

**Review of DEDJTR Regional Service Delivery Model and Strategic Directions for Regional Policy
Southern Grampians Shire Council, April 2015**

There has been considerable work undertaken to support a sophisticated understanding and policy direction for regional development in Victoria. Much of this work has focused on developing plans from a regional perspective and incorporating the findings of these plans into local planning schemes and Government programs.

It is critical that the next iteration of regional policy development builds on the existing strategies and particularly the evidence-based approach used as part of the Regional Mapping project and the Regional Growth Plans.

The programs established are significant in supporting local government to be able to deliver its policy platforms and the development of regional planning structures has improved the level of regional deliberations and collaboration.

The role of regional centres

Using Hamilton as an example illustrates the important role that regional centres play in supporting the rural areas of Victoria by providing equitable access to services, utilities and social infrastructure.

There is a currently a two tiered approach to regional capitals in the existing planning framework with regional cities and the next tier of regional centres.

As evidenced in the Regional Mapping project, regional centres such as Hamilton, Echuca and Sale play a role similar to these regional cities and are critical to the servicing of the agriculture sector in particular. There needs to be caution against too much emphasis on regional cities at the exclusion of other regional centres. Survival of small towns and rural agri-based industries and the servicing of the agricultural sector is dependent on accessible services and those regional centres with broad geographical catchments are critical to providing this.

The need for collaborative approaches

Intra-regional co-operation is also critical. In the south west region, Hamilton Portland and Warrnambool have different roles to play and there is need for a collaborative approach to detailed planning rather than a competitive approach.

There is also a need for inter-regional co-operation. Southern Grampians Shire Council borders with six local governments with only Moyne and Glenelg being within the Great South Coast region. There is therefore a need to ensure that mechanisms are in place to address issues with neighbouring regions in a collaborative way. Freight logistics and public transport connectivity to provincial capitals are two very important aspects of this; freight logistics to support economic efficiency and public transport connectivity to support equitable access, liveability and new economic activity. In south west Victoria there is also an important linkage with south east South Australia which was previously formalised

through the Green Triangle coalition. Again, planning for freight logistics and public transport connectivity linking these regions is integral to the support of economic and social development opportunities.

Regional planning delivery systems need to be not only aligned with State policy but also co-ordinated across regional boundaries. There are various State Government regional groupings with different boundaries and for local government this can lead to fragmentation of policy deliberations. Integration of State Government programs into regional priorities is critical if the impact of regional collaboration is to be maximised.

A review of the regulatory planning framework could provide opportunities for improved consistency and regulatory certainty. A bio-regional approach to planning systems has the potential to achieve this.

Decentralisation strategies

Opportunities for implementing decentralisation strategies that go beyond the provincial capitals will significantly boost the confidence and attractiveness of the more remote areas of Victoria. Incentives for businesses to relocate beyond the provincial capitals will support the viability of regional centres and smaller towns. There has not been a dedicated decentralisation program in Victoria since Rupert Hamer was Premier. In the meantime there has been a population explosion in Melbourne placing enormous pressure on existing infrastructure and government expenditure while the growth potential in regional centres across Victoria has been stifled by a city centric approach with critical infrastructure under-utilised.

Government services and collaborative departmental service delivery would be enhanced if located in situ. It is important that these regional business centres have the delegated authority to support local government. Rather than add another layer of bureaucracy by placing extra staff in to the regions there is a need for relocation of staff and functions to the regions, particularly service delivery staff.

Investment in value adding industries (such as meat and grain processing) and the necessary training that supports the agricultural sector will bring jobs to the regions and further enhance Victoria's capacity and capability in the critical food and fibre sector.

Funding strategies

State government support for regional growth and employment generating strategies is critical to long-term sustainability of the regions. There are now eight regional growth plans and State Government investment in ensuring these are implemented effectively will ensure that the existing policies and strategies are achievable.

The various funding structures provided over the last 10 years have provided significant support to SGSC and other regional areas.

- The 3-1 ratio for projects in the more remote Shires has been significantly helpful. Whilst this State Government investment ratio is greater for the smaller Shires than it would be in Melbourne's largest council areas, so too is the per capita contribution for smaller Shires, even with the 3-1 ratio.
- Programs such as the street life, arts and culture, retail training, major event funding, small town programs and sport and recreation funding have contributed positively to the liveability and capacity of local government to provide services and facilities
- Non-competitive funding programs support smaller Shires. The LGIP has been considerably beneficial in ensuring that major infrastructure developing can be undertaken without adverse impact on the long-term financial viability of those Shires with smaller rates base.

Other opportunities to support regional development include:

- Funding to ensure adequate zoned and fully serviced industrial land is provided to facilitate economic growth. Funding programs that support strategic infrastructure development to facilitate economic activity is needed to ensure that regional centres and small towns can retain and grow its employment base.
- Provision of digital connectivity infrastructure is critical if regional Victoria is to have equitable access to growth opportunities
- Investment in public transport infrastructure and services that support connectivity within and across regions improves liveability.
- Job creation is critical in regions needing to grow but there is also the need for job retention schemes to support the existing lifestyle choices that regions provide.
- Transport logistics is a major driver of economic activity across the regions and Hamilton is strategically located to support the State Government in delivery infrastructure that supports freight efficiency gains
- The fragmented and inflexible waste water management regulatory framework is an inhibitor to the viability and potential growth of small towns. There needs to be co-ordinated review of environmental and planning regulations as well as government responsibility to ensure that smaller unsewered towns have equitable opportunities to attract population and jobs.
- The need for funding staffing resources for specific project management roles is critical in smaller organisations.
- Skill development programs in regional areas will support increased flexibility and growth opportunities.
- Programs that embed skills through traineeships and apprenticeships will enhance Council's capacity to deliver equitable range of services to the regions.
- Programs that build the understanding of international opportunities will also contribute to new economic opportunities, particular in the agri-business and manufacturing sectors.

