



Enhancing Collaboration to Grow Our Regional Prosperity

As at 27th January 2017

Deloitte.

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1 Executive Summary

The RDA BSW Committee has for some time been considering how to be most effective in its role and how to make an optimal contribution to building regional prosperity. RDA BSW engaged Deloitte to undertake a strategic assessment to identify the best way to grow regional prosperity through collaboration, focused on four interlinked key areas, these being:

1. Regional datasets: Assessing the suitability of regional datasets for a range of purposes and identifying data gaps that prevent effective planning and decision making.
2. Prosperity in the BSW region: Identifying the region's potential to flourish by measuring different elements of prosperity from a range of data sources.
3. Sector Growth and future industries: Identifying actions for the public and private sectors to overcome barriers and encourage collaboration. This will drive competitive advantage and economic activation in growth sectors.
4. Collaborative action: Summarising the current roles and accountabilities of organisations operating across the region; examining linkages and overlaps; and opportunities for focused engagement and data sharing.

In this context, Deloitte agreed with the RDA BSW to define *regional prosperity* as “the extent to which the economic (material standards, wealth, jobs and opportunities for growth) and social (sense of care for community, healthy, safety and security) elements of a region are meeting the expectations of the people”.

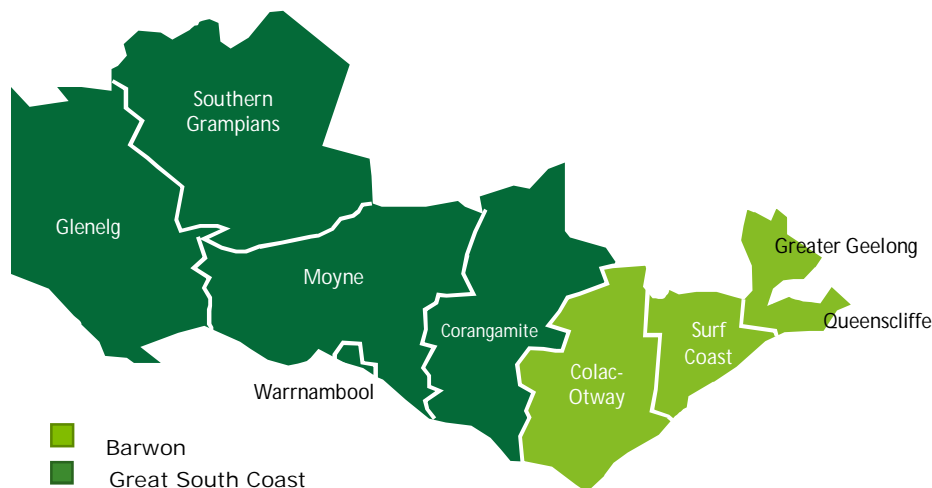
The overall outcome Deloitte was asked to achieve was guidance and options for the RDA to enable more effective and efficient collaboration for, and measurement of growing regional prosperity. In doing so, we will further enable all stakeholders to efficiently collaborate for maximum impact; making the contribution they choose to; and enabling the RDA to provide appropriate leadership in what is a complex landscape.

The scope of work agreed means that Deloitte was able to draw on other recent work for Victorian and Australian Government, enabling more breadth to the process and report than might otherwise have been achieved with the budget available for this project.

Analysis or recommendations on specific projects were excluded from the requirement. Rather, the scope was to focus on a whole-of-region framework for prosperity through collaboration.

1.1 Regional context

The RDA BSW region is made up of the area from Queenscliff to the South Australian border and includes two state regions (Barwon and Great South Coast) and nine local government areas, as shown below:



It is important to note that the RDA region is, often and for different reasons, best considered as being made up of the two sub-regions (Barwon and GSC), rather than defaulting to an aggregation as used in this project. This is the overwhelming view of stakeholders, repeated throughout the consultation and in many different contexts. Whilst there are some occasions where aggregation is useful, more often than not, it distorts the reality of the region as it distorts data or prevents the full picture from being easily understood.

The RDA BSW regional context is unique in Victoria and Australia. Within the region is Victoria's second biggest city, Geelong, which has a strong sense of identity and is experiencing population growth more than most other regional cities in Australia, despite the regional economy having to transition as a result of globalisation.

The region also includes regional and rural towns that experience:

- Significant diversity in prosperity, with some areas experiencing significant and long-term socio-economic disadvantage with inherent health and social problems; and
- Real challenges facing all levels of government and business in terms of accessing funding and building and maintaining infrastructure.

The region has a strong collaborative nature across the three levels of government and this is valued by many as a key to future success. There is also an increasing willingness from businesses and industry to be more involved and active in shaping the region's future, further enhancing the potential role of collaboration in fostering a more prosperous region.

1.2 How the RDA BSW Committee Works

The Committee is made up of 11 members drawn from across the region and its membership currently includes representatives of local government, members of advocacy groups and other well-networked and experienced business people.

The Victorian Government supports the delivery of the Regional Development Australia (RDA) program in Victoria. A structured, formal, efficient and practical collaboration between the Australian and Victorian Governments provides for the embedding of the RDA Committees within the Victorian Government.

RDA BSW has two officers embedded in the Regional Development Victoria (RDV) offices. These officers undertake secretariat, project management and funding application work on behalf of the RDA committee. This approach enables greater information sharing, integration and access Victorian Government resources. Under this model the Committee has:

1. Provided policy and program advice to the Victorian Government (e.g. Regional Policy Advisory Committee);
2. Led work on regional development funding applications (e.g. Regional Development Australia Fund, National Stronger Regions Fund);
3. Developed work that contributes to regions' economic evidence base; and
4. Developed tools to enable regions to prioritise a large, disparate number of projects into a smaller number of projects with the potential to deliver the broadest economic benefits.

This integrated, practical and efficient approach has led to tangible outcomes for the Barwon South West region, for the local government authorities within region, and the Victorian and Australian Governments.

1.3 Why Collaboration Matters Now

Achieving shared objectives in growing regional prosperity such as growing employment, tackling disadvantage, addressing population ageing and building digital and physical infrastructure, requires an integrated approach between the three levels of government and across government portfolios, business, individuals and community groups.

The need for shared objectives and an integrated approach to achieving regional prosperity has been highlighted by stakeholders from across the region. RDA BSW is in the fortunate position of being able to engage with and leverage the Victorian Government's Regional Partnerships model, which is a new and collaborative approach to priority-setting in regional Victoria. It differs from previous approaches with a much stronger emphasis on direct community input, driven by place-based planning with a pathway straight to the Victorian Government through the Rural and Regional Sub-Committee of Cabinet.

An RDA representative has been appointed on each Regional Partnership along with community and business representatives and local government representatives. This presents a clear opportunity for the RDA Committee to connect the Commonwealth Government's regional agenda with the other two tiers of government. More importantly, it allows the RDA to optimise alignment with Australian Government policy objectives.

The issue is not to collaborate, but how do we optimise collaborations in order to really make the complex task of growing regional prosperity as efficient, effective and engaging as possible.

1.4 Core Responsibilities and Mission

Like other RDA Committees, the RDA BSW Committee's core responsibilities are:

- To be a key facilitator of strategic change and economic, social and environmental development in the region;
- To be the link between government, businesses and the community; and

- To facilitate whole-of-government responses to opportunities in the community.

In undertaking these responsibilities, Deloitte notes there is no other agency at federal level undertaking this work. RDA BSW also undertakes the responsibility to provide advice back to the Australian Government on federal issues that impact the region (visas, telecommunication, etc).

RDA BSW has invested time and effort in considering how to be most effective in executing these responsibilities. That is, how to make an optimal contribution within limited time; budgets and consistent with both its responsibilities and create synergies with other government agencies at all levels, business and community groups.

RDA BSW sees it has a unique opportunity to make a long-term and substantial contribution to building regional prosperity¹. It needs to do so by leading and enabling collaboration. It must also focus effort consistent with the broader regional prosperity and economic development architecture already in place at all levels of government, and within businesses and the broader community.

Earlier this year, RDA BSW undertook work to identify the requirements to truly understand, measure and grow regional prosperity using a collaborative approach. This involved significant stakeholder consultation, including workshops, interviews and surveys with key leaders of all levels of government, business and community. During this process, it considered the challenges, the need for collaboration, the barriers to it happening and the range of solutions available to overcome those barriers.

This work resulted in a number of key recommendations which are aligned to provide a stronger focus for the RDA's roles and responsibilities going forward. Most importantly the work has helped RDA BSW determine a clear mission statement to ensure it can execute its assigned roles collaboratively, purposefully and efficiently.

1.5 RDA BSW Mission

The RDA BSW Region Committee will execute its core responsibilities in a collaborative, practical and efficient way by:

1. Enable and encourage regional prosperity and monitor progress in key areas;
2. Leverage regional advantages and build sector strengths;
3. Promote regional capabilities and investment opportunities;
4. Support increase in exports and greater Asian presence; and
5. Reduce barriers to job and economic growth, i.e. infrastructure development and policy alignment.

Mission Element 1: Enable and encourage regional prosperity and monitor progress in key areas

RDA needs to have the focus on the big picture as others by nature of their role / purpose don't. Key activities are:

- Enabling place-based planning that is mindful of Victorian and Australian Government imperatives and opportunities;
- Monitoring and reporting progress on regional prosperity; and
- Enablement for other agencies.

¹ Regional prosperity is defined as:

- a. A condition where the economic (material standards, wealth, jobs, opportunities for growth) and social (sense of care for community, healthy, safety and security) elements of prosperity are fully meeting the expectations of the people.
- b. A state of play where both individuals and businesses can enjoy successful, flourishing, or thriving conditions driven by cohesion and collaboration between all levels of government; that only serves to advantage the region's pursuit of success (both economic and social).

This mission must also include working with federal politicians and agencies to help inform, educate and influence federal initiatives that address elements of regional prosperity, i.e. NBN, visas, population, generational and entrenched disadvantage.

Mission Element 2: Leverage regional advantages and build sector strengths

- Working with businesses, communities and other government to maintain a consistent focus over time on those sectors and sub-sectors that have advantage within the region; and
- Harness the strengths at a sub-regional and community-level.

Aggregation is not always possible – we must accept that every region of Barwon South West is different. Whilst Great South Coast has geographical coastal alignment and commercial flows in common or shared with Barwon, there are far more differences.

As such, it is important to help create a shared vision for both sub-regions as well as use common ground driven by related issues. The key to implementation and taking advantage is down to the following factors:

- In sync relationships between three government-levels;
- Private sector investment and enablement; and
- Measurable outcomes.

Mission Element 3: Promote regional capabilities and investment opportunities

- Capitalise on and enable private sector investment and partnering.
- Provide opportunities to build capacity at community-level.

In doing so, the RDA should aim to understand and add value to work being done in great detail at other levels of government (see the section below on Roles)

Mission Element 4: Support increase in exports and greater Asian presence

Significant activity is occurring at all levels of government and by many different businesses.

Support here means a number of things:

- Helping provide visibility of the opportunities for businesses within the regions, as well as opportunities for businesses to engage with businesses in Asia to create the essential private sector connections;
- Enablement also means synergies – what is happening in one part of the region might be beneficial to other parts, if it is communicated and encouraged;
- Encouraging governments to provide the enabling infrastructure – NBN, visas – as well as physical infrastructure; and
- Role in education – helping the region understand the challenges and risks, and overcome the barriers to exports.

Mission Element 5: Reduce barriers to job and economic growth, i.e. infrastructure development and policy alignment

- Foster the required skills and knowledge and improved availability of skills;
- Place-based planning;
- Improved linkages between industry and policy-makers; and
- Coordination and measurement of outcomes.

In doing so, the RDA should enable the facilitation of collaboration in the region to allow a consistent, agreed and documented agenda for informing all levels of government and businesses.

1.6 Underpinning Principles

Deloitte recommends the following key principles and encourages their adoption throughout the region as the evolved paradigm for collaboration for regional prosperity:

1. **Regional prosperity is what matters:** A focus on prosperity rather than economic development. While economic activity is important, it is an insufficient indicator of whether people will come to or remain in a place. Regional prosperity is what attracts and retains business and enables thriving community groups. Currently, no government agency looks at the region from this lens and so this is a key opportunity for the RDA.
2. **Place-based planning:** We understand that there are significant differences between and within communities in terms of the demographic, needs and priorities of families. A consistent view amongst stakeholders is that one community's priorities, policy frameworks and services may not be the most appropriate for another. Place-based planning requires good and rich data, a willingness to work closely in partnership, thoughtful financial planning and accountability and high-quality local leadership. Most importantly, it requires that state and federal agencies work outside their silos, accept that communities prosper when they are deeply engaged in their own planning and invest in enabling this. This practical, real-world approach is widely shared by stakeholders within the region.
3. **Optimising federation:** Application of the federation-approach as it applies to many areas of life in building regional prosperity. In the same way that the Australian Government Department of Education sets standards and policies and measures progress but does not run schools, we see the role of the RDA to help establish and monitor progress towards regional prosperity rather than have a project-based approach.
4. **Valuing enablement and leadership:** In the past, successful projects have been seen by many as the key to success. In the future, enablement and leadership are key to place-based planning, reducing complexity and achieving collective impact. Collective impact, as has been the region's own experience, provides a framework for facilitating and achieving large-scale social change within an area or region. This model brings cross-sector and cross-agency organisations together to focus on a common agenda that result in long-lasting change. This must include businesses.
5. **Engaging, informing and educating role:** Experience shows that an engaging, informing and educating role in developing the region is best done by the relevant level of government. This minimises the politics and optimises the ability to engage on appropriate and more significant agendas. In this principle, local government engages community, the State Regional Partnership Forums and RDV engage State Government (and its agencies) and RDA engages Australian Government (and its agencies). This principle relies on and underpins, a collaborative and transparent approach.
6. **Respect for the region's reality:** The BSW is many communities and a number of sub-regions. Aggregation is not always possible, practical or desirable. Whilst aggregation may suit other arena, in this context we need to communicate and educate the reality of the region, rather than simplify to meet the needs of others.

1.7 Recommendations on role clarification for government

Much of the stakeholder feedback where views of collaboration are less favourable is in fact related to or driven by a lack of role-clarity. This is not surprising given that regional prosperity and the pursuit thereof is an objective that needs the active involvement of all levels of government but does not fit neatly within any government, partly due to its complexity.

There is no doubt that enhanced future collaboration requires further role clarification that is agreed, trialled and applied, noting that this addresses only government agencies not businesses or community groups roles. Clear purpose and roles within the current governance structure could better enable competitiveness in the global economy and provide appropriate flexibility to deal with the pace of change, growth and disruption in the region.

Deloitte recommends the RDA consider engaging government agencies at state and local level to review and trial the following delineation of roles and responsibilities related to regional prosperity.

	LGA	STATE / RDV	RDA
Economic development	<ul style="list-style-type: none"> Focus on economic enablement and leading place based planning Foster and auspice the business groups to enable business participation, rather than seek to create new sectors 	<ul style="list-style-type: none"> Build sector strength Lead engagement with business on opportunities, projects and specific investment Provide the one-stop shop for business to engage with government 	<ul style="list-style-type: none"> Optimise the environment for business by influencing and shaping federal policies and infrastructure planning Determine funding plan rather than pick specific projects
Monitoring regional prosperity	<ul style="list-style-type: none"> Collect and contribute data Include Community Engagement Agenda as a key element 	<ul style="list-style-type: none"> Collect and contribute data Include Regional Partnership Forum Agenda as a key element 	<ul style="list-style-type: none"> Enable the data collection, analysis, reporting and dissemination
Place-based planning and community engagement	<ul style="list-style-type: none"> Lead, plan and conduct Provide findings to RDV / state and RDA 	<ul style="list-style-type: none"> Support LGAs and inform the subject matter of some consultations 	<ul style="list-style-type: none"> Support LGAs and inform the subject matter of some consultations
Data and knowledge sharing	<ul style="list-style-type: none"> Designate and communicate role at each LGA, at RDV, within the Regional Partnerships Secretariats and RDA Secretariat which is accountable for data and knowledge sharing on regional prosperity All agencies commit to sharing reporting and data, and seek to co-commission reports, studies and data sharing across all three levels of government so as to allow all three levels to share and use the outputs 		
Selection and targeting of projects and complex issues	<ul style="list-style-type: none"> Inform RDV / state 	<ul style="list-style-type: none"> Prioritise through regional partnerships 	<ul style="list-style-type: none"> Inform RDV / state Focus where possible federal effort on the catalytic projects identified at RDV / state-level or those areas uniquely federal (i.e. telecommunications)
Private sector investment attraction	<ul style="list-style-type: none"> Enablement – making it simple and easy Prioritise simple, streamlined statutory planning Consider staged payments for new business costs and applications 	<ul style="list-style-type: none"> Establish connections between prospective investors and with the necessary government agencies (at all levels) and business groups to help companies locate and expand 	<ul style="list-style-type: none"> Influence Australian Government to attract investment and provide the funding for enabling infrastructure Influence federal policy to support and enable business relocation to regional and rural areas
Skilling and creating employment opportunities	<ul style="list-style-type: none"> Focus on economic enablement and leading place-based planning Foster and auspice the business groups to enable business participation 	<ul style="list-style-type: none"> Identify and support where possible catalytic projects 	<ul style="list-style-type: none"> Provide the vehicle for coordination and optimise investment

1.8 Conclusion

There is a unique opportunity to make a long-term and substantial contribution to building regional prosperity in the BSW region. Furthermore, by recognising that collaboration is critical to this challenge of building regional prosperity, the RDA BSW Committee is uniquely placed to lead and enable this.

