Submission by the City of Greater Bendigo

### Review of DEDJTR’s Regional Service Model and Strategic Directions for Regional Policy

**How Regional Victoria Has Been Growing**

#### An examination of how regional Victoria has been growing demonstrates the realities of investing in major regional cities that are well connected to Melbourne.

##### Of Victoria’s total population growth from 2001 to 2011, only 52,500 of this growth occurred in Victorian regions located outside 2 hours’ drive to Melbourne. In fact, almost 90% of the growth, which took place in those parts of Victoria officially classified as ‘regional’ occurred in areas within 2 hours’ drive of central Melbourne.

##### The key regional nodes which link the metropolis to the wider State hinterland, that is, places like Ballarat, Bendigo, Geelong and the Latrobe Valley, experienced much more impressive growth. So what is driving population growth in those relatively few growing centres, which lie outside of the gravitational force of the metros? To a degree, the drivers in non-metro areas will be fuelled by support services to local agricultural and resource production, that is, the localised aspects of ‘off- farm’ or ‘off-mine’ sourcing of business inputs. However, the heavy lifting in terms of population growth in these areas will lie in providing services to the local population. This population will increasingly demand more services because of ageing.

##### There appear to be three broad categories of region in Australia – regions which are strongly linked to the nearest metropolis, agricultural resource based regions, and mineral resource regions. Various sub-groups of regions within these categories will also have a major tourism string to their economic bow. A customised approach to regional development is required across these categories. For those regions within convenient ‘face to face commerce’ distance of metropolitan areas, a key objective should be to strengthen these ties. This recognises that metropolitan areas are key drivers of regional prosperity, particularly for those towns and districts, which are within a two hour drive of a major city. Infrastructure planning and investment, in these ‘metro linked regions’, needs to avoid a ‘city versus country’ perspective. Rather they must take a genuinely integrated approach, which envisages a cohesive mega economic region, centred on the metropolis in question.

#### Source: ‘Regional Australia; drivers, prospects and policy directions’: Dr Marcus Spiller- SGS Economics and Planning Pty Ltd

**How the City of Greater Bendigo Has Been Growing**

##### The City of Greater Bendigo has clearly demonstrated the significance of these trends and it continues to benefit from significant population growth, economic investment and its high profile as a liveable regional city. The City of Greater Bendigo has been a major player in Regional Cities Victoria; it has played a particularly active role in the development of the Loddon Mallee South Regional Growth Plan and in the work of the Loddon Mallee Regional Development Australia Committee.

##### **Bendigo is currently delivering**

##### 1,100 new homes a year,

##### Highest Gross Regional Product rate of growth of any Victorian regional city,

##### Construction well underway of the $630m new Bendigo hospital,

##### Major extensions to the Art Gallery and Library completed in 2014,

##### New Ulumbarra Theatre to be opened in April 2015,

##### Ravenswood Interchange

##### In order to support this development the City has forged ahead with major strategic work to underpin investment, including the following initiatives:

##### Greater Bendigo Residential Strategy - adopted 2014,

##### Hospital Precinct Strategic Plan - adopted 2014,

##### Rosalind Park Master Plan - adopted 2014,

##### Economic Development Strategy - adopted 2014,

##### Connecting Greater Bendigo - Integrated Transport and Land Use Strategy (ITLUS) - to be adopted 2015,

##### Commercial Land and Activity Centres Strategy - to be adopted 2015,

##### Marong Business Park Planning Scheme Amendment - on public display 2015,

##### Housing Strategy - to be adopted 2015, and

##### Open Space Strategy - commenced 2015,

##### Bendigo is the key centre in a region with vibrant, innovative, sustainable and connected communities offering a diversity of lifestyles, building on our heritage, natural environment and agricultural landscapes. The whole region is planned to be home to some 300,000 people by 2041, with access to employment, infrastructure, educational opportunities, healthcare and other services. It is widely understood that Bendigo will accommodate the majority of growth in the Loddon Mallee South region over the next 30 years.

**Implementing a Regional Service Model**

#### Bendigo has emerged as one of the state’s major transport hubs.

#### Current regional passenger rail network and bus network

**The Opportunities Provided by this Major Review**

##### The City of Greater Bendigo submits that this review provides a range of opportunities to take the partnership between State and local government and particularly the major Regional Cities to a new more productive level. In particular, we submit that the City of Greater Bendigo is well positioned to be a pilot to investigate and develop new Regional Service Models and Strategic Directions for Regional Policies. Bendigo could assist the state government to implement a mix of structural, governance, and strategic models that are best suited to promoting long-term prosperity in regional Victoria.

#### This new partnership would be based on:

##### Providing for new levels of decision-making at the regional level, which reflect regional priorities to support growth, jobs, development and investment.

##### The guiding principle would be to determine how more decision making can be undertaken at the regional level.

##### A shared appreciation and understanding that processes used should involve people that live and work in the region in the key roles relevant to the decision making agenda.

##### Involving people who live and work in the region because they have a real appreciation of the region and the role that we play in all areas of economic and social growth.

**Responding to the Issues and Questions Posed in the Review**

##### In terms of issues and questions posed in the review terms of reference, the City of Greater Bendigo submits that for the overall regional development of Victoria the following policy, support processes and understanding needs to be in place:

##### A dedicated regionally targeted set of funding programs.

##### Access to funds like the Regional Growth Fund - this is critical to tackle the underfunding of regional and particularly rural councils in their capacity to deliver programs for their communities.