The role for Hamilton, supporting regional development

Existing strategies and plans developed in south west Victoria have re-inforced the important role that Hamilton plays in servicing the hinterland of the Great South Coast region. There is now State Government policy that recognises the extent of services provided by Hamilton to a very large geographical area and the need for infrastructure upgrades that support this important role.

The Regional Mapping project showed that Hamilton contains a strong retail centre and service sector, including the Western District Health Service (employing over 700 people across the Hamilton Base, and Coleraine and Penshurst campuses), a regional trauma and emergency unit, and the National Centre for Farmer Health, and extensive education, sporting and cultural facilities.

Hamilton also has a significant sub-regional agricultural service role. Its role as a major agricultural, health, community, retail and commercial services centre for the sub-region must be maintained and supported, and this will involve retaining and growing its services to meet the demands of the sub-region, not just that of its residents. A strong and vibrant regional centre is critical to support the communities and encourage job growth across the region.

The social and physical infrastructure in the Greater Hamilton region is sufficient to cater for significant population growth and provide the lifestyle opportunities to support and encourage relocatees. Investment in infrastructure that leverages from these natural advantages such as a superior art gallery collection will further enhance the opportunities to support the important role that a vibrant regional centre such as Hamilton can provide.

There are opportunities to capitalise on Hamilton's rail infrastructure to serve the agricultural and natural resource hinterland, and market potential in education and cultural and eco-tourism. Being in the geographical centre of south west Victoria and the junction of three highways and the rail line to the port of Portland there are also opportunities for freight logistics to support the agricultural, mining and industrial businesses across the region. There has been significant investment in the Hamilton airport which helps secure the support to the freight logistics sector supporting agriculture and manufacturing as well as the connectivity to capital cities.

These strategies are designed to support new business that adds value and create jobs. As a prime agricultural region it is important that the State Government supports local opportunities for food processing, particularly grain and meat processing. Again decentralisation funding that encourages business to set up in rural areas where the food is actually grown will support these aims.

Hamilton has an important research community that provides a specific point of difference and opportunities for growth. The State Government's Red Meat Centre (which employs approximately 60 people), RMIT, the National Centre for Farmer Health and the Rural Industries Skill Training Centre all contribute positively to local service delivery, economic activity and research capability locally and State wide. Decentralisation of this research and education function to areas with the strongest geographical connection provides both employment opportunities and direct contact with relevant industry sectors. Investment in education facilities, particularly those that provide skill based training will also support the needs of south west Victoria. Southern Grampians Shire Council's Economic Development strategy identified that:

“The critical consequence of the population and labour market characteristics is the lack of appropriately skilled labour. The workforce is small, lacks depth, which can lead to excessive staff poaching, does not have a substantial surplus pool to draw from and is facing an ageing problem.”

Investment in reskilling is critical across regional Victoria and particularly so in the Greater Hamilton region. Further development of facilities for this in Greater Hamilton will support the State Government’s welcome drive to improve vocational training and help grow the employment base and opportunities for economic and population growth in this region.

The education profile of the region will also benefit from the NBN rollout and further strengthen the role of Greater Hamilton in delivering lifestyle and employment opportunities in regional Victoria.

Southern Grampians Shire Council is also seeking investment in a feasibility study into the re-introduction of passenger rail along with eight other Shires in Western Victoria in the belief that passenger rail is a key driver of regional population and economic growth, providing vital connections between education, employment, health, retail and recreational opportunities.

There is considerable interest in copper deposits in the Greater Hamilton region and the Energy and Resources TARGET program that is designed to support minerals exploration within the State of Victoria is a welcome initiative. Minerals exploration is obviously risky and Government support can only encourage such wealth and employment growing ventures.

Southern Grampians Shire Council has invested with State Government of Victoria support to map its land capability for different commodities to support a diversification of agricultural crops, providing investors with important information about soil types, rainfall and climate variability. Future consideration of investment in water infrastructure to support this evidence based approach would provide additional opportunities to invest in more labour intensive agricultural activities.

The Southern Grampians Shire Council has adopted a suite of priority projects that are designed to improve liveability, attract investment and support economic efficiency and job growth.

Evidence-based strategic planning work completed by Southern Grampians Shire Council and other regional bodies reinforces Greater Hamilton as an important part of the solution that:

- Improves freight efficiency to support delivery of agricultural products to the regional, national and global markets
- Improves connectivity through upgrades to roads, passenger rail and telecommunications
- Provides equitable high quality services in health and education to south-west Victoria and south-east Australia
- Recognises and supports the Greater Hamilton region’s importance as an agricultural contributor to Australia’s economy by protecting farmer health and upgrading the Hamilton Livestock Exchange and key freight logistics infrastructure
- Entrenches Hamilton’s regional centre status through the provision of retail, cultural, health, education and sporting services and infrastructure by investing in a vibrant and active central business area.



These projects are evidence based and designed to support the existing State Government regional strategies and plans. Many of these projects are of State significance and of course beyond the reach of a rural Shire alone. Investment strategies that ensure the co-ordinated strategic approach at a local and regional level are needed.

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