Achieving specific objectives in growing regional prosperity, such as growing jobs and tackling disadvantage requires an integrated, collaborative approach between the three levels of government and across government portfolios. To focus effort now on further enhancing collaboration will better enable regional prosperity, and regional prosperity is what attracts and retains individuals and businesses and enables thriving community. A key part of this opportunity to strengthen collaboration is that it will make it more efficient for all, ensuring better outcomes for the region, and better use of Commonwealth resources.

The collaboration between the Victorian and Australian Government to deliver the RDA program provides for a practical and efficient approach that has led to tangible outcomes in the Barwon South West region. With the recent introduction of the Victorian Government's Regional Partnerships there lies a clear opportunity to enhance collaboration between the three levels of government and to optimise alignment with Australian Government policy objectives.

Deloitte believes that the revised RDA Mission it has developed together with the proposed clarification of roles and responsibilities will result in a more effective and efficient RDA contribution to regional prosperity. Role clarification is essential to enable effective collaboration and the proposed delineation of roles and responsibilities should help minimise duplication of activities between different levels of government.

Sharing information and the approach to data outlined in detail in this report will enable more efficient and effective collaboration.

In doing so, the RDA should lead efforts to use a place based, measurable outcomes approach that aligns with all levels of government, and using the data in the way outlined in this report. More open collection of and access to data will allow all three levels of government to share and use the outputs. The RDA should lead efforts to use a place-based, measurable outcomes approach that aligns with all levels of government, and using the data in the way outlined in this report. More open collection of and access to data will allow all three levels of government to share and use the outputs.

In total, the report provides for an additional significant step in the RDA BSW journey to lead to a more prosperous region, based on effective, efficient and focused collaboration. The RDA BSW Committee must now trial and evolve this framework, and engage all stakeholders in focusing on regional prosperity as the way ahead.

Part 1 - The Context

2 Introduction

Victoria's Barwon South West (BSW) region has many economic, social and environmental building blocks of a prosperous regional economy. To fully realise the opportunity and turning the region's potential into prosperity requires cooperation and coordination amongst the region's many representative organisations. To this end, Regional Development Australia (RDA) has engaged Deloitte to identify the best way to grow regional prosperity through collaboration.

2.1 RDA BSW

The RDA BSW Committee has for some time been considering how to be most effective in its role and how to make an optimal contribution to building regional prosperity in the region. The Committee works in partnership with community, businesses and all levels of government to support and contribute to strategic regional development across the local government areas of Greater Geelong, Queenscliffe, Surf Coast, Colac Otway, Corangamite, Moyne, Warrnambool, Southern Grampians and Glenelg, in South-Western Victoria.

Like all RDA committees, RDA BSW is funded by the Australian Government to foster economic growth and further the potential capability of its region. Under funding agreements with the Australian Government, RDA committees are funded to develop 3 to 5 year regional plans that focus on economic development of the region, enhance awareness of Australian Government programs, and assist proponents in seeking funding. RDA committee members are all volunteers – the funding to RDA committees is for staff, premises, committee costs and resources necessary to deliver the outcomes expected by government.

Throughout Victoria, RDAs are auspiced by the Victorian Government's Regional Development Victoria (RDV), effectively partnering with the Australian Government, and enabling synergies and opportunities that are not available to other states.

2.2 The Requirement

RDA BSW engaged Deloitte to undertake a strategic assessment to identify the best way to grow regional prosperity through collaboration. Deloitte was asked to focus on four interlinked, key areas, being:

- Regional datasets: Assessing the suitability of regional datasets for a range of purposes and identifying data gaps that prevent effective planning and decision making.
- Prosperity in the BSW region: Identifying the region's potential to flourish by measuring different elements of prosperity from a range of data sources.
- Sector Growth and future industries: Identifying actions for the public and private sectors to overcome barriers and encourage collaboration. This will drive competitive advantage and economic activation in growth sectors.
- Collaborative action: Summarising the current roles and accountabilities of organisations operating across the region; examining linkages and overlaps; and opportunities for focused engagement and data sharing.

The overall outcome Deloitte was asked to achieve was guidance and options for the RDA to enable more effective and efficient collaboration for, and measurement of growing regional prosperity. In doing so, we will be further enable all stakeholders to efficiently collaborate for maximum impact; making the contribution they choose to; as well as enabling the RDA to provide appropriate leadership in what is a complex landscape.

The scope of work agreed means that Deloitte was able to draw on other recent work for Victorian and Australian Government, enabling more breadth to the process and report than might otherwise have been achieved for the budget available for this project.

Analysis or recommendations on specific projects were excluded from the requirement. Rather, the scope was to focus on a whole-of-region framework for prosperity through collaboration.

2.3 Regional prosperity – what is it and why is collaboration key?

For the purposes of this study we define *regional prosperity* as “the extent to which the economic (material standards, wealth, jobs, opportunities for growth) and social (sense of care for community, healthy, safety and security) elements of a region are meeting the expectations of the people”.

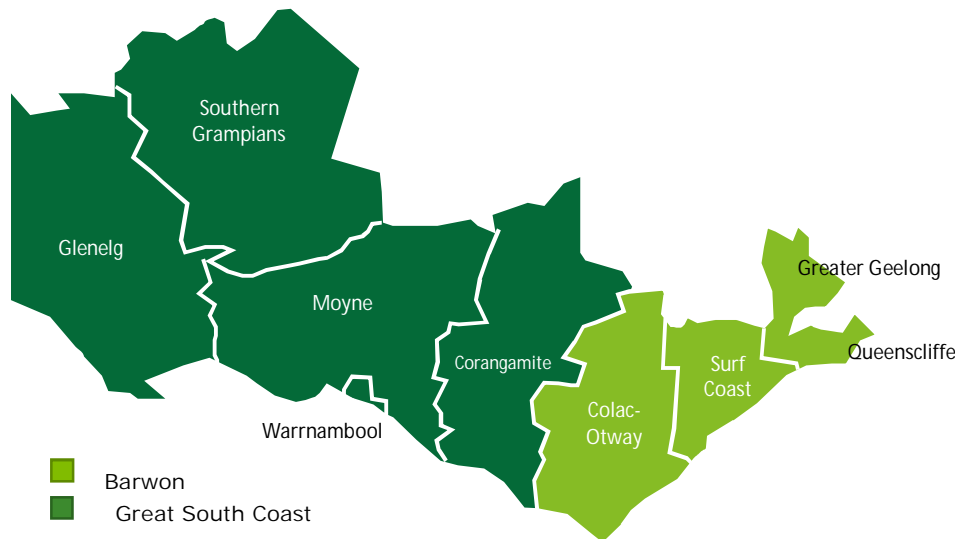
Put differently, a prosperous region is one where both individuals and businesses can enjoy successful, flourishing, or thriving conditions driven by cohesion and collaboration; that serves to advantage the region’s pursuit of success (both economic and social).

Collaboration is the key enabler of regional prosperity as it allows government, community and private sectors to work together to achieve more than any one sector could achieve on its own. Elaborated further, collaboration is key to implementing processes and structures of decision making and management that engage stakeholders constructively across the boundaries of government, community and private sectors in order to carry out a public purpose that could not otherwise be accomplished.

Regional prosperity is important for all people who live and work in the region. Place can influence how we live through the physical attributes of the climate and landscape, but also indirectly through the relationships of the people who live and work there. The prosperity of place impacts on the health, safety, attitudes, wellbeing and material standards of the population.

2.4 What is the Region

The RDA BSW region is made up of the area from Queenscliff to the South Australian border and includes two state regions (Barwon and Great South Coast) and nine local government areas, as shown below:



Within this context it is important to note that the RDA region is at many times for different reasons best considered as being made up of the two sub-regions (Barwon and GSC), rather than defaulting to an aggregation. This is the overwhelming view of stakeholders, repeated throughout the consultation and in many different contexts. Whilst there are some occasions where aggregation is useful, it more often than not distorts the reality of the region by distorting data or not allowing the full picture to be easily understood.

The RDA BSW regional context is unique in Victoria and Australia. Within the region is Victoria's second biggest city, Geelong, which has a strong sense of identity and is experiencing population growth more than most other regional cities in Australia, despite the regional economy having to transition as a result of globalisation.

The region also includes regional and rural towns that experience:

- Significant diversity in standards for prosperity throughout the region with some areas of significant, and long term socio-economic disadvantage with the inherent health and social problems that are tightly coupled to the economic reality.
- Real challenges facing all levels of government and business in terms of accessing funding and building and maintain infrastructure;
- An increasing desire and valuing of collaboration through the region as the key to success, and real recent achievement;
- Increasing inter-linked and collaborative involvement by government leaders at all three levels: RDA has CEOs of local Government on its Committee and the Regional Partnerships developed by the Victorian Government include all LGA CEOs; and
- Willingness from business to be more involved and more active in shaping the future of the region.

The region has a strong collaborative nature across the three levels of government and values this as the key to success. There is an increasing willingness from business and industry to be more involved and active in shaping the region's future.

3 Methodology

In undertaking this work, Deloitte has undertaken a series of data gathering, desktop research and consultation phases. The team combined economists and consultants who are specialized in planning and complex stakeholder engagement, with some members resident in the region.

The desktop work was completed by the same team from Deloitte Access Economics that developed the Regional Fact Packs and undertook the recent Department of Employment Geelong Employment Study. Lead Economist, Dr. Dan Terrill, also led the team that completed the Great South Coast Food and Fibre Action Plan in 2015, and collaborated with Frank Kelloway on work for G21 on Sectors of Advantage in early 2016.

Consultation with key stakeholders in the Barwon South West region was integral to the approach. The consultation plan was extensive and developed with the RDA Project Team, balancing the need to consult as widely as possible with appropriate time and budgets for this project. Appendix 1 details fully the participants and provides the key survey feedback.

Each activity was conducted with the intention to engage participants in a different way and extend from the previous stage; the responses received from the initial activity influenced and guided the direction of the consultation in further activities. This resulted in outputs that demonstrated not only the diversity of issues and opportunities that are impacting the Barwon South West, but also provided an understanding of the common themes that can be embraced to drive collaboration for a more prosperous region.

3.1 Summary of key consultation activities

Discussion Paper – 15th August 2016

An initial discussion paper was released to enable thinking, discussion, debate and eventually progression towards a more prosperous region. This discussion paper was designed to prompt future interview, workshop and survey respondents to think and respond rather than provide a solution for them. It helped place key stakeholders in the right frame of mind and begin to understand the importance and direction of this strategic undertaking. It was also circulated more broadly than the consultation list, with a number of detailed responses returned from this group.

Investment Logic Mapping (ILM) workshop - 25th August 2016

A mixed list of government and others were agreed with the RDA Project Team and invited to this workshop. All attendees were provided with a copy of the initial discussion paper prior to the workshop. The ILM workshop was run by Deloitte to enable participants to help define the challenge by exploring a wide range of issues and limitations they currently experience. Ultimately, the output developed was a succinct summary represented by two limitation statements:

Statement 1: Rigid structures limit collaboration, resulting in missed opportunities and disengagement

Statement 2: Lack of an agreed approach limits our ability to achieve regional outcomes

Interviews – 29th August 2016 – 9th September 2016

At this stage, key questions and issues were clear and the interviews provided an opportunity for Deloitte to discuss one-on-one, without formal record and in detail, themes that were identified as a result of the ILM workshop. Information gathered was more role-specific and the view expressed was often dependent on the position held by interviewee. Despite a wide range of responses from a broad mix of stakeholders, key themes resonated.

Survey – 1st - 16th September 2016

Survey: Growing Regional Prosperity through Collaboration in Barwon South West.

The final consultation activity was a survey sent to more than 30 respondents with a set questionnaire to allow Deloitte to gather a pattern and understanding of the current views and future preferences of the region. Data gathered helped shape the picture both by providing a wide spectrum of ideas and ultimately aligning what participants viewed as the key common enablers.

Engagement with RDA BSW Committee and Staff

Additional engagement with the RDA BSW Committee and staff included the preliminary findings workshop on 29th September 2016. Two discussions of the draft report were held, one with the Committee in Camperdown on 20th October 2016 and one with key staff on 15th November 2016. In addition, the draft report was used in a separate piece of work with the RDA BSW Committee and staff to formulate a response to the RDA Independent Review being conducted by the Australian Government.

3.2 About this report

This Report is framed in the context of the deliverables and also to allow a stepped understanding and consideration of the collaboration framework. Whilst each chapter can be read in isolation, the Report is best read and considered as a whole.

4 Regional prosperity and collaboration: the current situation

In this chapter, we present a way to consider the various elements of regional prosperity, the role of collaboration and where the region is at now in how it approaches collaboration. The chapter is Deloitte's view, informed and shaped by the stakeholder consultation and its previous work in these key areas.

4.1 Regional prosperity – what is it and why does it matter?

In this context, Deloitte agreed with the RDA BSW to define *regional prosperity* as “the extent to which the economic (material standards, wealth, jobs and opportunities for growth) and social (sense of care for community, healthy, safety and security) elements of a region are meeting the expectations of the people”.

Put differently, a prosperous region is one where both individuals and businesses can enjoy successful, flourishing, or thriving conditions driven by cohesion and collaboration; that serves to advantage the region's pursuit of success (both economic and social).

Regional prosperity is important for all people who live and work there. This is because place is still an important driver of prosperity, despite growing connectivity influencing how we live. Place can influence how we live through the physical attributes of the climate and landscape, but also indirectly through the relationships of the people who live and work there. The prosperity of place impacts on the health, safety, attitudes, and wellbeing and material standards of the population.

Prosperity can be measured against different dimensions - many of which are typically direct trade-offs. Therefore, no region will excel across all themes. However, deciding on which dimensions of prosperity are most important to Barwon South West requires collaboration.

In Barwon South West, there is no agency or organisation that routinely monitors progress towards or measures regional prosperity of the region using such a framework. We see this as a role that would naturally fit with RDA Barwon South West.

4.2 Why is Collaboration so important

For the purposes of this report, we take *collaboration* at its simplest to mean “the action of working with someone to produce something”.

At a regional level there is no regional level of government. Achieving shared objectives in growing regional prosperity, such as tackling disadvantage employment, population ageing, building digital and physical infrastructure requires more than just someone working with someone else. It requires an integrated approach between the three levels of government and across government portfolios, engaging and working with business, individuals and community groups.

In progressing regional prosperity, the sheer complexity of the task combined with the scarcity of resources demands that different elements interact collaboratively. Understanding and enacting one's role, and respect for other's role, is an essential element of any successful collaborative endeavour, and more so within a complex governance landscape. (See more detail in Chapter 6)

With effect this year, the collaboration opportunity, or risk, is greater than in the past. The RDA BSW is in the fortunate position of being able to engage with and leverage the Victorian Government's Regional Partnerships model, which is a new and collaborative approach to setting priorities in regional Victoria. It differs from previous approaches with a much stronger emphasis on direct community input, driven by place-based planning with a pathway straight into Victorian Government through the Rural and Regional Sub-Committee of Cabinet.

An RDA representative has been appointed on each Regional Partnership along with community, business and local government representatives. This presents a clear opportunity for RDA Committees to connect the Australian Government's regional agenda with the other two tiers of government. More importantly, it allows the RDA to improve alignment between Victorian and Australian Government policy objectives, and in doing so optimise the contribution of local government.

Throughout the region, with and without government, there are already many substantial, real and practical collaborations happening to enable greater regional prosperity. Examples such as Beyond the Bell and G21 are well-known, but there are many others ranging from agribusiness forums with hundreds of member businesses, to small place-based consultative groups.

The issue is not to collaborate, but how do we optimise collaborations in order to really make the complex task of growing regional prosperity as efficient, effective and engaging as possible.

4.3 Enhancing Collaboration – where are we at now and what is needed

The first step in improving the collaborations for regional prosperity is to understand the challenges and limitations currently experienced. The extensive consultations for this project have revealed that there are numerous barriers to collaborating for regional prosperity.

