Mr Ben Hubbard

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Dear Mr Hubbard

# Review of DEDJTR’s Regional Economic Development Strategy and Service Delivery Model

As a major client of Regional Development Victoria the Colac Otway Shire stands to benefit from a renewed State government emphasis on regional economic development and service delivery and provides the following input into the review.

In general terms the Colac Otway Shire has at least two distinctly different economies that create two different types of call on the strategy and service delivery elements of RDV.

In the southern end of the Shire along the Great Ocean Road and the southern Otways the key growth driver for local economies for the foreseeable future will be the tourism sector and the need to gain sufficient yield from the 7 million visitors each year whilst delivery against the infrastructure needs of those visitors is one that cannot be achieved within the resources of the Shire alone. RDV and other arms of government have a logical role to play in the planned management and support for a tourism region that drives further visitation across the State. RDV support in this part of the Shire should be geared toward the private and public investments that have been identified through Great Ocean Road Regional Tourism’s destination action plan process as well as the local infrastructure project that arise from time to time that allow local communities to adjust to the influx of visitors.

Particularly along the coastal areas, where there may be up to eight different types of private and public land and waterway mangers abutting each other, there is a need for a senior leadership role in government that can coordinate these different land managers to drive better social, economic and environmental outcomes.

In the northern end of the Shire the significant opportunities offered by the food and fibre sector, and in particular the further processing of local produce for export are again often beyond the means of local governments and local producers. Valuable support for these industries would include RDV facilitation and or funding support for an extension of gas, sewage or rail that would support a new milk processing factory in Colac.

## In terms of economic development across the Shire, RDV can play a highly valued role in:

* Providing grant funding to overcome infrastructure shortages, particularly where this may drive significant one-off investments by the private sector;
* Providing access to pipelines of investors and projects that would be beyond the intelligence gathering or investment recruitment capacity of smaller regional councils;
* Provision of high level investment facilitation services that have strong government and private sector networks as well as deep knowledge of the State’s regulatory frameworks. While it may be possible for some larger regional cities such as Geelong to partially perform this role in their own right, for the foreseeable future local governments will have to rely heavily on the services of RDV or its successors. This is especially the case where economic development is a largely discretionary activity of Councils and as such will be under pressure in a rate capping environment.

It would be highly desirable that any restructure of RDV retained both the functions and the expertise associated with the above roles.

RDV has historically also played an important part in the delivery of community infrastructure in Colac Otway Shire, particularly in small communities. This has meant the successful delivery of a range of community infrastructure projects that would normally be beyond the capacity of the Shire to fund alone. The two-step approach taken by RDV to funding application where applicants have high confidence of funding after a simple Expression of Interest process has been particularly welcome as it is an efficient use of both organisations’ officer time and this approach is in stark contrast to most Commonwealth funding application processes.

## In respect of on the ground service delivery in Colac Otway Shire the following additional suggestions are made:

* The Header Agreement developed between RDV and the MAV and applied across the State should include agreed delivery milestones, as opposed to process features, that should be the primary accountability mechanism for the delivery of grant funding. Most local governments are moving to formal accredited systems of project management and the imposition of additional project management structures such as additional steering committees with RDV officers tends toward duplication and inefficiency. Support from RDV has worked most effectively when this model has been applied, versus instances over more recent years where the RDV office has been intricately involved in the on-going governance of projects/programmes funded in part by RDV.
* The Barwon South West Region is primarily serviced from the Geelong office of RDV. For many e services outlined earlier in this submission the City of Greater Geelong is capable of, and does provide those services such as high level investment facilitation. This means that high demand for these services across the region is serviced geographically from one extremity of the region. It is suggested that the movement of that service delivery more to the centre of the region would reduce travel time for both local government and State government officers, and result in better engagement between both groups of officers. It would also support better intelligence gathering of rural issues and projects for the State Government. It is suggested that a more appropriate centre for RDV service delivery in the Barwon South West Region would be the town of Colac.

Colac Otway is grateful for the opportunity to provide input into the review process. Yours sincerely

Chief Executive Office