13 April 2015

The Hon. John Brumby

Chair

External Advisory Board,

DEDJTR’s Regional Economic Development

and Services Review

Dear Sir

 **Re: Feedback from the Loddon Mallee RDA**

Thank you for the opportunity to comment on the DEDJTR’s regional services delivery model and the best policies to drive economic growth in Victoria. I am aware this letter is received after the closing date for submissions. I have met previously with Mr Ben Hubbard, as part of the review and already discussed much of the content of this letter. Accordingly, I would be happy for you to consider this as documentation of that earlier conversation.

On behalf of the RDA Loddon Mallee committee I make the following comments in the following areas. Please note that not all areas of the Committee Terms of Reference have been covered.

* Regional planning in Victoria
	+ Overall planning would benefit from better articulation of what the goals of the State government are in relational to population growth, economic growth, health, education and liveability for regional Victorian. A clear overarching statement of goals for Victoria’s regions would provide a guiding/anchor point for activity at regional levels.
	+ The emphasis of joined up regional planning has been supported by government over the last 6 years or so, spanning all spheres of government (local, state and federal). It has worked extremely well by avoiding administrative duplication and aligning strategies.
		- I can recall specific examples where this connection had led to a more informed and better debate at regional level. Specifically the Loddon Mallee regions ability to contribute into the Murray Darling Basin debate at meetings in Canberra were enabled by a close working knowledge of State and Local positions. I am happy to elaborate further on these distinct advantages when compared to alternative state models if required.
	+ The concept of community led regional planning has advanced significantly since implementation, and undoubtedly more can be done to improve and grow this process.
	+ Regional planning takes a long time to embed – it requires patience and trust building. The long lead time is an investment already made. Given this long time frame, I strongly suggest avoiding major changes, but rather building upon existing processes.
	+ Having plans that are community owned, rather than government imposed, is desirable. Government “supported” is preferable than government “owned”.
	+ But regional co-ordination comes at a cost. Funding for the administration of groups that want to be involved is required as with the exception of the existing RDA funding, no-one else is funded to perform this role. Funding for the work of RDA’s should be maintained in order to facilitate this valuable co-ordination role.
* Key priorities for each region and broad policy direction etc.
	+ Please refer to the newly developed Loddon Mallee Regional Strategic Direction for our expression of the needs and actions for our region.
	+ Please refer to the “A Double Triple Vision for Regional Victoria” developed by the previously constituted Regional Policy Advisory Committee and presented in December 2013 to RDV and the Minister for Regional Development. This is presented as a strategy for the regions at the Statewide level.

Following are some further points specific to the operation of regional growth funding programs previously in operation. These points were prepared and summarised for a review being presently undertaken by the Victorian Auditor General’s Office. I provide these additional points to your review. They are not categorised under your Terms of Reference points, but may still be informative to your work underway.

* Funding
	+ It is highly desirable to have dedicated regionally targeted funding programs.
	+ There is much evidence that shows regional, and particularly rural councils are underfunded to deliver programs for their community. Access to funds like RGF is critical therefore.
	+ The funding model of councils can impede their capacity to deliver regional development outcomes in the manner in which many wish they could. This is a genuine issue for government to address. Several of the municipalities in the Loddon Mallee are under severe financial pressure.
* The effectiveness of RGF as a funding mechanism
	+ RGF is a very strongly supported fund, and has been across both governments.
	+ The 4 categories of funds were specific and clear.
	+ The fund should continue to acknowledge the benefits of human capital along with hard infrastructure projects
	+ The fund is open to more than just LGA’s, but there does not appear to be great awareness of this. All levels of government are indicating that they cannot “do it all” and there should be more community and business input. The ability for others to access funding should be more recognised, with the fund guidelines developed to facilitate this.
	+ The LGIP is strongly supported by LGA’s in our region (links to funding point made in first category). The fund eliminates time spent on the individual application process and also reduced the need for RDV to undertake assessments. The program acknowledged the role of LGA’s to decide on the most appropriate infrastructure program to allocate funds to. It allows councils to achieve outcomes quickly and efficiently.
	+ The PLF benefits LGA’s directly too. Many projects would not proceed without support from this program.
	+ Non LGA’s find the matched funding requirements in PLF difficult to meet, and a more flexible system may assist the participation of community and NFP groups.
* The effectiveness of the application process
	+ We hear often that the application process is not efficient.  There are lots of discussions and earlier assessments made by RDV officers prior to the formal submission of applications. This may therefore not reflect in the time that applications take, as much of the time measurement may only occur from the “formal” submission of the applications. This may be appropriate for the larger Economic Infrastructure Program, but not necessary for the smaller Putting Locals First Program
	+ A more mature system of delegations within the Department may be helpful to expedite smaller grants.
	+ The time frames taken are longer than necessary.  Many authorisation steps are required for example, within the PLF program, many which do not add any discernible value and only increase the timelines.
* The achievement of intended outcomes by the RGF
	+ This is project specific, and if asked, recipients can point to benefits received.
	+ Achievements should be measured against two factors equally however – economic outcomes and the less measurable “liveability” outcomes.
	+ Some projects cannot simply be measured in an economic sense directly, but unequivocally contribute to an investable environment.
	+ The general liveability of an area contributes to the ability to attract and retain qualified workers and their families. A monoline assessment purely around matters “economic” does not reflect the full relationships at play in accepted regional development theory and should be avoided.  Creating an “investable environment” is equally valid to long term economic development.
	+ Equally important is the timeframe for assessment of benefits.  A longer assessment period for benefits for many economic development projects is sometimes required eg. Industrial parks, which can take some time to become fully utilised.
* The role of RDA during the planning and execution of the fund
	+ Efficiencies can be gained here, as the RDA has no authority, but merely recommend.  Suggest modification of this step.
	+ The important link, is that applications reference the regionally agreed Regional Strategic Plans (RSP).This is an important step to ensure funding is pointed to the areas the region has defined as the most important. It provides a framework for thinking about desired outcomes for funding and why the project is important in a regional context.

I am happy to further discuss any of the above with members of the review team.

Regards



Jenny Dawson

Chair, RDA Loddon Mallee