Understanding the current situation and limitations

The initial work of the consultation with the ILM Workshop (consistent with the proven method) was focused on understanding the collaborative landscape, and identifying challenges and barriers. It culminated in determining two agreed key *limitation statements* as the overarching issues to be addressed, providing a succinct description of the issues that need to be embraced and addressed to collaborate optimally for regional prosperity in the BSW region.

The two agreed key limitation statements are:

Collaboration Limitation Statement 1: Rigid structures limit collaboration, resulting in missed opportunities and disengagement.

1. Relationship based collaboration is not underpinned by embedded structures to support collaboration;
2. There is a lack of role clarity and responsibility across areas where Government levels overlap and in new contexts;
3. Government does not yet efficiently and effectively share and leverage business intelligence, data and knowledge; and
4. There is a need for more effective and efficient ways to engage business and business groups.

Collaboration Limitation Statement 2: Lack of an agreed approach limits our ability to achieve regional outcomes.

- There is a lack of understanding around the outcomes at place level that need to be achieved – particularly at the Victorian Government level;
- Sufficient context is not provided when using data (in particular, lived experience and subject matter expert experience);

- There is a limited amount of time to collaborate – it needs to be done more efficiently – particularly to keep business engaged; and
- There is a need to communicate shared benefits more effectively and open information sharing.

Progression from the Limitation Statements

These limitations statements are key to understanding the current landscape and improving collaboration, but they do not tell the full story.

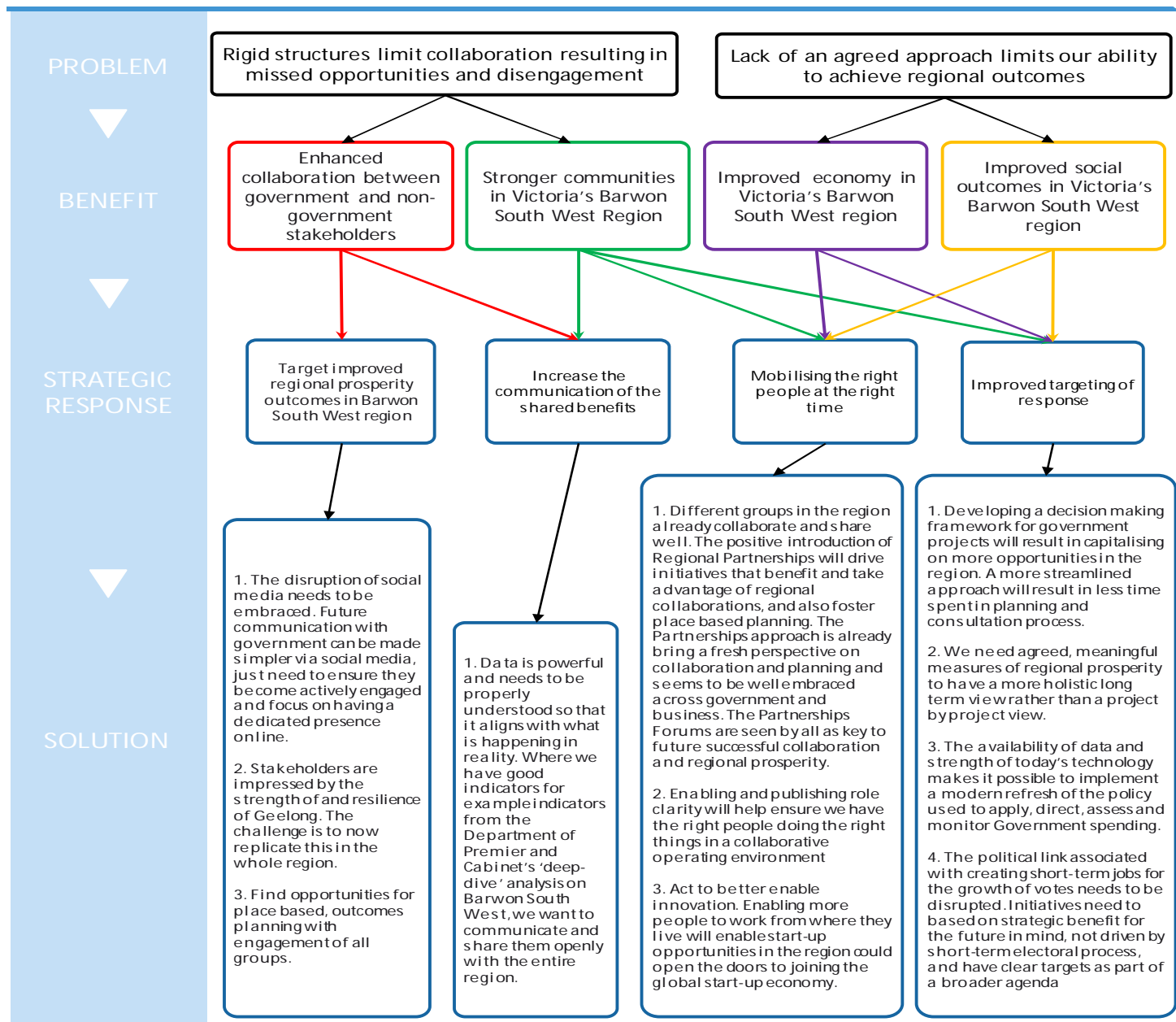
With the enactment of the consultation planned described above and in Appendix 1, the start point of the detailed consultation was driven by these and allowed individuals to expand on them.

As is to be expected when such a wide range of experienced and thoughtful people are engaged on a complex matter, the responses received were detailed and varied, such that above sub themes and limitation statements do not entirely capture the full picture of regional prosperity and collaboration in the region

Stakeholders hold an overarching belief that the region is a great place to live, work and invest for residents in the region, and want to encourage more people to come as residents and visitors. They also have a clear view of the challenges, in particularly the collaboration related challenges.

Following is the final Investment Logic Map completed by Deloitte, and influenced by stakeholders, to provide potential solutions to Limitation Statements identified.

Of note is that amongst the core opportunities, the Investment Logic Map process identified that disruption of social media needs to be embraced, in particular for individual and community engagement with government. However, the consideration and discussion of this is outside the scope of this engagement.



Part 2 – The Essential Elements

In this part, we present the key elements of enhanced collaboration for regional prosperity. Out of necessity they are developed in distinct chapters, but Deloitte's view is they are of equal importance and that they need to be considered as holistically as possible.

These elements are detailed in the following chapters:

5. Understanding and measuring regional prosperity in the region
6. Collaboration framework for the Barwon South West
7. Focusing the RDA Barwon South West Mission
8. Economic activation: Growth
9. Measurement, benchmarking and optimal use of datasets

5 Understanding and measuring regional prosperity in the region

In this chapter, we present a considered approach to benchmarking in measuring the various dimensions of prosperity in RDA Barwon South West. We apply this framework to measure and analyse regional prosperity and suggest an approach for RDA BSW to monitor and assess prosperity going forward.

More specifically, this chapter:

1. *Describes Deloitte's socioeconomic prosperity framework from the fifth 'Building the Lucky Country 5' publication*
2. *Uses this framework to examine the strengths and weaknesses of the Barwon and Great South Coast regions in comparison to Australia and other regional areas.*
3. *Summarises stakeholder views on some of the strengths and weaknesses of RDA BSW region collected through surveys and consultations.*
4. *Presents a prosperity framework developed for RDA to use and adapt to routinely monitor prosperity.*
5. *Considers how a regional prosperity framework will not pick up all the localised issues.*

5.1 Measuring regional prosperity

In order to measure regional prosperity, it is important to incorporate a broader range of measures of human wellbeing and the welfare potential of places. This means going beyond standard economic measures such as GDP per capita or labour market indicators such as unemployment and the participation rate. The Deloitte prosperity framework is outlined in this section of the report, and is also discussed in greater detail in Appendix 3.

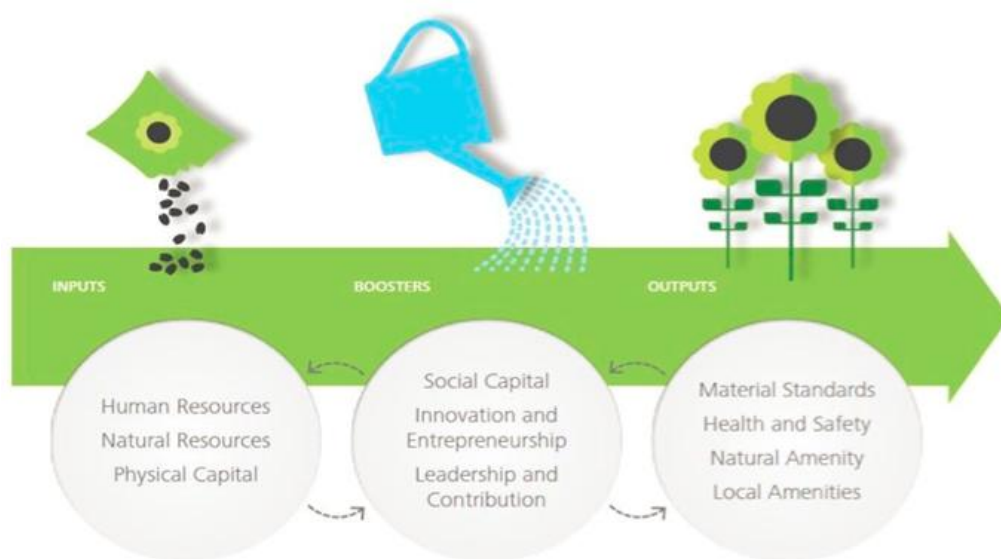
How have we measured it?

The relative strengths and weaknesses of a place are determined under this framework by a set of indicators that broadly fall within the ten themes outlined below.

The charts throughout this chapter display the ratings for the sub-regions within the Barwon South West region for each of these themes, relative to the rest of Australia. The full list of indicators used is provided in the appendix.

Theme	Description
Human Resources	<i>The potential of people living in a region, as measured by factors such as education level and workforce participation</i>
Natural Resources	<i>The endowed natural wealth of an area, such as rainfall, soil quality, and mineral, forestry and fishery stock</i>
Physical Capital	<i>The infrastructure required for prosperity in a region, such as proximity to airports and highways and the quality of broadband internet</i>
Social Capital	<i>The social connectedness of people living in a region, which is captured through measures such as their volunteering rates and the level of inequality in an area.</i>
Innovation and Entrepreneurship	<i>The propensity a region has for innovation and their willingness to take risks, which can be measured through business innovation and business ownership.</i>
Leadership and contribution	<i>The capacity and willingness for people living in a region to lead and collaborate, which is measured through their leadership capacity and voting rates</i>
Material Standards	<i>These are standard measures of economic wellbeing such as the unemployment rate and household income.</i>
Health and Safety	<i>Measures of physical, mental and emotional wellbeing, as measured by factors such as the crime rate and rates of health risks.</i>
Natural Amenity	<i>The surrounding environmental potential of a region, such as its proximity to natural conservation and coastal proximity.</i>
Local Amenities	<i>The convenience and accessibility of the region in meeting everyday needs such as its financial and retail services.</i>

Deloitte's prosperity production function



5.2 Regional prosperity in the Great South Coast and Barwon Regions, benchmarked against Australia

The charts below display the strengths and weaknesses of the Great South Coast and Barwon regions, relative to the Australian average. The dotted line represents the Australian average and the bold coloured line represents the deviation of each of the two regions from that average.

Notably, both regions are above the Australian average for more than half of the ten prosperity dimensions.

Chart – Great South Coast region, relative to the Australian average

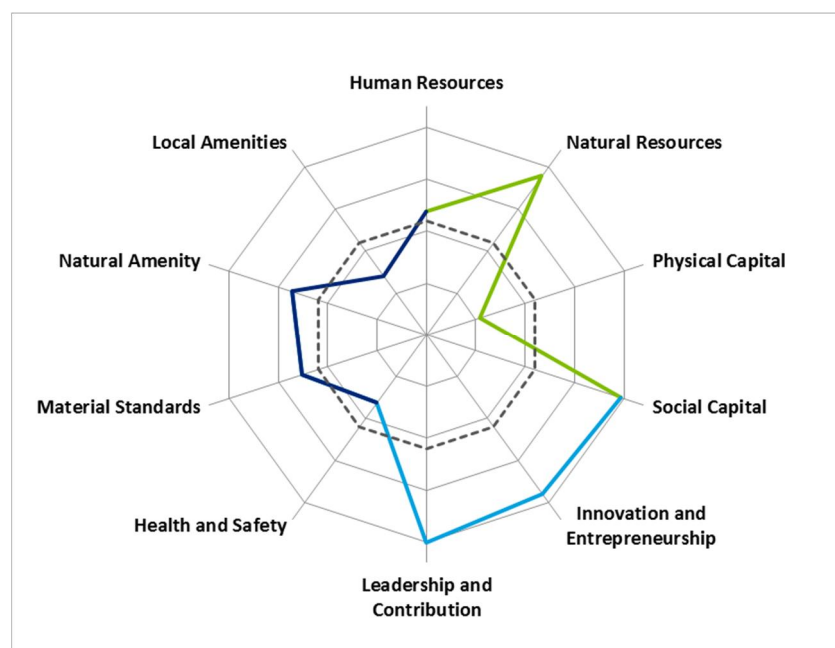
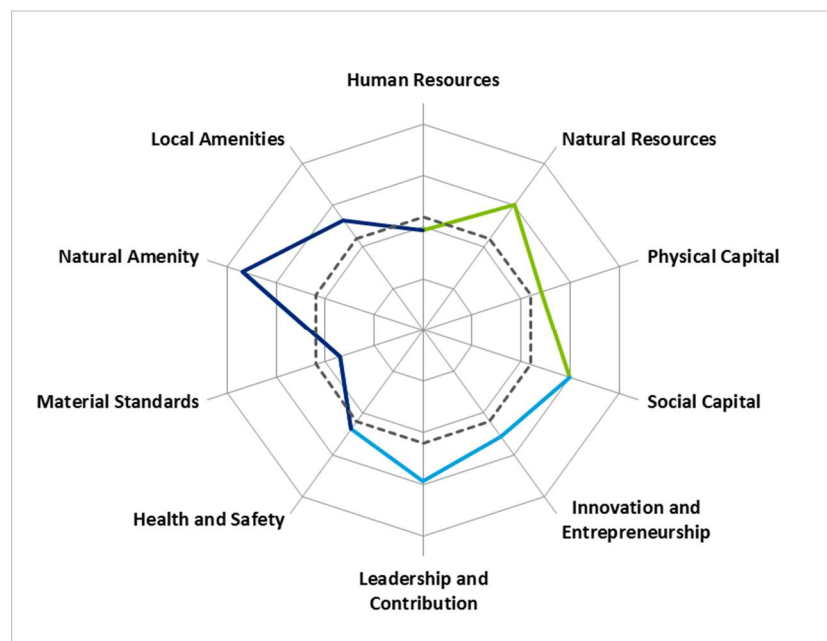


Chart – Barwon region, relative to the Australian average



Of these ten themes of prosperity, there are a number that stand out as either strengths or weaknesses for each region area – these are outlined below.

Strengths

Both Regions

- **Leadership and Contribution:** Both regions have a strong sense of community – leading to very strong leadership and contribution across all five comparators.
- **Natural Resources:** The two regions contains some of Victoria's best pastures for livestock, experiences generally consistent rainfall and have access to wild fish stocks and plantation forests. However, the regions have relatively few mineral reserves

Great South Coast

- **Social Capital:** Indicators suggest that the region is high in social capital – with citizens who feel safe to walk home at night, and who support one-another.
- **Innovation and entrepreneurship:** The region has a relatively high number of business owners, self-employed people and workers in research and development.

Barwon Only

- **Natural Amenity:** The region is also strong in its natural amenity relative to the rest of the state proximity with coastline, well conserved forests. Nature reserves are strong drivers of a thriving tourism industry, and give the area a higher level of natural amenity.

Weaknesses

Great South Coast

- **Physical Capital:** Relative to the rest of the state, the Great South Coast does not enjoy a high level of connective transport infrastructure – rail services to Melbourne are limited, as is airport access.
- **Health and Safety:** Health risks and higher avoidable mortality rates are some of the key reasons why health and safety is seen as a relative weakness for the region.

