11 March 2015

Ms Leigh Kennedy

Regional Director Gippsland

Regional Development

Victoria 33 Breed Street

Traralgon VIC 3850

Dear Ms Kennedy

# Review of Regional Service Delivery Model

Minister Pulford, Minister for Regional Development, advised in a letter received 26 February 2015, that the Victorian Department of Economic Development, Jobs, Transport and Resources (DEDJTR) has commenced a review into its regional service delivery model and the development of strategic directions for regional policy in Victoria. As a key stakeholder, Wellington Shire Council was asked to provide ideas and input through to your office, to forward to the project team.

Wellington Shire Council has benefited from a strong regional model, and an excellent relationship with the Gippsland Regional Development team. The benefits from having a local RDV presence, strategically located in Sale, with awareness of regional businesses, personalities and priorities cannot be underestimated. Rather than work in isolation, Council’s economic development team and the RDV business investment team engage regularly on a formal basis, but also have an informal relationship built on trust and mutual respect that affords far greater interaction than would be possible with a centralised model.

Business engagement has been strengthened through collaboratively working on a business engagement model, with joint visits to higher level businesses where possible, and sharing of appropriate information at other levels, to assist a greater level of service from both State and local government to our regional businesses. As an example of this collaboration, Council recently hosted the new Regional Director RDV Gippsland on industry visits to four key strategic businesses, shortly after her appointment. This demonstration of partnership was well received by those businesses and timely given changes to State Government focus after the recent change of Government.

In particular, the value of local relationship and engagement with the business investment team was a deciding factor in the prioritisation to higher levels of the Department of the business case to support a Sale based tender for the basic flying training component of Defence Project AIR5428. Without assistance from the RDV Gippsland office and with other competing State priorities, it is unlikely Council's voice would have been heard at the right levels to demonstrate the value of early collaboration between local and State Government to liaise with potential tenderers. If a Victorian outcome is successful, it is estimated that $2 billion of value add would be realised over the 25 year project life to the regional economy.

Recent collaboration on the State Government funded business growth support project also demonstrated how additional staffing and resource effort, with the benefit of an appropriate funding lever such as the Latrobe Valley Industry and Infrastructure Fund, can facilitate the addition of over 75 new jobs and economic growth with projects valued at $10.9M to Wellington. Without such funding levers, assistance to local businesses for growth can be quite limited in scope.

Other examples of ongoing collaboration and advocacy between Wellington Shire and the Regional RDV team include the following key projects. The retention of TAFE and tertiary level training facilities and programs through the development of the Port of Sale Education precinct will provide younger residents greater options for study and help to prevent skills loss to the local economy. With agriculture Wellington's second largest employer, it is vital that continued support to the MID2030 project to modernise the Macalister Irrigation District is received. This project to transform local agriculture will result in a significant increase in agricultural output and economic growth.

Council would welcome the opportunity for further opportunity to discuss the regional service delivery model as part of the stakeholder engagement program.

Yours sincerely

John Websdale

General Manager, Development