# RE: Community and business expertise on the best approach to regional economic development and to the Department of Economic Development’s regional service delivery.

**All interested members of the public are invited to submit their ideas and input for consideration in the review.**

To the committee,

I wish to provide a submission to the review based on my experience in regional Victoria.

In January last year I took over ownership (and editing, and everything else) of a small rural newspaper. This move took be from Bendigo, where I had lived for 13 years back to my home town of Edenhope.

I made the move (as a term used by some federal politicians lately) as a‘lifestyle choice’, not because Bendigo did not offer opportunities for my children, but because growing up in what appears to be Victoria’s most successful ‘provincial’ (how elegant) city left my children disconnected from rural Victoria and with a high sense of entitlement.

The current regional HUB model does not drive growth in rural municipalities. The ‘worst’ performing councils are not the smallest, but the most isolated from service delivery. The recently developed Regional Growth Plans forecast decline for them all.

A change in regional service delivery must abandon some assumptions and develop some new ones in order to start benefitting all of Victoria, and not just successful councils.

Regions like Bendigo should be seen as the top 5% of Regional Councils and therefore relatively self sufficient, able to generate own funding etc. Likewise support for the smaller ones must change to allow them to innovate like the best can already do themselves.

## Farm Amalgamations can’t be used as an excuse

I believe the increasing size of farms is a false cause for population decline. While our shire is over 50% rural living, and therefore should be affected by amalgamations. By contrast amalgamations also can drive spending, wages and innovation. Also those who have amalgamated off the farm are clearly no longer retiring locally. And I believe evidence would show the loss is fastest in the retirement age brackets. For some reason this is accepted now as normal. Even though there are examples in sharp contrast to this. The town of Robe had just 200 permanent residents when I was a child, there were 1200 people in 2006 and 1400 by 2012, with a projected increase still to come. One can argue that Robe is an ideal retirement place, but it is not just retirees living there now. The community has transformed on the back of natural assets.

## Alternative industries needing development

West Wimmera has natural assets, but there is no opportunity to develop them. The region has most of the State’s wetlands, however wetlands are only regarded as the poor cousin of rivers by Melbourne officers, who have repeatedly implemented blanket policies that assume the state is covered by wetlands. Likewise the Little Desert National Park only creates a social barrier between the north and south of the shire, rather than driving tourism and development.

## Halt the removal of local state government officers.

In my previous experience working for Statutory Authorities, State Government, Local Government I can confidently state the per staffer budget is in excess of $100,000, which I imagine is very

conservative, as many wages are now approaching that, without office etc. costs.

Every time one member is removed from a remote community that $100,000 is lost in almost full. Almost without exception, no regional statutory or government, or rural development etc. body advertises with me unless there is an event in town and I remind them of their responsibilities, rather than mine, for community service. All other ads are regionalised, as the events are regionalised to Horsham. The officer now drinks coffee in Horsham, buys clothes and groceries in Horsham, buys fuel before they leave Horsham (if they visit West Wimmera), buys a house in Horsham, makes friends in Horsham, plays football/netball/hockey in Horsham. I could go on.

Do not use the same centre as the HUB at the expense of other centres.

In a digital age, with broadband speeds increasing and most public department front offices not receiving foot traffic, it makes real sense to re-think the old model of single service centres like Bendigo, Ballarat, Melbourne and in some instances towns like Horsham. There are few barriers to setting up offices/officers in smaller locations who can productively work through digital meals with a central office.

One of the worst offenders for regionalised services is the DEPJTR. With a head office in the only part of Victoria voting for The Greens (Melbourne CBD), it becomes pretty hard for staff to stay in touch with the communities they rely on to manage much of Victoria’s natural assets. These staff can easily fall into the habit of listening to their peers over coffee (in the bitumen sealed streets in Melbourne) and believe their views accurately reflect regional Victoria. It becomes exceedingly difficult to travel to places like West Wimmera, Gippsland etc, for long enough to understand the communities and work with them to effectively implement policy. When a token visit happens every 1-2 years, the visit is more of a showcase, where the shires are desperately hoping to show a positive face rather than be accused of being poorly managed. The key businesses held up as examples from the region are usually one-offs that are not reflective of the wider atmosphere. If officers are working in the communities their policies affect the most, I believe consultation will be more honest.