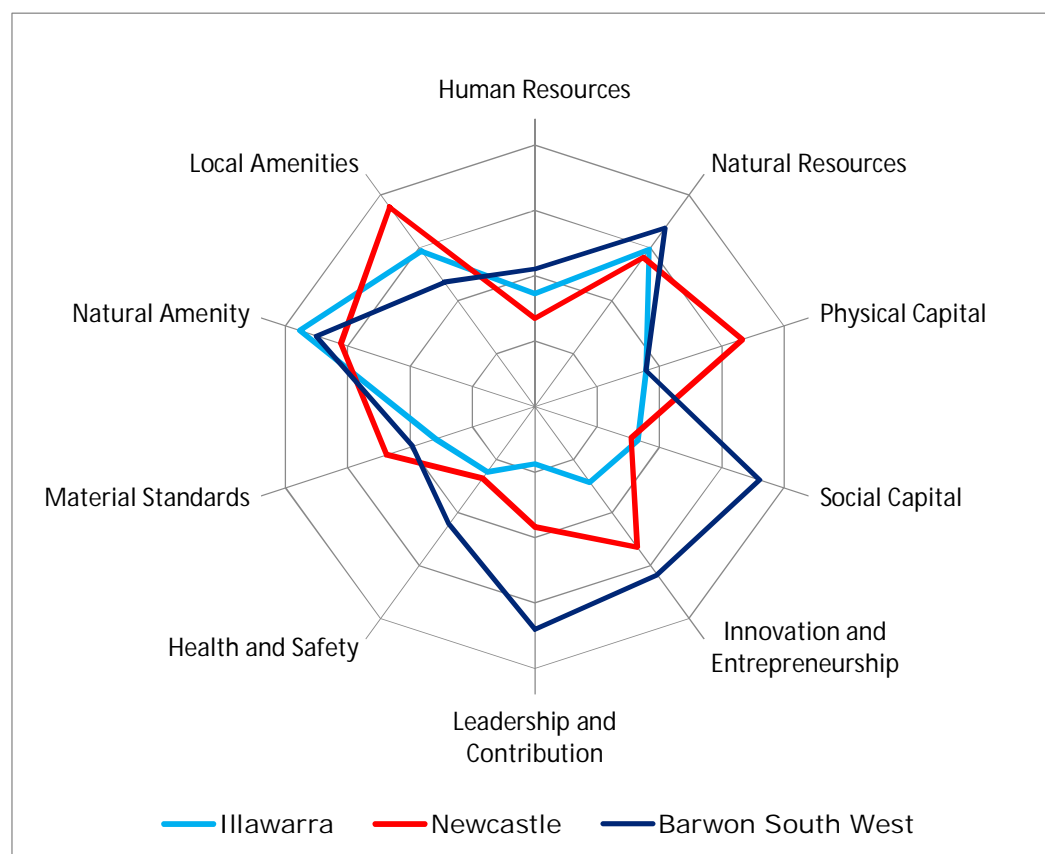
Barwon Region

- **Material Standards:** Material standards are weaker compared to the Victorian average - people living in the region receive on average less income and experience greater rent and mortgage stress. Unemployment is a particular issue for Geelong city, but less so for the broader region. Lower material standards are a product of two things: the region is facing ongoing structural adjustment pressures; and it attracts those with lower income or wealth such as students or those requiring assistance.
- **Human Resources:** While the Barwon region has a large population, it has below average workforce participation, a relatively older population and lower education attainment.

5.3 Regional prosperity in the Barwon South West Region, benchmarked against other regional areas

The chart below demonstrates how the Barwon South West region compares with two other coastal regions in Australia – the Illawarra and Newcastle regions. These regions display similar traits to the Barwon South West region – particularly in terms of their industrial structure and economy size.

Chart – Barwon South West region, relative to Illawarra and Newcastle regions



Compared with these two regions, the Barwon South West region compares favourably across four domains: leadership and contribution; innovation and entrepreneurship; social capital; and natural resources. This reinforces the findings of the previous section (5.3) - each of these four dimensions of the sub-regions were above the Australian average.

Whilst Natural Resources are largely fixed, the other three favourable domains can be influenced and as such, should therefore be the focus of attention to protect the region's existing advantages.

Conversely, relative to the Illawarra and Newcastle regions, weaker domains include Local Amenities and Physical Capital. Fortunately, both of which are within the capacity of the region to influence.

5.4 Stakeholder views on prosperity in Barwon South West

Through the survey process, we asked stakeholders in the region, what they saw as the main strengths and weaknesses of the Barwon South West RDA region (which comprises both the Barwon and Great South Coast regions). Some of the key findings were:

1. The region's main strengths are: Natural amenity; innovation; natural resources; and leadership and contribution.
2. The region's main weaknesses are: Local amenities; human capital; innovation; and leadership and contribution.

Notably, innovation and leadership and contribution are seen by stakeholders as both strengths and weaknesses of the region. For innovation, we attribute this to the difficulty in not only measuring it, but defining it. Similarly with leadership and contribution, what some people see as good strong leadership in the region, others see as a weakness due to a lack of collaboration between leaders.

Survey responses – What do you see as the strengths of the Barwon South West Region?

1. Natural amenity

"The region has spectacular natural amenity – including coastline and bush"

"The bay, the surf coast and the otways underpin high growth potential from tourism."

3. Natural Resources

"The economy in the south west region critically depends on the natural environment for its long term sustainability."

2. Innovation

"The region that has had to reinvent itself many times over, innovation is a core trait."

"Innovation has forged many new businesses which have in turn become global leaders. The entrepreneurial spirit that exists needs to be harnessed and assisted to move the economy forward in the best way."

"The region has pockets of exciting innovation and excellence."

"A confident and innovative business community"

4. Leadership and contribution

"The region punches above its weight due to the contribution of leaders advocating for the region"

Survey responses – what do you see as the weaknesses of the Barwon South West Region?

1. Local amenities

"Geelong still lacks many key buildings and key infrastructure such as a convention centre and five star hotel, which is hindering opportunities for economic growth."

"Our physical assets are in need of upgrading and support as an outcome of under utilised assets is lack of ability to invest strategically."

• Innovation

"We are quite set in our ways and need new thinking, ideas and testing some traditional boundaries"

2. Human Capital

"There is much more that could be done to build the human and social capital of the region. Levels of educational attainment and unemployment limit development."

"Skill shortages impact greatly on the regions ability to move forward."

• Leadership and contribution

"Leadership has been an important strength, but it is also a weakness in that leaders are not entirely united in their desire to work collaboratively for the betterment of the region."

5.5 A framework for RDA to routinely track regional prosperity

As outlined in Chapters 4 and 5, an important role for the RDA BSW committee going forward is to routinely monitor the region's prosperity. The framework outlined in this paper above is less suited to this sort of analysis, for two key reasons:

1. It includes variables which are typically very stagnant at the regional level, such as average distance to major infrastructure assets (such as airports and train stations) and natural park coverage. Since these are typically fixed, and not updated routinely, there is little value in the RDA BSW assessing these indicators on a regular basis.
2. As a model suitable for national benchmarking, it doesn't incorporate state-level data sets. The Deloitte framework, like the Regional Australia Institute [In] Sight index, can benchmark indicators against the country and interstate regions, thereby excluding some valuable state-specific datasets that cannot be compared between states. In this regard, it may be viewed as a weakness. Within these datasets, there are a range of indicators that would add significant value to measuring regional prosperity over time, or relative to other RDA or Partnership regions across Victoria.

Factoring in these considerations, Deloitte has developed an abbreviated prosperity framework that can be regularly updated, and provide a snapshot of how the region is tracking in terms of its prosperity.

Deloitte recommends that the RDA committee updates these indicators once a year (where applicable). These indicators can also be assessed against other RDA/Partnership regions, updated data. The data source for these indicators are provided below and in Appendix 3.

Prosperity framework for RDA BSW to monitor and assess

Theme	Indicator	Vic	BSW	Barwon GSC	
Human Resources	- Population growth	1.8	1.1	1.5	0.0
	- Year 12 completion	88	86	87	83
	- Higher ed. enrolment	36	26	29	19
	- Education and Occupation Index	1000	983	986	972
Natural Resources	- Agri, Forestry, Fishery industries	2.2	6.4	2.2	16.4
Physical Capital	- Mobile Coverage	98	98	98	96
	- Broadband Coverage	7.5	6.7	7.2	5.0
	- Mobile Internet	4.6	4.3	4.7	3.2
Social Capital	- Acceptance of diverse cultures	51	48	49	45
	- Volunteerism	34	40	36	49
Innovation and Entrepreneurship	- Patents per 10,000 population	N/A	0.8	N/A	N/A
	- Research and Development	N/A	4.1	N/A	N/A
Leadership and contribution	- Voter turnout	93.4	95.1	94.9	95.6
	- Employment of managers and professionals	35.5	32.4	31.2	35.4
Material Standards	- Socioeconomic disadvantage	997	1010	1019	989
	- Average personal income	56.3	49.5	51.7	43.7
	- Unemployment rate	5.9	4.9	5.4	3.5
Health and Safety	- Crime rate	1229	1170	1088	1438
	- Family violence	1259	1343	1282	1516
	- Overall wellbeing	77.5	79.2	78.8	80.6
Natural Amenity/Tourism	- International visitation	0.43	0.65	0.21	1.9
	- Domestic visitation	11.4	24.0	15.5	47.9
Local Amenities	- Access to shops and stores	11.0	13.2	13.9	11.3
	- Access to arts and culture	0.6	0.5	0.5	0.3

N/A: Data not available at this level.

NB: BSW results are a weighted average of data collected for Barwon and GSC regions.

Data sources

Theme	Indicator	Source and year
Human Resources	<ul style="list-style-type: none"> - Annual population growth rate (%) - Year 12 completion (%) - Higher ed. enrolment of school leavers (%) - ABS Education and Occupation Index 	DELWP - Victoria in Future (2015-16) Victorian Child and Adolescent Monitoring System (2014) PHIDU Social Health Atlas (2013) ABS Census (2011)
Natural Resources	- Employment in Ag, Forestry, Fishery (%)	ABS Census (2011)
Physical Capital	<ul style="list-style-type: none"> - Mobile Coverage - Broadband Coverage - Mobile Internet 	Dept. of Communications, RAI (2015) Dept. of Communications, RAI (2015) Dept. of Communications, RAI (2015)
Social Capital	<ul style="list-style-type: none"> - Acceptance of diverse cultures (%) - Volunteerism (%) 	VicHealth Survey (2011) VicHealth Survey (2011)
Innovation and Entrepreneurship	<ul style="list-style-type: none"> - Patents per 10,000 population - R&D employment (per 10,000 people) 	IP Online, RAI (2005-2014) ABS Census (2011)
Leadership and contribution	<ul style="list-style-type: none"> - Voter turnout - Employment of managers and professionals 	Australian Electoral Commission (2013) ABS Census (2011)
Material Standards	<ul style="list-style-type: none"> - SEIFA of relative socioeconomic disadvantage - Average personal income - Unemployment rate 	ABS Census (2011) ABS Personal Income for Small Areas (2012-13) Department of Employment (2016)
Health and Safety	<ul style="list-style-type: none"> - Crime rate (crimes against person) - Family incident rate - VicHealth wellbeing index 	Crime Statistics Agency Victoria (2015-16) Crime Statistics Agency Victoria (2015-16) VicHealth Survey (2011)
Natural Amenity/Tourism	<ul style="list-style-type: none"> - International visitors (per resident) - Domestic visitors (per resident) 	Tourism Research Australia (2015) Tourism Research Australia (2015)
Local Amenities	<ul style="list-style-type: none"> - Retail employment - Employment in cultural industries 	ABS Census (2011) ABS Census (2011)

VCAMS: Victorian Child and Adolescent Monitoring System

5.6 Localised issues - What a regional framework won't pick up

This high-level regional prosperity framework is not the most suitable way to identify what affect the communities within the Barwon South West region. Many issues are localised and nuanced, and will therefore not appear in the indicators. This was raised by many stakeholders throughout the consultation process – they were concerned that the issues of the community were not the same as those of the region.

In this section we demonstrate how some of the region's issues, identified by stakeholders, can fall outside of the prosperity framework analysis.

Example 1 - Declining or stagnant population in the region's rural and remote communities

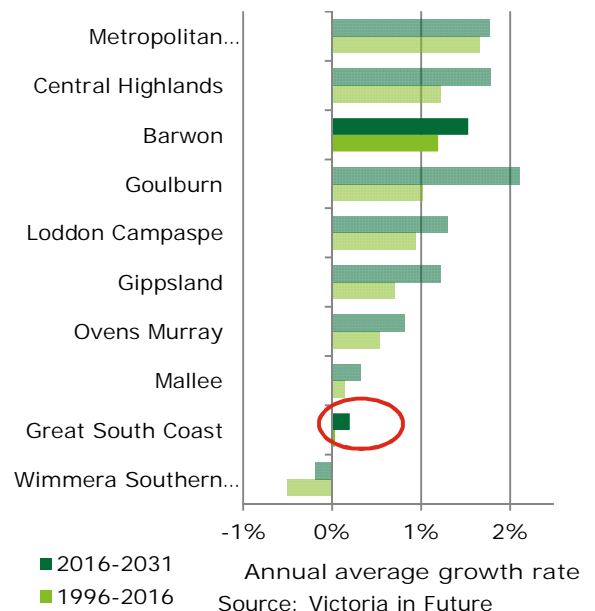
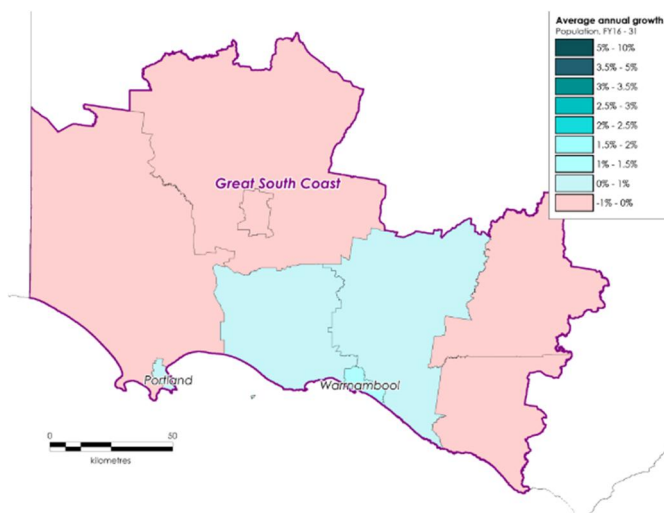
According to feedback from Deloitte's consultations one of the biggest issues for the Great South Coast is attracting people to live and work in the region.

Regional prosperity is not necessarily dependent on population growth. However, combined with the trend of population aging, stagnant population is becoming a major barrier to prosperity, particularly for the Great South Region.

Population growth forecasts indicate that the Great South Coast has grown slower than all but one of the nine Victorian Government Regional Partnership regions. According to Victorian Government forecasts, this trend of stagnation is set to continue through to 2031. One particular concern is that the only population growth within the region is expected to occur around Warrnambool, with smaller remote communities forecast to decline.

"Population attraction and retention is the biggest challenge facing the Great South Coast Region"
-GSC stakeholder

Average annual population growth: 2016 to 2031



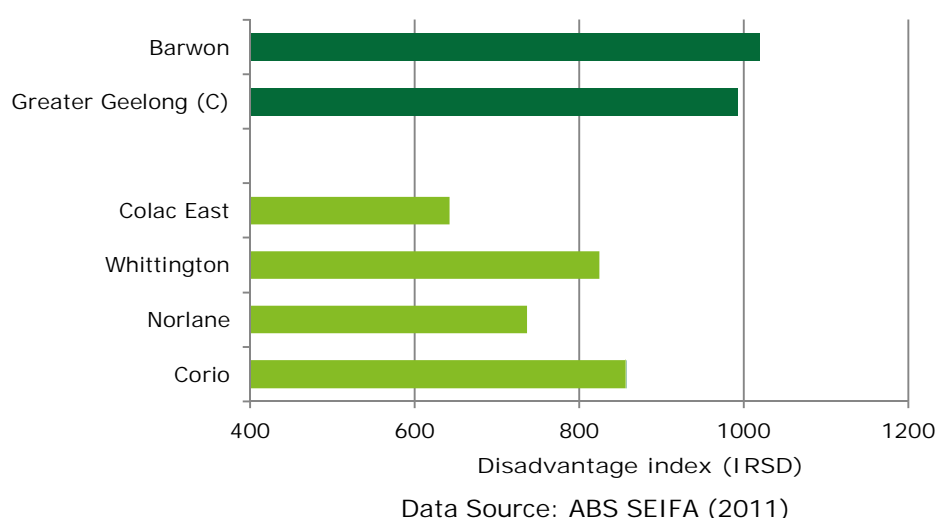
Source: Victoria in Future (2016)

Example 2 - Concentrated socio-economic disadvantage

Disadvantage is an issue for the area, and was raised by a number of stakeholders throughout consultations. Not one of the survey respondents listed 'material standards' as a strength of the Barwon South West Region – while both regions were below the Australian average in the radar charts.

