10 April 2015 

Mr Robert Jardine

Senior Development Manager, RDV Department of Economic Development Jobs Transport and Resources

324 Campbell Street SWAN HILL VIC 3585

Dear Robert

 **DEDJT R’s Regional Service Delivery Model Review**

Thank you for allowing Swan Hill Rural City Council (SHRCC) to provide input into the review of regional service delivery by the Victorian Government’s Department of Economic Development, Jobs, Transport and Resources (DEDJTR). We feel it is important to highlight some of the challenges and opportunities facing our region.

Within this submission we have tried to outline the support that SHRCC requires in not only delivering the services for our communities today, but also in positioning the region to grow and prosper. While we have tried to address the terms of reference as outlined, our submission brings together a range of issues and challenges that we face. We also understand that many of the issues may cut across various State Government Departments; however we believe that it is not possible to isolate issues relating to DEDJTR.

# Partnership Approach to Strategic Planning

In general, Councils need assistance to implement the large number of strategies and plans that have been developed over time. There are a few examples where more strategic work is required but we have a large number of strategies on our plate already. These strategies and plans are at all levels of government - Local, State, Federal as well as other agencies such as hospitals, schools, water boards, rail authorities and industry groups. The challenge is to have a shared understanding of these strategies and be able to prioritise the key actions.

SHRCC has spent a significant amount of time and resources planning for the development of the local and regional communities and we are very keen to work in partnership with other tiers of government to achieve outcomes. Councillors, Council Officers and business operators have actively participated in the development and review of regional strategies including the Loddon Mallee Regional Strategic Plan, Loddon Mallee Growth Plans and the Northern Food Strategy. We believe that a partnership arrangement across government, industry and the community is the best way to achieve the desired outcomes.

# Social, Economic and Demographic Issues Facing our Region

## Inaccurate statistics causing inequities

The research undertaken to develop the strategies highlighted above all clearly outline the current and projected demographics for our region, however the official statistics may belie the local experiences. For example, official estimated residential population statistics for the Rural City of Swan Hill report a declining population. This is not the experience of SHRCC.

## Land development

Demand remains strong for residential land across the region and land owners are seeking support from Council for the rezoning of farming zone land for residential development. The challenges that this places on Council are significant and will be discussed later.

When it comes to development, experience shows that the return on investment for a developer is much less in regional Victoria than it is in either larger regional cities or metropolitan areas. While the land may be cheaper the cost of development is the same as metro areas or even higher. The lack of access to competition and travel distances sometimes drive up the cost of undertaking development. On top of this, the sale prices for developed blocks is less, therefore there is less of an incentive to develop thereby limiting growth.

## Attracting and retaining a skilled workforce

While the population statistics may not tell the true picture, the current resident workforce is also not meeting industry needs. Various industries are looking to grow and develop, and one of the challenges that they are facing is attracting skilled and unskilled workers. This not only limits the growth of the area but also makes businesses reconsider investment decisions. Council in partnership with the Victorian Government and local businesses has developed a Workforce Development Strategy for both Robinvale and Swan Hill which identifies a range of actions to help ensure a local workforce is available to meet industry and community needs.

## Retaining young people

Retaining young people in the region is also a challenge with a large number of our young adults leaving the region for higher education purposes. While this is not all bad (as people gain valuable experience from outside the region), the need to move for education becomes quite expensive. Only people who can afford these expenses are then able to participate, and once educated, it is hard to attract them back to Regional Victoria.

## Cultural diversity

There is also significant cultural diversity across our municipality with many new arrivals moving to Regional Victoria to gain some form of employment. We have a wide range of different cultures and this creates some unique issues for us. This has been well documented across a number of studies, however this really does need to be taken into account during the planning for any services.

## Childcare places and aged care beds

Council has been grappling with a shortage of child care places and aged care beds. We have growing populations in the under 18's and over 65's. We are unrepresented in the 25 to 40 aged group for the reasons as previously outlined.

