principal or the payment of interest for loans paid out of the Fund,
- (c) money directed by a Minister, a government agency, a GSF agency or an accountable authority for a GSF agency to be paid into the Fund,
- (d) money paid into the Fund by another person as a voluntary contribution,
- (e) other money required by the regulations to be paid into the Fund.

Schedule 1[10] inserts proposed section 11(2)(b1) to provide that the amounts necessary for the procurement of goods and services that support one or more of the purposes specified in section 3, as amended by Schedule 1[1], may be paid out of the Fund.

Schedule 1[11] inserts proposed section 11(3) to provide that the Minister may invest money in the Fund in any way the Department is permitted to invest money under the *Government Sector Finance Act 2018*, Part 6.

Schedule 1[12] inserts proposed sections 11A and 11B. Proposed section 11A provides that the Minister must make a governance framework and an investment strategy (the *investment strategy*) as soon as practicable after the commencement of the proposed section. The investment strategy must contain information about the following—

- (a) the key focus areas for investment,
- (b) the principles that guide investment in the focus areas,
- (c) the investment pathways relating to processes for delivering funding.

The Minister must review the investment strategy at least once every 2 years and may amend the investment strategy at any time. The Minister must also publish the governance framework and investment strategy on the Department's website.

Proposed section 11B provides that the Minister must, by 30 November after each financial year, publish an annual report on the Department's website that includes information about—

- (a) details of payments from the Fund during the financial year, and
- (b) details of the membership of the Regional Development Advisory Council during the financial year.

The annual report must not include information that, in the Minister's opinion, is commercial in confidence or inappropriate for publication. **Schedule 1[17]** provides that proposed section 11B does not apply to the financial year ending 30 June 2024, which means the first annual report must be—

- (a) prepared for the financial year ending 30 June 2025, and
- (b) published by 30 November 2025.

Schedule 1[13] amends section 12(1) to provide that the Minister must establish a Regional Development Advisory Council.

Schedule 1[15] amends section 13(3) to provide that the Secretary may, by written instrument, delegate to a member of staff of the Department or another person prescribed by the regulations a function conferred or imposed on the Secretary by or under the Act, other than the power of delegation permitted under section 13(3).

Schedule 2 Amendment of Regional Development Regulation 2018

Schedule 2 makes a consequential amendment.