However, the issue of extreme disadvantage is not captured at a 'whole of region', or even LGA level. Disadvantage affects various parts of both the Barwon and Great South Coast region. In Barwon, the pockets of most extreme disadvantage are in Corio, Norlane, Whittington and Colac, while in the Great South Coast, there are pockets of extreme disadvantage within Warrnambool, Portland and Hamilton. Disadvantage passes from one generation to the next and becomes entrenched in these communities.

Measuring disadvantage at different spatial levels



The graph to the left highlights how regional disadvantage indicators miss the small-area detail.

While the disadvantage index for the Barwon region is above 1,000 (indicating that disadvantage is below the Australian average), parts of Colac East, Whittington, Norlane and Corio are amongst the most disadvantaged 1 per cent of small-area regions (SA1s) in Australia.

Recognising the importance here of a place-based outcome to this issue, there are collective impact programs being delivered across the region targeted at this problem including GROW and Beyond the Bell (which are discussed in the next chapter).

6 Collaboration Framework for the Barwon South West

Deloitte has developed, with the assistance of key stakeholders, a possible framework for collaboration which can be used to enable regional prosperity in the Barwon South West.

As previously defined, collaboration allows government, community and private sectors to work together to achieve more than any one sector could achieve on its own.

The purpose of the framework to provide a structure approach for optimal and efficient collaboration, minimised duplication and wasted effort and giving the region an unfair advantage.

The intent of the framework is to provide the basis for RDA to engage government agencies at all levels as well as business and community groups to achieve better outcomes for the region.

The framework consists of four equally important elements:

1. Key principles that enable an evolved paradigm
2. Further defined mission for RDA
3. Recommendations on role clarification
4. An annual calendar of planning and engagement

6.1 Key principles that enable an evolved paradigm

Deloitte recommends the following key principles be adopted by RDA and encouraged through the region as the evolved paradigm for the region

1. Regional prosperity is what matters: A focus on prosperity rather than economic development. This is not to say that economic activity is unimportant, simply that it is not sufficient to derive whether or not people will come to or remain in a place. Regional prosperity is what attracts and retains business and enables thriving community groups. No government agency currently looks at the region from this lens, and so this is a key opportunity for RDA.
2. Place-based planning: We understand that there are significant differences between and within communities in terms of the demographic characteristics of families, their needs, and their priorities. Stakeholders at all levels are of the view that it makes sense that priorities, policy frameworks and services in one community may not be the most appropriate for all of the others. Place-based planning requires good and rich data used, a willingness to work closely in partnership, thoughtful financial planning and accountability and high quality, local leadership. Most importantly it requires that federal and state agencies work outside their silos and accept that communities prosper when they are deeply engaged in their own planning. This practical, real world approach is widely shared by the stakeholders within the region.
3. Optimising Federation: Application of the federation approach as it applies to many areas of life in building regional prosperity. In the same way that the Federal Government Department of Education sets standards and policies, and measures progress but does not run schools, we see the role of RDA to help establish and monitor progress towards regional prosperity rather than have a project based approach.
4. Valuing enablement and leadership: In the past, successful projects have been seen by many as the key to success. In the future, enablement and leadership are key to place based planning, reducing complexity and achieving collective impact. Collective impact, as has been the region's own experience, provides a framework for facilitating and achieving large scale social change within an area or region. This model brings cross-sector

and cross agency organisations together to focus on a common agenda that results in long-lasting change. Included in this must be business.

5. Engaging, informing and educating role: experience shows that an engaging, informing and educating role in developing the region is best done by the relevant level of government. Taking this approach minimises the politics and optimises the ability to engage on appropriate bigger agendas. In this principle, local government engages community, the State Regional Partnership Forums and RDV engage Victorian Government (and its agencies) and RDA engages Australian Government (and its agencies). This principle relies on, but also underpins, our collaborative and transparent approach.
6. Respect for the region's reality: RDA region is in reality many communities and a number of sub regions. Aggregation is not always possible, practical or desirable. RDA may needs to communicate and educate the reality of the region, rather than simplify to meet the needs of others in different arenas.

6.2 Recommendations on role clarification for government

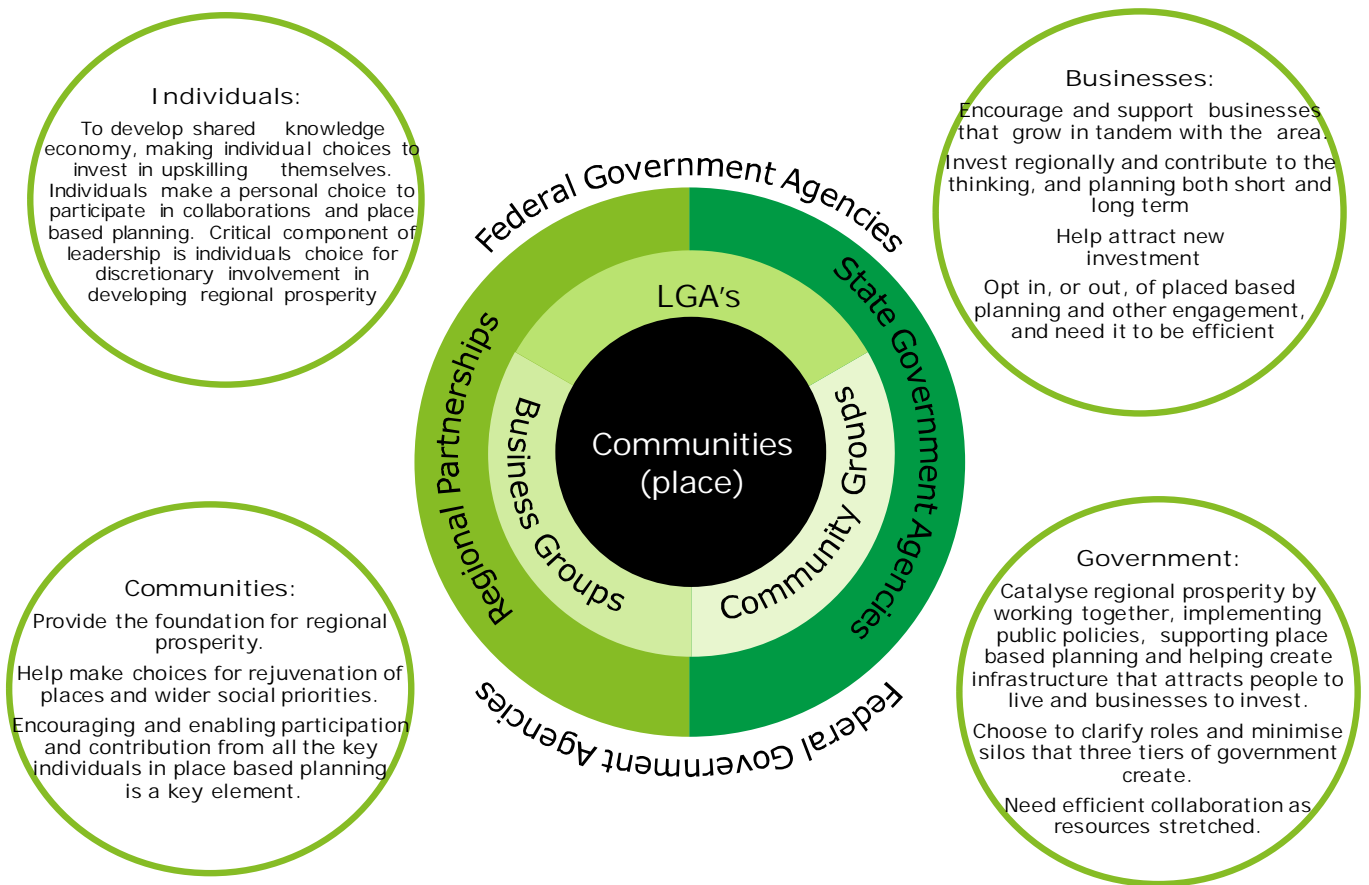
Much of the stakeholder feedback where views of collaboration are less favourable is in fact related to or driven by a lack of role-clarity. This is not surprising given that regional prosperity and the pursuit thereof is an objective that needs the active involvement of all levels of government but does not fit neatly within any government, partly due to its complexity.

There is no doubt that enhanced future collaboration requires further role clarification that is agreed, trialled and applied, noting that this addresses only government agencies not businesses or community groups roles. Clear purpose and roles within the current governance structure could better enable competitiveness in the global economy and provide appropriate flexibility to deal with the pace of change, growth and disruption in the region.

Deloitte recommends RDA considers engaging Government agencies at state and local level and trialling the following further delineation of roles and responsibilities related to regional prosperity:

	LGA	STATE / RDV	RDA
Economic development	<ul style="list-style-type: none"> Focus on economic enablement and leading place based planning Foster and auspice the business groups to enable business participation, rather than seek to create new sectors 	<ul style="list-style-type: none"> Build sector strength Lead engagement with business on opportunities, projects and specific investment Provide the one-stop shop for business to engage with government 	<ul style="list-style-type: none"> Optimise the environment for business by influencing and shaping federal policies and infrastructure planning Determine funding plan rather than pick specific projects
Monitoring regional prosperity	<ul style="list-style-type: none"> Collect and contribute data Include Community Engagement Agenda as a key element 	<ul style="list-style-type: none"> Collect and contribute data Include Regional Partnership Forum Agenda as a key element 	<ul style="list-style-type: none"> Enable the data collection, analysis, reporting and dissemination
Place-based planning and community engagement	<ul style="list-style-type: none"> Lead, plan and conduct Provide findings to RDV / state and RDA 	<ul style="list-style-type: none"> Support LGAs and inform the subject matter of some consultations 	<ul style="list-style-type: none"> Support LGAs and inform the subject matter of some consultations
Data and knowledge sharing	<ul style="list-style-type: none"> Designate and communicate role at each LGA, at RDV, within the Regional Partnerships Secretariats and RDA Secretariat which is accountable for data and knowledge sharing on regional prosperity All agencies commit to sharing reporting and data, and seek to co-commission reports, studies and data sharing across all three levels of government so as to allow all three levels to share and use the outputs 		
Selection and targeting of projects and complex issues	<ul style="list-style-type: none"> Inform RDV / state 	<ul style="list-style-type: none"> Prioritise through regional partnerships 	<ul style="list-style-type: none"> Inform RDV / state Focus where possible federal effort on the catalytic projects identified at RDV / state-level or those areas uniquely federal (i.e. telecommunications)
Private sector investment attraction	<ul style="list-style-type: none"> Enablement – making it simple and easy Prioritise simple, streamlined statutory planning Consider staged payments for new business costs and applications 	<ul style="list-style-type: none"> Establish connections between prospective investors and with the necessary government agencies (at all levels) and business groups to help companies locate and expand 	<ul style="list-style-type: none"> Influence Australian Government to attract investment and provide the funding for enabling infrastructure Influence federal policy to support and enable business relocation to regional and rural areas
Skilling and creating employment opportunities	<ul style="list-style-type: none"> Focus on economic enablement and leading place-based planning Foster and auspice the business groups to enable business participation 	<ul style="list-style-type: none"> Identify and support where possible catalytic projects 	<ul style="list-style-type: none"> Provide the vehicle for coordination and optimise investment

6.3 Enabling place based outcomes – a model for consideration



6.4 An annual calendar of planning and engagement

Mindful of the limited resourcing and capability within RDA, Deloitte recommends RDA considers engaging government agencies, business and community groups in a focused annual calendar of planning and engagement. This calendar aligns and focuses efforts related to regional prosperity, leverages the Forums and reflects the reality of government budget cycles:

Annual Recurring:

<i>RDA facilitated or enabled actions</i>	Support Partnerships Forum	Regional Forum	Co-ordinate State Budget Bid	Federal &	Facilitate measure of Prosperity	process of Regional	to Support for LGA Community Place based Conversations
	Aug - Oct	Nov - Jan	Feb - Apr	May - July			
<i>RDA Actions</i>	Provide updated reporting on regional prosperity to inform partnerships	Advocate for and provide targeted federal budget bids to enable the agreed priorities from forums	Host regional prosperity workshops to share data, review progress / role and agree measures	Enable and encourage Australian Government agencies participation in place based planning activities			

As a part of this, given the expertise and experience at community engagement within LGA, Deloitte views RDA role as supporting LGAs to extend and include in community engagement and place based planning the necessary conversations to ensure appropriate focus on the key elements and issues in regional prosperity.

In particular, the quadrennial cycle of local government elections and the subsequent required LGA Plans, RDA should participate and encourage other Australian Government participation. The participation in these events is to enable RDA to be better informed. This will also enable better alignment with and access to Australian Government investments and policy initiatives for the region.

7 Focusing the RDA Barwon South West Mission

The RDA BSW Committee works in partnership with community, business and all levels of government to support and contribute to strategic regional development across the local government areas of Greater Geelong, Queenscliffe, Surf Coast, Colac Otway, Corangamite, Moyne, Warrnambool, Southern Grampians and Glenelg, in South-Western Victoria.

The Committee comprises of ten representatives from business, industry, government, education and training. Committee members come from various locations throughout the region. Its membership includes cross-representation with other regional organisations such as G21 Geelong Region Alliance, Committee for Geelong, the Committee for Portland and the Great South Coast leadership group to achieve maximum input and consultation.

The Committee's core responsibilities are:

- To be a key facilitator of strategic change and economic, social and environmental development in the region;
- To be the link between government, business and the community; and
- To facilitate the whole of government responses to opportunities in the community

In seeking to further focus its efforts and optimise the value it adds consistent with these core responsibilities, Deloitte has reviewed the current draft RDA BSW mission and recommends the further focusing of the mission as below. Deloitte proposes as a result of its work and engagement of stakeholders that the following refocused RDA BSW Mission be adopted for the below:

Current Draft Mission compared to Proposed Refocused Mission

<i>Current Draft Mission</i>	<i>Proposed Refocused Mission</i>
1. Leverage regional advantages and build sector strengths i.e. food and fibre, health, visitor economy, new energy, professional services	1. Enable and encourage regional prosperity, monitoring progress in key areas <ul style="list-style-type: none"> a. Enabling place based planning b. Monitoring and reporting c. Enablement for other agencies
2. Foster the required skills / knowledge and improved availability of skills	2. Leverage regional advantages and build sector strengths <ul style="list-style-type: none"> a. Working with business, communities and other government to maintain a consistent focus over time on those sectors and sub-sectors that have advantage within the region b. Seek to harness the strengths at sub-regional and community level

<i>Current Draft Mission</i>	<i>Proposed Refocused Mission</i>
3. Promote regional capabilities / investment opportunities	3. Promote regional capabilities/investment opportunities <ul style="list-style-type: none"> a. Capitalise on and enable private sector investment and partnering b. Provide opportunities to build capacity at community level
4. Support increase in exports / greater presence of the Asian community	4. Support increase in exports/greater presence of the Asian community <ul style="list-style-type: none"> a. Enable private sector connection b. Provide enabling infrastructure and education c. Engage Federal Government agencies with the region
5. Reduce barriers to job / economic growth i.e. infrastructure development, policy alignment	5. Reduce barriers to job/economic growth i.e. infrastructure development, policy alignment <ul style="list-style-type: none"> a. Foster the required skills & knowledge and improved availability of skills b. Place based planning c. Coordination and measurement of outcomes d. Agreed and documented agenda for influencing government at all levels

The proposed refocused RDA BSW Mission is suggested to be adopted for 12 months as a trial and is further detailed in the pages below.

Mission Element 1: Enable and encourage regional prosperity, monitoring progress in key areas

RDA needs to focus on the big picture as others, by nature of their role / purpose don't. Key activities are:

- Enabling place based planning
- Monitoring and reporting
- Enablement for other agencies.

All stakeholders want to collaborate and agree that communities that don't collaborate won't prosper. However, physically enabling collaboration is difficult to implement. Beyond the Bell and GROW are good case studies to see the positive impact collaboration can have.

The RDA mission on regional prosperity must also include working with federal politicians and agencies to help inform, educate and influence federal and long term elements of regional prosperity i.e. NBN, visas, population, addressing inherent regional disadvantage.

Mission Element 2: Leverage regional advantages and build sector strengths

- Working with business, communities and other government to maintain a consistent focus over time on those sectors and sub-sectors that have advantage within the region
- Seek to harness the strengths at sub-regional and community level

Aggregation is not always possible – we must accept that every region of Barwon South West is different. In fact, whilst Great South Coast has geographical coastal alignment and commercial flows in common or shared with Barwon, there are far more differences.

As such, it is important to help create a shared vision for both sub-regions where Barwon South West is driven by related issues and where the common ground is within the region.

The Twelve Apostles is a natural asset that needs to be used to optimise prosperity in the region. This is a major regional advantage and the visitor economy driven from this asset needs to be captured in the surrounding region with related activities for economic growth. The Great Ocean Road masterplan should enable this.