##### A better funding model for councils so they are not impeded in their capacity to deliver regional development outcomes in the manner in which many wish they could.

##### An emphasis on joined up regional planning supported by government. Over the last six years or so, spanning both governments, this initiative has been widely applauded.

##### Using the concept of community led regional planning, which has advanced significantly over this period, and undoubtedly more can be done to improve and grow this process.

##### Recognise that regional planning takes a long time to embed – it requires patience and trust building, due to the processes that have been put in place this whole process can be taken to a new level.

##### Given the long time frame of building trust and practice, it is strongly suggested that new processes should avoid major changes, but rather build upon the existing successful processes.

##### Having plans that are community owned, rather than government imposed, is desirable. Government “supported” is preferable than government “owned”.

##### Recognise that 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.

##### In terms of the effectiveness of the RGF as a funding mechanism the City submits that:

##### The RGF is a very strongly supported fund, and has been across both governments.

##### The four 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 local governments, 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 local governments in our region. The fund eliminates time spent on the individual application process and also reduces the need for RDV to undertake assessments. The program acknowledged the role of local governments to decide on the most appropriate infrastructure program to allocate funds to. It allows councils to achieve outcomes quickly and efficiently.

##### The PLF benefits local governments directly too. Many projects would not proceed without support from this program.

##### Non local governments find the matched funding requirements in PLF difficult to meet, and a more flexible system may assist the participation of community and Not for Profit groups.

##### In terms of the effectiveness of the application process the City submits that:

##### 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 Programs, 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.

##### In terms of the achievement of intended outcomes by the RGF the City submits that:

##### 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 mono-line 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 e.g. Industrial parks, which can take a while to become fully utilised.

##### In terms of the role of RDA during the planning and execution of the fund the City submits that:

##### Efficiencies can be gained here, as the RDA has no authority, but merely recommends. Suggest that there are modifications 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.

**The Emerging Role of Regional Capitals**

##### The City notes that significantly the Victorian State Government Review is being undertaken at the same time as the Australian Senate’s Rural and Regional Affairs and Transport Committee is undertaking an Inquiry into Regional Capitals. Submissions to that Inquiry are due by 30 April 2015 and the Inquiry report is due to be presented by 1 December 2015. The Inquiry is timely in terms of the State government’s processes. The City believes that the state government should be making a submission to that Inquiry and supporting the major emerging role of Regional Capitals. Victoria is well placed; we would argue the best placed state, to be a strong participant in the growing of Regional Capitals. That Inquiry is specifically examining the future role and contribution of regional capitals to Australia, including:

#### An assessment of current demographic trends and the changing role of regional capitals;

#### An analysis of current funding provided to regional capitals;

#### An analysis of the benefit of additional funding regional capitals could receive based on population, demand for services and their strategic importance for the region, state or country;

#### Investment challenges and opportunities to maintain or grow regional capitals, including infrastructure, community and human services, communications and natural resources;

#### Incentives and policy measures that would support sustainable growth in regional capitals;

#### The impact the changing environment will have on regional capitals;

#### And any other related matters.

##### Regional Capitals Australia’s website www.regionalcapitalsaustralia.org identifies a ‘Regional Capital’ as a regional city which performs the role of a ‘capital’ for their region. Regional Capitals Australia is an alliance of local government associations working together to build a nation of strong, sustainable regional capitals and connected communities.

##### The City of Greater Bendigo is a member of Regional Capitals Australia. Regional Capitals have recognised that creating vibrant regional capitals requires not only an investment in infrastructure and services but also an investment in thinking – a strategic approach to the challenges and opportunities of sustainable growth. A commitment to strong planning for the future from all levels of government is fundamental.

##### Australia’s regional cities share a unique role as regional hubs for health, education and transport. This hub model allows people in surrounding smaller towns and rural areas a central access point to essential services. This will increase the demand for regional cities to become economic hubs, connected to large scale economic infrastructure as well as centres for the arts, culture, sporting, fashion and food – truly performing their role as ‘regional capitals’ within their catchments. The role of a modern regional capital in a growing Australia is to ensure that the provision of social and economic services and supportive infrastructure continues to attract and retain industry and a diversified and skilled workforce. Regional Capitals are now home to about 4 million people and are growing at a rate that is faster than Australia’s metropolitan centres.

##### Regional Capitals present a more liveable opportunity, offering inexpensive land and dwellings, unique cultural and historical heritage, and lower congestion, pollution and traffic stressors.

##### Sourc[e www.regionalcapitalsaustralia.org](http://www.regionalcapitalsaustralia.org/)

**Exploring a new model for regional service delivery**

**Leveraging the Benefits of Implementing Connecting Greater**

**Bendigo - ITLUS and the Bendigo Metro Rail**

##### Early this year the City commissioned SGS Economics and Planning to consider how a new model could be applied to leveraging the benefits of Council’s Integrated Transport and Land Use Strategy and the development of Bendigo Metro Rail. We have been assessing the argument for a completely new approach, with this review it appears that this model is immediately relevant. We present the report that we commissioned and recommend it to government.