The availability of child care places is a significant factor in increased workforce participation, and by implication, increased productivity and economic growth. Similarly, the availability of aged care beds is a significant factor in population retention and employment growth. We would like the State Government to facilitate the establishment of new early childhood education centres through easier licensing and planning processes. In relation to aged care beds, although this is a Commonwealth responsibility, we would like the State Government to facilitate the availability and development of land for these facilities.

## Agricultural challenges

In considering economic development, our Municipality is a net importer of irrigation water. This water, combined with fertile soil, is fuelling a significant expansion in horticulture. Water is the lifeblood of the region and as the horticulture sector expands so does the need for housing, education, energy, health, service and retail. The food sector is also being driven by expansion in exports through the Free Trade Agreements and trade missions to Asia. This, however, is under threat with the suspension of the Pest Free Area status and a disappointing approach to tackling the Queensland Fruit Fly by the Victorian Government.

## Struggling retail sector

Our service industries are starting to grow but largely to serve regional markets, ie, stop leakage to other larger centres. Council has been supported to undertake a Retail Strategy; however we continue to struggle to attract spending from outside the region.

## Telecommunications infrastructure

In the digital age where staying connected is vital, Regional Victoria is being left behind. We are poorly served with telecommunications infrastructure especially broadband internet and mobile phone coverage. Significant areas of the municipality, including major arterials, have no mobile reception at all.

## Transport infrastructure

The movement of freight and people is an area that needs addressing. Public transport options are limited and there is a need, and opportunity, to improve rail links to Bendigo. A recent survey indicated a desire for more rail services and a willingness to engage with the rail system. With the increase in horticulture and a growing interest in mining in the region it is important to understand that our bulk transport facilities (rail) are out-dated and inefficient. There is a heavy reliance on road transport and this often places large vehicles on narrow arterial and country roads alongside residential traffic and school buses.

## Other issues

Other issues that are prevalent in the minds of our community include; climate change and associated natural hazards, natural gas and aging infrastructure.

# How the Victorian Government can assist SHRCC more in dealing with these issues

## Partnership approach is critical

## As previously highlighted, SHRCC is very keen to work in partnership with other Local Governments, other tiers of Government, our community and the private sector to achieve outcomes. Council is a member of a number of regional groups that cover issues from climate change and tourism through to transport and telecommunications. Council is also in the process of setting up a regional Agribusiness Advisory Committee in recognition of the role that agriculture plays in driving the local economy. SHRCC would be willing to work with the Victorian Government to find efficient solutions to the issues as previously outlined.

## Funding certainty and flexibility

Regional Councils continue to struggle to produce anywhere near enough income to keep pace with infrastructure renewal or implement new infrastructure. Grants for infrastructure provision for both Council infrastructure and other government/agency infrastructure will continue to be a vital source of income for Councils and must remain in place in order to support investment in regional Victoria.

Our community has benefited from some programs that the Victorian Government has had, and continues to have, in place. These programs include; Putting Locals First, Planning Flying Squad, Infrastructure Funds, Country Road and Bridges, Regional Living Expo.

One program that allowed Local Government to prioritise the outcomes is 'Country Roads and Bridges'. That fund allowed Local Government to drive economic development and improve safety. Similarly the Roadside Pest and Weeds program provides funding that can be directed by Local Government to the area of most need. These types of programs provide funding certainty with the flexibility to suit local needs.

## Workforce development

As previously highlighted, attracting skilled employees to regional Victoria is extremely difficult. Councils are not immune as we often find it difficult to fill vacancies. Continuation of the Planning Flying Squad is vital. This program accesses planning professionals on a contract basis to provide resources to develop the strategic components of the Planning Scheme. An up-to-date and responsive approach to Land Use Planning is vital in driving economic and employment outcomes in regional Victoria. Many rural Councils, including SHRCC, find it difficult to undertake the vital strategic planning work to ensure land availability and local policies to support development. Funding support is also required to allow Councils to undertake this strategic work.

## Collaborative approach to land developments

The Victorian Government must also provide a coordinated, whole of government approach to support development in regional areas and free up land. Issues with agencies such as VicTrack, VLine and VicRoads often hinder outcomes and stifle attempts to innovate. A whole of government approach to the topic of public land would also help to free up prime parcels of real estate for further economic benefit to the region.