Mission Element 3: Promote regional capabilities/investment opportunities

The Barwon South West region needs to capitalise and enable private sector.

However, it does not need to do so uniquely by itself, and needs to work hand in glove with business and both Australian and Victorian Government agencies to do so as well as looking for opportunities at community and place level.

Mission Element 4: Support increase in exports/greater presence of the Asian community

Significant activity is occurring at all levels of government and by many different businesses.

Support here means a number of things:

1. Enablement here means helping provide visibility of the opportunities for business within the regions, as well as opportunities for our business to engage with businesses in Asia to create the essential private sector connection.

2. Enablement also means synergies – what is going on in one part of the region might be able to benefit other parts, if it is communicated and encouraged
3. It also means encouraging governments to provide the enabling infrastructure – NBN, visas – as well as physical infrastructure. Public infrastructure requires investment in order to service growth in the region
4. It is also the education role – helping the region understand the challenges and risks, and overcome the barriers to export.

Avalon and the Ports of Geelong and Portland create opportunity, and the RDA can look to work with RDV regional partnerships on the priorities to leverage this capability.

Mission Element 5: Reduce barriers to job/economic growth i.e. infrastructure development, policy alignment.

RDA BSW has had recent success in this area particularly with GRIIF and the GROW initiative. There is more to be done, especially in GSC.

This should include:

- a. Foster the required skills & knowledge and improve availability of skills
- b. Place based planning including of infrastructure
- c. Co-ordination and measurement of outcomes
- d. Agreed and documented agenda for influencing government at all levels.

8 Economic Activation: Growth Sectors

This chapter profiles the growth sectors with the potential to drive regional prosperity in Barwon South West over the next 30 years. For each sector, we examine the key employment opportunities, challenges and indicators of growth, and some actions that RDA Barwon South West can take to leverage the region's advantage and realise its potential.

8.1 Selection Criteria

Growth sectors identified in this report have been selected based on two criteria: (1) alignment with the high growth sectors identified by the Victorian Government, and (2) areas of competitive advantage for the Barwon South West economy:

Criteria 1: Alignment with Victorian Government high-growth sector strategies

In 2016, the Victorian Government launched its *Future Industry Sector Strategies*. These strategies were identified as Victoria's high growth, high value industries for which Victoria has a competitive advantage. The key sectors identified were:

- Medical Technologies and Pharmaceuticals
- New Energy Technologies
- Food and Fibre
- Transport Technologies
- Defence Technologies
- Construction Technologies
- International Education and
- Professional Services

The *Sector Growth Program* supports projects that align with these sector strategies through grant funding for scoping/planning/feasibility and implementation. In particular, the government is looking for opportunities to drive competitiveness of Victorian businesses and encourage collaboration between organisations operating in these sectors.

Criteria 2: Competitive advantage of Barwon South West economy

The sectors identified by the Victorian Government will not be prominent in every region across Victoria. In order to thrive, regional economies will still need to specialise, depending on where their strengths lie. In many cases, this could be repositioning existing industries so that they fit in the knowledge economy.

Since this is a whole-of-state strategy, it is important for Victoria's regions to apply a place-based lens to determine which of the Victorian Government's sectors are most likely to thrive in that place. There are also numerous sectors and sub-sectors that will fall outside those identified by the Victorian Government that are, and will continue to be significant for prosperity growth in the Barwon South West economy.

8.2 What was assessed?

For each of the sectors and sub-sectors identified, Deloitte Access Economics has assessed:

Potential to grow in Barwon South West - The industries of the future will not be prominent everywhere. Specialising in areas of strengths will be vital in order for these regional economies to thrive. Existing industries could be shifted so that they are more ideally suited in a particular knowledge economy.

The direct and indirect prospects for future employment - High growth sectors are not necessarily those where employment numbers are growing. Automated and labour-saving technologies are disrupting all industries – some more than others. This means that some sectors which have traditionally been large employers are becoming less labour-intensive. However, the growth of less labour-intensive sectors is still essential for regional prosperity, since they may spur employment across related sectors and supply chains.

Challenges - the existence of an opportunity doesn't guarantee success. There are many challenges, commercial and otherwise, to overcome before growth sectors become drivers of the economy. While there has been investment in some new growth sectors in Barwon South West, both from government and private investors, some are not yet operating at a commercial scale, while others have not yet attracted the investment required to commence.

Indicators for sector growth - There is no single indicator for sector growth. In some sectors, key indicators (such as output and employment) may be trending in different directions – so it is important to consider which ones are accurate and relevant.

Recommended collaborative actions for RDA BSW - Identifying the opportunity sectors is just the first step. There are collaborative actions that RDA BSW can lead that will improve the chances of each sector reaching its potential for the region.

8.3 Common challenges to all sectors.

There are three overall and common challenges to economic activation that significantly impact all sectors. These are already well known to RDA BSW but nonetheless need to be flagged, and remain a priority for RDA influencing agenda.

1. Leadership of regional collaboration for prosperity – as outlined in this report, more efficient, focused collaboration within the levels of government and by all government with business and community is the single biggest challenge and opportunity for the RDA. In Barwon South West, there is no agency or organisation that routinely monitors progress towards or measures prosperity of the region. Deloitte sees this as a role that would naturally fit with RDA BSW. If RDA does not lead this effort, it is unlikely any other agency will.
2. Telecommunication coverage and quality – A particular barrier for ICT, but impacting almost every element of life in the region is the still patchy mobile telecommunications and lack of high-speed internet connectivity. The National Broadband Network (NBN) rollout will address this issue in time, but at this current point in time, much of the Barwon region (including most of Central Geelong) is yet to gain access, with building yet to commence, and the satellite coverage available to some but not many.
3. Competition with other regions for government investment – With the economy very visibly in transition, the region and more particularly Geelong, has been the focus of both Australian and Victorian government investment and job creation, well above other regions. With similar visible challenges now impacting at least two other Victorian regions, this investment will not continue at these levels without substantial and focused influencing effort backed by quality data. Hence the importance of the leadership of regional collaboration for prosperity.

8.4 Growth Sectors



1. Agribusiness



2. Higher Education



3. Healthcare, aged care, Medical Technologies



4. Visitor Economy – Tourism



5. Digital Economy – ICT



6. Advanced and high-value manufacturing



7. Work Anywhere



1. Agribusiness

There are several reasons why both the Barwon and Great South Coast regions are well positioned to benefit from future opportunities in the agribusiness sector:

- As a whole, the region is a Victorian leader of livestock industries, particularly dairy, which has significant flow-on economic benefits for the Great South Coast economy.
- The region is connected to two major ports – Portland and Geelong, which are well positioned to strengthen through export of bulk commodities as a result of the Murray Basin Rail Project.
- The development of Avalon Airport has the potential to result in Avalon Airport becoming a major distribution point for Victorian agriculture, and will improve access to air freight for exporters across the region.
- The region's aquaculture and fishing sectors have strong long-term growth potential.

Importantly, agribusiness² has been identified as one of the Victorian Government's eight *High Growth* sectors, meaning that collaborative projects and initiatives to grow the sector would be eligible for Victorian Government support under the Future Industries Sector Growth Program³.

Employment prospects

The agribusiness sector is one of the major employers in the Great South Coast Region. At the last census (2011), around 16% of jobs in the GSC area were in the agriculture, forestry and fishery sector, which was more than any other sector. The share for the Barwon region is considerably smaller, around 3% overall.

² Defined as Food and Fibre by the Victorian Government

³ <http://www.business.vic.gov.au/support-for-your-business/future-industries/sectorgrowth>

As a trend, employment in primary agriculture is declining, in both partnership regions and across regional Victoria more broadly (see table to the right). Labour saving technologies such as automation and GPS/satellite tracking have been and will continue to be crucial for these industries' ongoing survival and success, but have also meant that these sectors are now contributing to a smaller share of jobs.

This does not mean, however, that the sector will not contribute to employment growth in future. Agricultural production is a driver of employment in other sectors, both upstream and downstream from the agriculture sector. Upstream, businesses that provide inputs into the agriculture sector include banking and finance, consulting services, transport, and wholesale and retail trade. Downstream from farms, the food processing sector and transport sectors provide significant employment opportunities in the region. These flow-on impacts of agriculture are of importance to both remote and large communities alike.

The major opportunity, in terms of employment in the region's agribusiness sector, is to enhance its position as a value-add region for Victorian agriculture – adding value to primary produce from both within and outside of the region. The most likely way this will occur is by *attracting investment that leverages the region's state-significant infrastructure assets*; particularly the two major ports (Portland and Geelong) and the proposed international airport (Avalon).

The region's Universities also have an important role to play in driving the region's agribusiness sector forward. By partnering with industry, they can drive agricultural productivity in the region.

Challenges

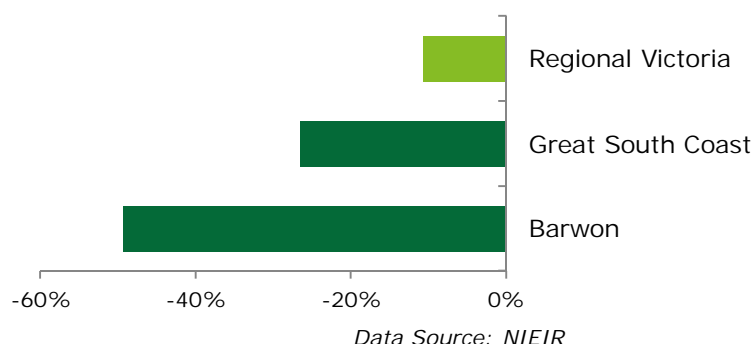
Some of the key challenges facing the sector include:

- Volatility, both in global markets and in climate conditions - For downstream investors, security of supply and volatile prices add a higher degree of risk to investment. This problem is not unique to the region. In 2016, global market conditions have depressed prices in the dairy industry, leading to uncertainty over the long-term viability of farms and processors in the region.
- Government commitment to improving infrastructure – While the region's infrastructure is undoubtedly an enabler for the industry, identifying which improvements will unlock the greatest benefits to the region, and attracting funding and support for these projects remains a major challenge⁴.
- Developing a secure water supply - water remains a major challenge for agribusiness in the Barwon South West region. The region has a large underground water system, but this major asset and potential source of competitive advantage has not yet been unlocked. A secure water supply would attract new, high value, intensive irrigated production to the region, and bolster existing livestock industries by providing a constant, rainfall-independent water supply.

Sub-sectors within Agribusiness for potential growth

The agribusiness sector is made up of numerous sub-sectors, many of which have the potential to underpin the sector's growth in future. These sub-sectors include existing large sectors, existing small sectors and sectors which are just emerging:

Employment change in agriculture, forestry and fishery, 2006 to 2015



⁴ McKinna Et Al, Great South Coast Food and Fibre Action Plan.

Established large sectors:

- **Dairy:** The dairy sector is an industry of critical importance to the Great South Coast Region. Despite recent challenges with global milk markets, which have depressed prices and placed uncertainty over the industry, it remains a sector with strong long-term growth prospects. The Great South Coast region is one of Australia's largest dairy producing areas, with 1,500 farms supplying around 23% of Australia's production. There are also approximately a further 6,000 people employed in the milk processing sector (as at 2013-14)⁵.
- **Sheep and beef cattle:** Sheep and beef farming enterprises are also of significant importance to the Great South Coast region, with a gross value of farm production of almost \$1 billion for sheep meat, beef and wool in 2011⁶. The average value of beef production in the Great South Coast is very high, underpinned by grass-fed production and high value cattle varieties. The sector represents a significant opportunity because of the strong demand for Australian red meat in export markets and the flow-on benefits to the food processing sector. The Hamilton Red Meat Innovation Centre also demonstrates some of the flow-on economic activity and jobs associated with the industry.

Smaller established sectors:

- **Fishing and aquaculture:** The region's aquaculture sector has, despite recent challenges, strong long-term growth potential. Growing demand for Australian high-value seafood products (such as abalone and rock lobster) and advancement in aquaculture technology both signal potential for the sub-sector to thrive in the region.
- **Intensive livestock:** The pig and poultry industries represent a significant opportunity to grow the value of output from small land holdings through intensive, high value production.
- **Winery and gourmet foods sectors:** The Barwon region's wine industry is a driver of economic activity, and also an important part of the region's visitor economy. The wine sector, along with the gourmet foods sector could leverage the Barwon South West's significant tourism assets and visitation.
- **Plantation forestry:** The Great South Coast region in particular contains plantation forests that generate direct jobs and generate economic activity in some regional centres.

Emerging industries with future prospects:

- **Horticulture:** unlocking the water asset is considered one of the main challenges in growing the horticulture industry. Irrigated horticulture production has potential to grow across both the Barwon and Great South Coast regions. Like intensive livestock, this would increase the potential to grow high-value output from smaller land holdings.
- **Emerging crops:** There are a number of emerging crops in Australia that represent an opportunity for the region. These crops include hemp, cannabis, legumes, and poppies. Some of these emerging industries tend to be more labour intensive – as mechanisation of planting and harvesting is less advanced in newer industries. However, as these crops become more mature, mechanical practices will be developed over time⁷.

Indicators of growth for the agribusiness sector

The ABS publishes information each year on the value and volume of agricultural production at the SA4 level, as well as the number of farms and the area of agricultural production, by commodity. These data sets provide valuable information on the state of the agriculture sector across the region.

- ABS Value of agricultural commodities produced – cat. no. 7503.0
- ABS Agricultural commodities – cat. no. 7121.0

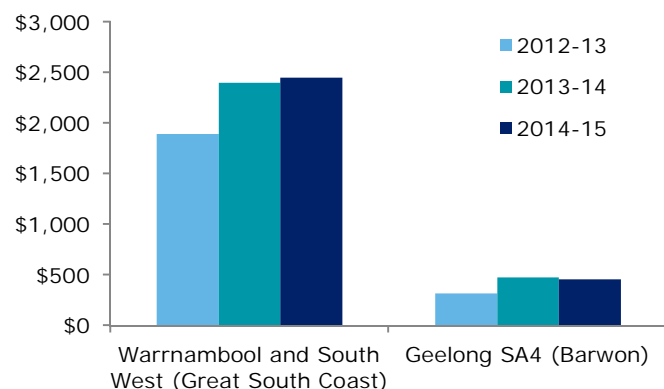
⁵ *Dairy Australia Industry Information – Western Victoria.*

⁶ *ABS Agricultural Commodities 7121.0*

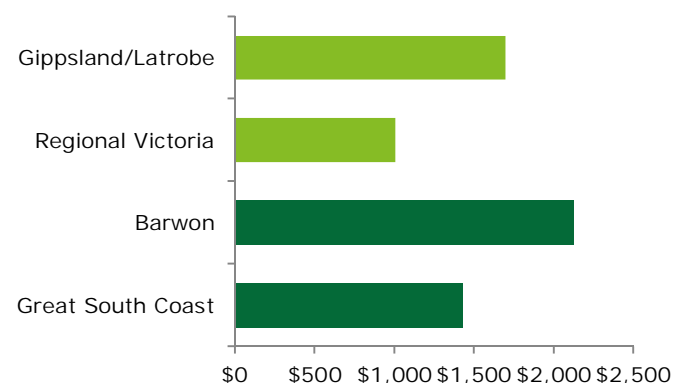
⁷ *NSW DPI – Industrial Hemp – A new Crop for New South Wales*

One limitation to this data is that, aside from during census years, indicators are only published at the SA4 level. While these areas roughly align with the partnership regions, the Colac-Otway area is included in the South-West SA4 which is not consistent with the definition of the partnership region (see *issues with Regional Data*).

Gross Value of Agricultural Production from 2012-13 to 2014-15



Gross Value of Agricultural Production per hectare, 2014-15



Other indicators that can be used to measure growth in the sector include:

- Volume and value of output, by individual commodity (Same as above) – over time, this series will indicate which commodities/sub-sectors are of growing or declining importance to each region.
- Number and size of agricultural operations (same source as above) – over time, this series will indicate whether there are more or less agricultural landholdings, and whether or not landholdings are becoming consolidated.
- Employment in food processing industries (ABS Census) – employment in food processing and packaging industries are an indicator of the downstream economic contribution that agribusiness makes to the region.

Actions for RDA BSW

We have identified RDA BSW work with the both the *Great South Coast Food and Fibre Group* and *G21 Agribusiness Forum* to promote priority water projects with the Federal Government funding, which would assist the agricultural sector going forward.



2. Higher Education

The higher education sector is an area of opportunity for the Barwon South West Region. This sector broadly aligns with one of the eight Victorian Government's Future Growth Sectors: International Education. However, as a region, Barwon South West stands to benefit significantly from growing higher education attendance from people within the region, as well as attracting domestic students from outside the region and international students.