## Improve the worst, first

Improving the ‘worst of the worst’ municipalities should be a priority for a Statewide program. It is not satisfactory for a regional hub to be based in one of the growing centres, to service the declining centres and expect anything other than further decline.

Benefits of this philosophy include

* the communities desperately need intervention to halt decline
* the decisions affect the least number of people
* the case studies that work in the worst situations should flourish in stronger councils
* the smallest (by population, certainly not by area) shires still have the same level of bureaucracy as the large ones, and this consumes almost all funding, leaving little for innovation.
* the injection of ‘case study’ funds would significantly benefit the community
* current models are working for larger municipalities already

**It is time to stop just propping up a select group of ‘innovative’ rural businesses. A single farmer who is diversifying often provides only limited , and perhaps short term benefits to the community. There is generally little chance of their business model being rolled out to other areas, and thus the investment is biased towards the individual. The model needs to include more government based businesses that have secured funding and stability, with abiltiy to roll out to the wider Victorian market.**

**If economic viability of individual cases is the only model, it is flawed, the government must consider that until further notice the bottom 5 councils may need to be run ‘unviably’ so they can improve and gain population.**

**Some case study programs needed include**

**Retiree service industries**- e.g. purpose built retirement villagesfor isolated people who are currently asset rich in expensive cities but financially poor, cultural centres, heated pool/physio centres, . If retirees are attracted out of Melbourne, it will create more jobs than anything else.

**Sustainability education centres**in remote communities, with university or tafe links, including accommodation, teaching centres and telecommunications for ‘remote’ students.

**Urban/Rural sister cities**- a rural based extension officer network connects the 5 fastest growing municipalities with the 5 fastest declining ones. Include ‘buddy programs’ for council, businesses, students. Businesses are encouraged to form partnerships and share resources (more like ‘big brother’ program) with their matched (but significantly smaller) rural cousins. This would greatly reduce time spent on things like OH&S plans, Strategic Plans, etc allowing time for innovation. Encourage the large councils/businesses to come and show off in rural Victoria, meet their buddies, offer support and reciprocate the relationship in the growth centre.

# A case study of the Regional/Rural divide is provided overleaf.

Sincerely

Toni Domaschenz

## Case Study: Rural Newspaper Owner - Independent.

I wish to use my experience as a case study for structural changes needed in the department and delivery.

The business I bought was valued by the banks as $0. The house we wished to buy wasn’t valued much higher, as no-one was prepared to do an evaluation on the property, due to the distance from valuers. So our ability to invest in the town relied solely on our existing good credit history and guaranteeing our business with assets still in Bendigo. We were told that differential loans are effectively based on your distance from a successful town (Edenhope is not one of those).

When I arrived, there was no particular support from any group. I had to enrol my daughter the previous December in childcare to guarantee a spot, and childcare was only available 4 days a week in the town. There is no traders association, not other business like mine and it seems most businesses are run either by couples (who own and run the store full time) or single women (including a number of widows). There are almost no ‘middle managers’ to share the load when it comes to strategic planning, attending meetings out-of-hours (and still being at work the next day).

It seems there is a constant battle for skill matching of those in town looking for work and local businesses and their future needs. A classic example being childcare, as the centre closed completely 2 weeks before the state election. One of the users was the now member for Lowan, who had to run her campaign completely differently than she planned due to this. I covered the campaign, also without childcare. The centre did not re-open until 18 February, and there was no temporary staffing solution offered, presumably because the childcare is Family Day Care.

As the owner of the newspaper, mother of four and resident, I struggle to put together a mix of news that doesn’t make our community (which I cover half of the state’s fastest declining shire) feel like they should move away. However, it is the reality of the community that there is a lot of negativity, due to constant, and potentially accelerating population decline.

It is frustrating to hear constantly from the council that the community expect too much of them, and the community do not solve problems themselves. I put to your committee how do business owners spend time strategically planning when most of them would be forced to admit that involves decline. When I bought the paper I had to accept that just to stay even, I would have to I increase readership by 10% per year. This in an industry where clearly everyone else is reporting lost sales, even in towns like Bendigo. I did come in with eyes wide open on that front.

I am not complaining about my decision, as I believe it is a good decision for the family, but I think it is important to demonstrate practically some of the barriers to moving to rural and regional Victoria, especially where decline is normalised. Also keeping in mind I had family support to help with some of the hurdles.