SHRCC has also benefitted through a partnership with Places Victoria. The Tower Hill development would not have occurred without the support of Places Victoria and it is important that Places Victoria maintain a regional aspect to their charter of responsibilities. They must be directed to continue to invest in regional projects even if the return is neutral. We have seen how this type of investment stimulates the private sector.

## Waste management

Waste Management is an area where further support from the Victorian Government must be provided to regional areas. Due to population and distances the rate charge on our waste collection services is double that of Bendigo. As Councils are required to undertake capital projects at landfill sites, the cost of providing these will need to be borne by the ratepayer, and waste management charges may need to rise significantly. There needs to be a strong conversation around supporting ruralCouncils in providing waste management services.

## Strategic projects

## The strategic plans, previously highlighted, need to be supported by funding commitments that deliver on the key projects. The Current Loddon Mallee North Regional Growth Plan identifies Swan Hill as a Regional Centre and if the Victorian Government could fund some of the projects identified in the LMNRGP, that would assist in attracting private sector investment.

## Tourism and events

## The Murray River region also relies heavily on tourism and visitors to the area. Council provides funding for local groups to undertake events, however there appears to be a lack of event funding in regional areas from the Victorian Government. Council's event funding is targeted to those events that provide economic benefit however we only have a limited pool. If this could be complemented by a Victorian Government program this may allow more major events to be staged in Regional Victoria.

## Legal services

LGAs in regional areas spent a lot of money in legal costs - we still have to rely on Melbourne-based legal firms for specific skills. There may be an opportunity for the Victorian Government to develop a legal support program (similar to Flying Squad) to assist LGAs. Although it will not create new jobs and economy, it will indirectly assist Councils to use their own funds in other more useful projects.

## Skills attraction

In seeking to attract skilled employees to the region there may be an opportunity to put into place an incentive scheme. While Council and the community are working to develop local skills there needs to be a concerted campaign to encourage professionals to consider regional Victoriaas a viable alternative to Melbourne. For example, Council has experienced the loss of trainee engineers after training them for two years. After providing work experience the trainees move to other sectors and cities to seek higher wages.

# Summary of Key Points, Recommendations and Suggestions

1. Collaboration and partnership between all levels of government, business and community is essential.
2. Rural councils need assistance to prioritise and implement strategic plans.
3. Demographic statistics need to be more accurate to address funding inequities.
4. Barriers to land development need to be removed.
5. More effort is needed to attract and retain skilled and unskilled labour.
6. Retaining young people in the region is difficult.
7. Service planning should take cultural diversity into account.
8. Councils need to be supported to develop land for child care places and aged care beds.
9. A better approach to tackling the fruit fly (through increased funding and better coordination with the NSW Government) is needed.
10. Programs to support the struggling retail sector would be welcome.
11. Telecommunications infrastructure needs significant improvement in regional Victoria
12. Infrastructure is imperative for economic prosperity in the region.
13. The Roads and Bridges Fund must continue to allow Coucils to maintain a vast local road and bridges network.
14. The planning Flying Squad is vital.
15. Local government needs funding certainty and flexibility to address local needs.
16. A collaborative whole-of-government approach is needed to develop public land.
17. Place Victoria must maintain a regional focus.
18. Councils need more support to prevent big increases in waste management costs.
19. Consideration should be given to regional event funding.
20. Consideration should be given to a “Legal Flying Squad”.
21. Council acknowledges the excellent support we receive from the regional RDV offices.

# Conclusion

SHRCC appreciates the support that the Local and Regional Offices of Regional Development Victoria provide. Their work has resulted in significant positive outcomes for our communities and Council would strongly advocate for continued local representation of State Government Departments, particularly RDV, in the Regional Centres.

While there are many challenges we also see that there are many opportunities within our region. The growth in agriculture and the continued push by landowners to develop needs to be supported by continued investment in infrastructurethat helps support the growing economy.

A partnership approachis the only way that we can meet the needs of our communities and grasp the opportunities as they arise.

We look forward to continuing to work with the Victorian Government to provide outcomes in our community.

Yours sincerely



Dean Miller

Chief Executive Officer