The view of Deloitte is that the strongest opportunity is in the Barwon region (particularly Geelong), at least over the medium term. The Great South Coast region is facing challenges in retaining its higher education providers, with the future of Warrnambool's Deakin campus uncertain. Therefore, the discussion of opportunities relates to the Barwon (rather than Great South Coast) region.

The higher education sector is an important driver of prosperity for a number of reasons:

- The critical role it plays in providing a stream of skilled graduates to the local economy, and a pathway for school students into the workforce;
- Its role in reskilling displaced workers from transitioning sectors and into the growth sectors, including those outlined in this chapter
- The population growth and cultural enrichment that higher education facilities can generate for the region through attracting domestic & international students, researchers, teachers and lecturers;
- The research and development partnerships between higher education and industry, which commercialise ideas and create on-flow jobs. Industries such as high-value manufacturing, agribusiness and health in particular, benefit from direct linkages to the research capabilities and the ability to influence courses to deliver required skillsets.

Employment opportunities

Direct employment prospects are relatively promising in the higher education sector. Streamlined, online delivery of higher education may inhibit employment, yet demand for traditional course delivery remains strong. However, the main opportunity that the higher education sector can contribute to employment is in building and up-skilling the regional workforce.

Challenges

Some of the challenges for growing the sector in the region are:

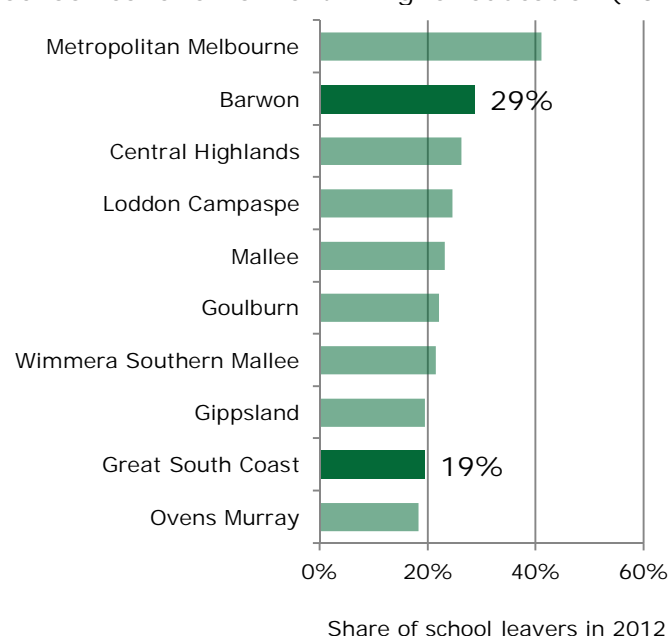
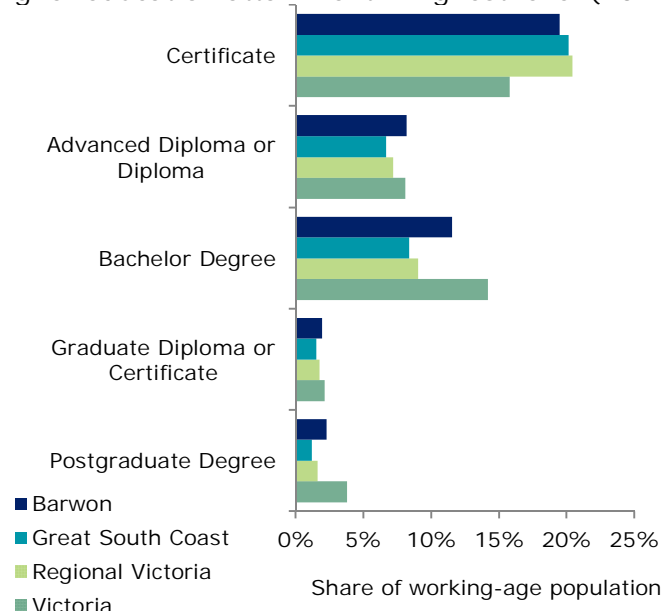
- Building the amenity and attractiveness of the region for student populations – particularly in Geelong, this is one of the key challenges for the sector to grow. Initiatives like the Geelong CBD revitalisation are expected to enhance the liveability of the area.
- Low school completion, particularly in disadvantaged areas in the Barwon Region, and across the Great South Coast. In particular, Deakin's Warrnambool campus has experienced difficulty in attracting and retaining students which stems from this issue.
- There is uncertainty regarding future skill requirements and pathways to employment, caused largely by industry transition in the Geelong economy.

Indicators to measure sector growth

Measuring the growth in the higher education sector is limited by data availability. As a sub-sector of *Education and Training* in the ABS classifications, data on small area employment in the higher education sector is only released every five years (census).

There are, however, some indicators which reflect the population's participation in higher education and level education attainment. These indicators reflect the contribution that the higher education sector is making to the skills-base in the region.

Higher education attainment – highest level (2011) School leaver enrolment in higher education (2013)



Data Source: ABS Census of population and Housing, 2011

Data source: Torrens University, Social Health Atlas

It is important to note that these indicators are not limited to qualifications obtained in the region – qualifications can be obtained from outside of the region and still appear in the indicators displayed above.

Other indicators that can be used to measure growth in the sector include:

- Student enrolments in regional campuses (not publically available) – This would provide a strong indicator on the performance and health of the higher education sector in the region. This data may need to be provided through providers such as VTAC, or directly through higher education providers.
- International students (Department of Education and Training) – An indicator on the number of international students (or student visas) in the region would also be valuable for tracking sector growth, however indicators are currently not available at a sub-state level.
- Employment in the higher education sector (ABS Census) – This indicator is released every five years, and will demonstrate importance of higher education to the regional community.

Actions for RDA Barwon South West

We have identified the following actions for RDA Barwon South West that would assist the higher education sector going forward:

- Facilitate partnerships between tertiary education facilities (e.g. Deakin, Marcus Oldham and Gordon) with industry, such as high-value manufacturing, agribusiness and health.
- Co-ordinate with higher education providers by promoting the Barwon South West region throughout Australia and through DFAT as a safe, healthy, attractive place to live and study, where the visitor economy provides opportunity for part-time work to go with study.



3. Healthcare, Aged Care, Medical Technologies

The healthcare and aged care sectors have been a major driver of employment growth across Barwon South West region, particularly in Barwon. Based on current trends in employment, and with expectations that the elderly population will grow significantly over the next 15 years, it is expected to continue to make a sizeable direct contribution to employment growth in the region over the coming years. Furthermore, rising private health insurance coverage could increase patient volumes in areas such as physiotherapy and dental services.

But beyond providing care for the sick and elderly across the whole the region, Geelong is well placed to advance its position as a centre for world leading health research and capability in infectious diseases. An example of effective collaboration in the region is the Geelong Centre for Emerging Infectious Diseases (GCEID), which represents a partnership between Deakin University, Barwon Health and the CSIRO. Deakin has a prominent health program with strong links to the local industry – both in terms of research and graduate recruitment.

Furthermore, the current depth of knowledge and skills in manufacturing in the Geelong region also lends itself to the development of a medical technologies (or medtech) industry, parts for medical equipment manufacturing. Deakin's medical research programs in Geelong naturally complement med-tech advanced manufacturing. However, unlike health and aged care, this is just a potential growth pocket, not a major driver of employment.

'Pharmaceuticals and Medical Technologies' is one of the Victorian Government's eight *High Growth* sectors, meaning that collaborative projects and initiatives to grow the sector could be eligible for Victorian Government support.

Employment opportunities

Over the last 10-15 years, the health care and social assistance sector has been a major driver of jobs growth across Victoria, and in the Barwon South West region. The big driver of healthcare in the region has been Geelong. The momentum for the sector has continued in recent years, with the addition of the Epworth Hospital in Geelong, a new private facility with 200+ beds. As the population continues growing and aging, employment opportunities in this sector may continue to grow.

There are also skilled employment opportunities developing in medical research in the area. If successful over time, the GCEID collaboration between Deakin University, Barwon Health and CSIRO could further strengthen the Barwon region's position as a leader in disease research, and possibly attract investment in other areas of medical research.

Challenges

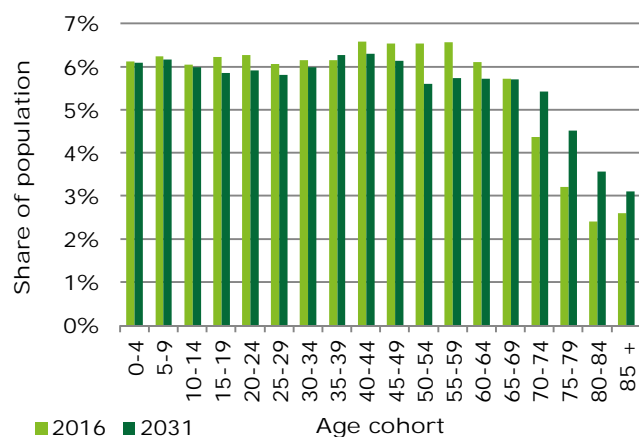
In order for the region's sectors to expand, it will need to maintain and grow its network of skilled medical professionals. As a growth sector across Victoria (and nationally), Barwon South West will be competing with Melbourne to attract professional staff members.

As a sector which primarily services the local population, population growth will be a major barrier for growing the sector, particularly in the Great South Coast Area.

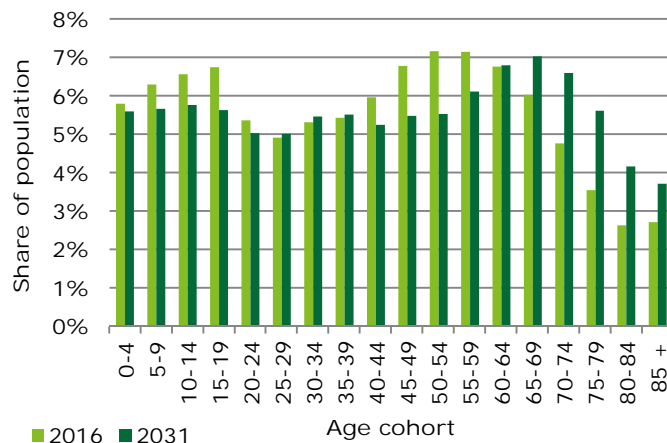
Indicators to measure sector growth

One indicator that will measure potential sector growth is the forecast growth in population aged 75 and over. Both indicators suggest that there will be significant growth in demand for aged care facilities out to 2031.

Barwon age profile by five year interval



Great South Coast age profile by five year interval



Other indicators that can be used to measure growth in the sector include:

- Number of aged care places, total and per population aged 70+ (PHIDU⁸) – This indicator demonstrates the level of aged-care provision in the region. When compared against other regions, it indicates whether the aged care sector is well-served or otherwise, relative to other parts of the state.
- Number of existing Housing and Community Care Program services (PHIDU)
- GP's per capita (PHIDU)
- Patent applications relating to pharmaceutical invention or medical devices (Australian Patent Analytics hub) – Patent analytics relating to specific medical technologies are available by region. For example, IP Australia noted that the Geelong had 22 patent applications for pharmaceutical inventions between 2000 and 2013, the second most of any non-capital region in Australia. However, these indicators are not routinely published by region.

Actions for RDA Barwon South West

We have identified the following actions for RDA Barwon South West that would help to promote growth and employment opportunities in the healthcare, aged care and medtech sector going forward:

- Continue to support and build on the work being undertaken in the BSW Health and Wellbeing Workforce Strategy. This expected demand for skills and facilities will help the region to plan for future workforce requirements, identify entrepreneurial opportunities associated with the sector and support local businesses seeking to harness the business opportunities that might flow from an ageing population
- Facilitate collaboration between Barwon's medical research sector and advanced manufacturing sector to identify potential for medical parts manufacturing in the Geelong region (also under advanced manufacturing).

⁸ Social Health Atlas, Public Health Information Development Unit (PHIDU), Torrens University



4. Visitor Economy – Tourism

Tourism is difficult to measure accurately and define as a sector. This is because of the cross-over with other sectors – many small business, including cafes, restaurants, wineries and shops in popular tourist destinations are not always measured as part of the sector, but their success and ability to employ people are underpinned by visitors to the region. For this report, the visitor economy is defined as the activities of people travelling to, and staying in, places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.

The visitor economy in Barwon South West represents a significant opportunity for future growth. While it was not identified by the Victorian Government as one of the future opportunity industries, it is a major economic driver for the Barwon South West region, particularly in coastal areas.

The regions' strengths are predominantly in its nature based attractions, such as rugged coastline, natural parks and reserves, wildlife, water, beaches and recreational fishing. The Great Ocean Road is of particular importance to the whole region, as it intersects the Barwon and Great South Coast regions, and is one of Victoria's most iconic tourism assets.

There are strong growth prospects for both the Barwon and Great South Coast visitor economies, both from an international and domestic perspective. In recent years, the rising wealth of Asia, depreciation of the Australian dollar and falling oil prices have seen a sharp increase in international visitors to Australia. Meanwhile, the rapid growth of Melbourne's population means that the pool of potential day-trip visitors to the area is also expanding.

Employment opportunities

The visitor economy has relatively promising employment prospects. Visitor numbers and tourism expenditure in the region have been trending upwards in the region (see the chart below), however there are some limiting factors which limit the impact that this growth is having on into growth in employment opportunities.

One inhibiting factor for employment prospects is the highly seasonal nature of tourism. Employment tends to move in peaks, throughout the week and the year, and for many, it will not provide year-round or full-time employment.

The sector, like many others, has experienced an element of digital disruption, impacting on employment in traditional industries. Some sub-sectors, such as accommodation and transport, have been and will continue to be impacted by growth in the peer-to-peer economy sector. But while these platforms represent a threat to some sectors, they also represent an opportunity for the visitor economy overall. For example, platforms like Airbnb improve the ability for property owners to find occupants for properties that may otherwise remain empty, which is beneficial for other businesses in the region that thrive with greater visitation.

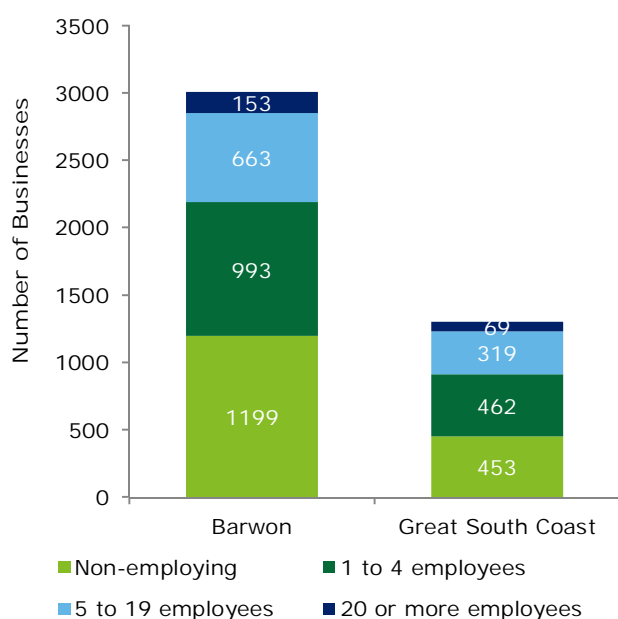
Some challenges for the sector

- Building an inclusive brand for the broader Great Ocean Road - While there would be mutual benefits across many communities from building a strong, united brand, it will dilute the message of some of the smaller communities along the road to lose the power of their message. The key challenges for the sector are visitor dispersal, yield and lagging infrastructure to cater for growth.
- Spreading the benefits of visitation from the Great Ocean Road across all regions

Indicators to measure sector growth

Tourism Research Australia publishes headline indicators for LGAs and tourism regions across Australia. Some of the headline indicators that are published include the number of tourism businesses in the region, split by the number of people they employ, tourism expenditure or overnight visitation to the region.

Number of Tourism Businesses by Partnership Region, 2014



Tourism Expenditure and overnight visitation for Western and Geelong TRA Regions



Other indicators that can be used to measure growth in the sector include:

- Per-Visitor Expenditure (Tourism Research Australia)– This series can be tracked over time, and benchmarked against other coastal tourism regions across Australia, such as the *South or North Coast of NSW*, or the *Lakes District in Victoria*
- Visitation by type - international, domestic overnight and domestic day (Tourism Research Australia) – this indicator can be used to determine trends in the origin of visitors, as a share of total visitation. This can also be compared against other coastal tourism regions in Victoria or Australia.

Actions or interventions that RDA can drive

We have identified the following actions for RDA Barwon South West that would help to promote growth and employment opportunities in the visitor economy going forward:

- Work with Tourism Australia and other peak bodies to better define and measure the make-up and needs of the Visitor economy, including ways in which the area can leverage from the growth of 'disruptive tourism' to really ensure it remains a leader in Victoria.
- Support the development of Avalon Airport, including attraction of international carriers to boost to both the region's profile and visitor economy
- Co-ordinate, with regional tourism bodies, LGAs and alliances, an assessment of the region's tourism assets required to enhance the visitor economy.



5. Digital Economy – ICT

The formally defined ICT sector (information technology and media) employs relatively few people in Victoria (2.5%), and even fewer in BSW. However, there are a significant number of people employed in ICT occupations across other industries. At the last ABS census (2011), around 0.8% of the Barwon workforce were skilled ICT professionals, the majority of which worked in the City of Greater Geelong. This was significantly higher than the Great South Coast (0.3%), but well below Melbourne (2.3%).

The sector, and the skills of a trained ICT workforce, bring significant potential to drive prosperity in the region. A thriving ICT sector and highly-skilled ICT workforce will significantly enhance businesses' (across all sectors) ability to modernise and improve productivity. This will strengthen their position in the modern, knowledge economy. The growth of the ICT sector will indicate growth in the factors of advantage that will be of increasing importance to other sectors in the Barwon South West region in years to come.

Within the Barwon South West region, the ICT sector has the strongest advantage in the Barwon region, particularly Geelong. There are some existing initiatives in place to spur the ICT sector and the start-up sector in the region, such as Runway Geelong.

Employment opportunities

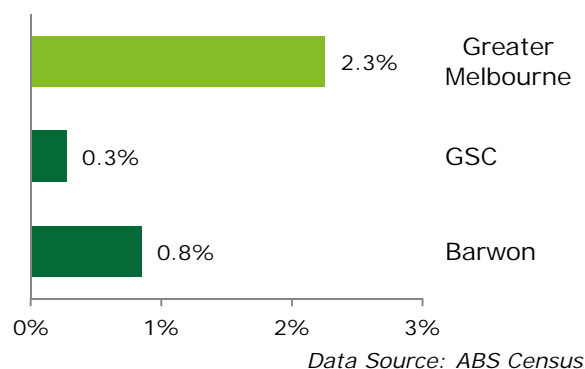
As mentioned above, many of the employment opportunities will come from businesses and organisations outside of the formally defined ICT sector. Employment opportunities for ICT professionals could exist across a range of industries, as businesses increasingly use new technologies to improve their offering to clients and modernise processes.

Challenges

There are some major challenges for growing the ICT sector in the Barwon economy, which are inter-related to one-another. These challenges are:

- **Competing with Melbourne** – The region is competing with Melbourne for both workers and business investment. As a share of the number of people employed, Metropolitan Melbourne is the largest ICT sector of Australia's major cities, and it is growing⁹. Furthermore, Melbourne has significantly more ICT professionals, working across all industries. This will lead to various challenges, but in particular, difficulty in attracting start-ups and headquarters for global tech companies means it will be hard for the region to reach a critical mass.
- **Overcoming lack of appropriately skilled workers and brain drain** – While the Barwon Region has higher education providers with ICT course offerings, opportunities for employment are relatively limited in the area compared with major capital cities. With a smaller skilled workforce, this also discourages start-ups from investing in the region, over areas which have a larger skilled ICT workforce.
- **Internet coverage and quality** – Another barrier for ICT in the region is the lack of high-speed internet connectivity and mobile blackspots. The National Broadband Network (NBN) rollout will address this issue in time, but at this current point in time, much of the Barwon region (including most of Central Geelong) is yet to gain access, with building yet to commence.

ICT professionals, as a share of workforce, 2011



⁹ Digital Technologies, Victorian Government Department of Economic Development, Jobs, Transport and Resources <http://economicdevelopment.vic.gov.au/victorian-economy-in-focus/priority-industries-sectors/digital-technologies>

Indicators of Sector Growth

Some of the indicators of sector growth include:

- Employment of ICT professionals in the region (ABS Census) – See chart above
- Enrolment in ICT-related courses in the region (Not publically available) – A valuable indicator of skills-availability in the Barwon region would be the number of students who are enrolling in ICT courses at local campuses. This data could potentially be collected directly through the higher education providers, through VCAT, or through the Geelong Region Learning and Employment Network (GRLEN).
- Number of ICT Start-ups in the region (not publically available) – While this data would not be able to be benchmarked, the RDA could work with Runway Geelong (a start-up initiative that has received government funding under LaunchVIC) to track the number of new digital economy enterprises entering the region.

Actions or interventions that RDA can drive

We have identified the following actions for RDA Barwon South West that would help to promote the ICT sector in the digital economy going forward:

- Work with organisations like Runway Geelong promote opportunity and attract digital start-ups and broader ICT businesses – digital economy opportunities are limitless.
- Advocate to Federal Government for improving digital infrastructure and/or prioritising NBN rollout in identified key regional areas. The NBN can make the whole region instantly more connected. Currently, lack of education on the NBN and access to the NBN is stopping the region from taking full and early advantage.



6. Advanced and high-value manufacturing

High value manufacturing is one promising prospective growth sector for the region, particularly in Geelong. The sector provides an opportunity to retain the depth of Geelong's manufacturing know-how and use those skills for different applications, such as automotive and aeronautical parts design and production, clean technologies and advanced fibre manufacturing.

High-value manufacturing is less sensitive to changes in labour prices (cost competitiveness), as it competes on quality, uniqueness, reliability and prestige. While the region, particularly Geelong, has a strong history in manufacturing, its ability to transition and then grow will depend on how business in the region can compete on these other factors.

While challenges exist to upskill the region's current workforce, there are building blocks in place that will assist the transition, such as the collaborations between education providers, industry and government.

Direct employment opportunities are limited

Even if the Geelong area continues to successively transition from a traditional to an advanced manufacturing economy, direct job creation in the high value manufacturing sector is likely to be limited. The sector is relatively capital intensive and in some cases utilises robotics, requiring substantial investment in specialised equipment in the production process.

The sector, however, could still be a leader in the Barwon South West Economy, driving overall job creation and prosperity in the region. There are substantial support sector interdependencies (such as ICT), and growth in the industry would enable output in other sectors. Therefore, growth in high value manufacturing has the potential to lead to substantial indirect job creation.

Commercial viability remains a challenge

Many advanced manufacturing businesses set up in the region have still yet to demonstrate commercial viability.

Indicators to measure sector growth

Aside from ABS census employment data, there are currently no publically-available indicators that will accurately represent the growth of the advanced manufacturing sector in the region.

The key reasons for this are:

- The sector is not clearly defined – the 'manufacturing' sector, as defined by the ABS, is made up of traditional and new manufacturing industries alike. Even when broken into sub-sectors, the definitions are not clear. For example, while Ford closed the production stage of manufacturing in Geelong, it has retained 700 staff for the design stage of manufacturing, which could be classified as advanced manufacturing within a 'traditional' industry.
- In terms of measuring output, the contracts and revenues of business in the advanced manufacturing industry are either not released to the public, or are not collated for the region.
- As new industries, some businesses have received funding from the State and Federal Governments in recent years, meaning that indicators of ongoing viability will be hard to measure at this early stage.

Noting the issues in defining the sector (outlined above) - the following sub-sector categories could be suitable for estimating the advanced manufacturing sector using ABS Census data:

- Production of polymers (ANZSIC group 191)
- Professional and Scientific Equipment manufacturing (ANZSIC group 241)
- Computer and electronic equipment manufacturing (ANZSIC group 242)

- Electrical equipment (ANZSIC group 243)
- Other transport equipment manufacturing (ANZSIC group 239)

Actions or interventions that RDA can drive

We have identified the following actions for RDA Barwon South West that would help to promote the advanced manufacturing sector going forward:

- Work to identify new opportunities for new research/industry partners like the Deakin Carbon Nexus project. New opportunities could either have an academic or commercial focus (Ford automotive design and proving centre)
- Facilitate collaboration between Barwon's medical research sector and advanced manufacturing sector to identify potential for medical parts manufacturing



7. Work Anywhere

While this is not a formally defined industry or sector, *Work Anywhere* is increasingly a sector from the point of view of economic activation. Deloitte and a number of key stakeholders are of the view that it should be considered as a sector as a key means to increase the retention of skilled workers, across both the Barwon and Great South Coast sub-regions. Anywhere working already occurs across both regions (see chart below).

Anywhere working is, as the name suggests, doing a job that can be performed anywhere, with the right connective infrastructure. It can mean working from home, in jobs that were traditionally performed in central offices. It can be further expanded to include working from telework hubs (also referred to as smart hubs or incubators). The NBN rollout will facilitate the ability for workers and employers to connect, while cloud computing will keep data secure and smart devices will provide the interface for communicating and working away from the office¹⁰.

It means that in future, businesses may be able to access the skills and capabilities of people wherever they are, allowing people who otherwise are excluded from the workplace to be available to work, and more productive. This will include people who live in remote areas across Regional Australia, meaning that it could serve to promote retention of skilled people across the Barwon and Great South Coast, rather than experience 'brain drain'.

Challenges and employment opportunities

Smart, flexible working hubs as described above, would unlock this method of work, but an imperative is demonstrating the commercial viability. Hubs already exist in Melbourne, Adelaide and Sydney.

The NBN rollout nationally means that the Barwon South West region will not necessarily have a strong advantage over other regions. However, as Victoria's second largest city, Geelong would be a suitable location to invest in smart hubs.

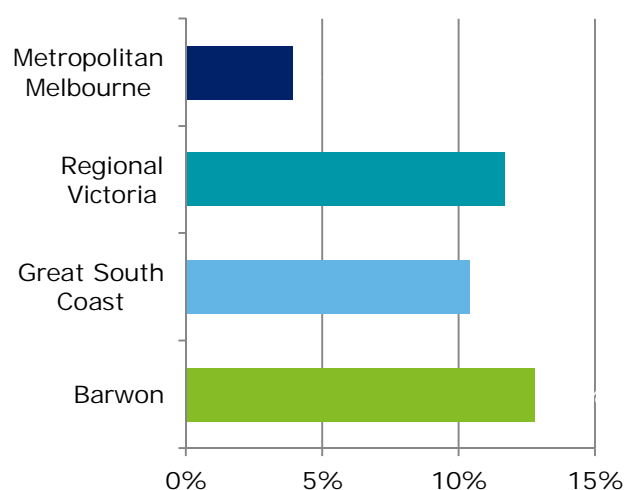
¹⁰ Source: Macquarie Network anywhere working (telework) research network
<http://www.mq.edu.au/research/research-centres-groups-and-facilities/prosperous-economies/centres/centre-for-workforce-futures/australia-anywhere-working-telework-research-network>

Indicators to measure sector growth

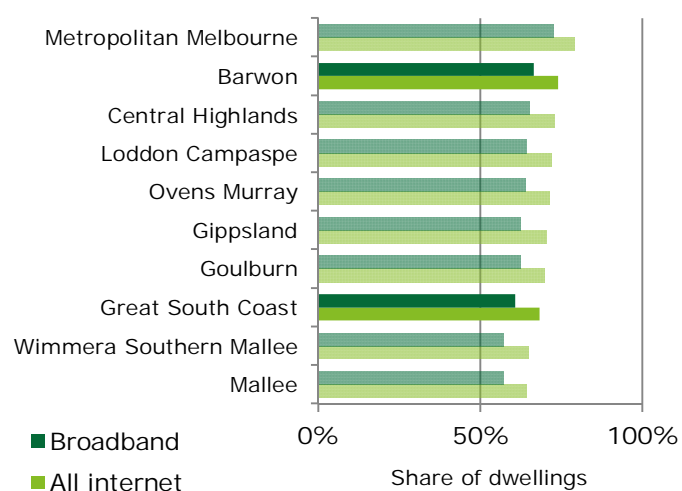
The best measures for the 'work anywhere' sector are from the 2011 ABS census. The first indicator is the share of the working population that worked from home at the last census. The other indicator is the proportion of households that have internet access. This indicator represents the ability of people to work from home through internet connectivity, but does not reflect the number of people who actually did work from home.

Both of these indicators will be updated upon the release of the 2016 census results. Upon its release, some conclusions can be drawn about regional and state-wide trends in working from home, and whether it is growing in importance to the regional economy.

Proportion of population working from home



Dwellings with internet connections, 2011



Both of these indicators will be updated upon the release of the 2016 census results. Upon its release, some conclusions can be drawn about regional and state-wide trends in working from home, and whether it is growing in importance to the regional economy.

Other indicators/signals that can be used to measure growth in the sector include:

- The number of flexible work hubs (not currently available)– While there are none yet identified in the Barwon South West region, the opening of flexible work hubs would signal that the work-anywhere industry is gaining momentum in the Barwon South West region. Going forward, this could be measured on an ongoing basis.

Actions or interventions that RDA can drive

We have identified the following actions for RDA Barwon South West that would help to promote the work anywhere sector going forward:

- Commission, or facilitate, a scoping study into the viability and benefits of a smart/flexible work hubs in the Barwon region
- Work with the ATO and others to look to promote tax incentives for "work from home" in rural and regional businesses.

9 Measurement, benchmarking and optimal use of datasets

The consistent and optimal use of regional data is important in the process of building regional prosperity. This chapter explores some of the issues causing problematic use of regional data, and identifies some actions for RDA Barwon South West that will enhance the quality of regional data analysis. We also explore how the Victorian Government's Outcomes Framework will impact on the consistency and use of regional datasets across Victoria.

The collection, analysis and presentation of regional data are all important steps in the process of building regional prosperity. Regional data helps government agencies, community groups and businesses to plan, deliver and assess projects and initiatives that help to build regional prosperity. However, as confirmed throughout the stakeholder consultation phase of this engagement, the use and interpretation of regional data across the region is sometimes problematic.

At the Investment Logic workshop conducted in the Barwon South West Region attended by regional stakeholders across different levels of government and business, one of the key problems identified was:

“There is a lack of an agreed approach that limits our ability to achieve regional outcomes”

An important element of overcoming this problem is developing an agreed approach over the use of regional datasets and their respective elements. Across the landscape of community and government in the region, there are different approaches in the use of regional data, leading to suboptimal decision making. By reducing conflict over this approach, it will allow issues, initiatives and projects to be identified and assessed using a common set of principles.

The Victorian Government's formation of the Regional Partnerships represents an opportunity to bring greater alignment in this space. To measure the progress of Partnership regions across priority areas, the government is developing an *Outcomes Framework* for the nine Victorian Regional Partnerships, bringing together elements of the outcomes frameworks that each of the Victorian Departments use to assess outcomes for the state. This is a step in the right direction for improving alignment of how regional datasets are used. However, alone, it will not overcome all of the issues associated with regional data.

In this chapter, we assess:

- The issues with regional datasets that limit their ability to effectively support regional prosperity building
- The impact that the Victorian Government Outcomes Framework will have in improving the use of regional datasets; and
- The actions that RDA Barwon South West can take to further improve the use of regional data in building regional prosperity.

9.1 Key issues with regional data

Throughout the consultation process, stakeholders shared their views on regional data and their experiences using it. Through this process, and through Deloitte's experience with using this same data, some common issues and problems with regional data were identified.

Issue 1: The community story gets lost at the regional level:

Indicators, when expressed at the whole-of-region or even LGA levels, tend to be dominated by what happens in the more populated areas, thereby diluting and not reflecting what is happening in smaller localities or rural areas. For example, Barwon indicators are dominated by what is happening in Geelong, which makes up around 80% of the regional population. Even within cities like Geelong and Warrnambool, issues that impact smaller localities which experience extreme disadvantage are 'drowned out', since some indicators are not reported at this smaller community level. This makes it hard to accurately measure program outcomes that, for instance, target smaller pockets of disadvantage, such as the GROW initiative.

Issue 2: Small area estimates can be unreliable due to sample size

Even where small area data is provided, it is not always of a high quality, or fit-for-purpose to monitor prosperity. A significant problem with small area data occurs when it is survey based, as distinct from census based, through the lack of statistical significance that comes from small sample sizes at a small area level. Although the focus on results at a large area level is understandable from the perspective of national statistical agencies, like the ABS, needing to collect information across the nation often on a tight budget, this does pose problems in the use of small area data. For example, while a sample of 1 percent of a population can generate statistically significant data at a national, state or even whole of region level, it can tell little about what is happening in communities of less than a thousand people – where fewer than 10 people will have been surveyed. Examples of data sources with these problems include ABS estimates of youth unemployment and gender-based workforce participation. The ABS acknowledges this in these small-area data sets, issuing warnings over the appropriate use of these indicators.

It is not just for data collected in a survey where these problems emerge, they also exist with data collected on events that only happen occasionally or sporadically. A prominent example of this is data on property sales – where medians and means might be calculated only on a few sales over a period of time, which might not be reflective of the overall value of property. Similarly, building approvals data for a small area over a period of time can be very lumpy – in any one period, the data might give a highly misleading view of the longer term fundamentals of forthcoming construction activity.

In many cases, these problems of statistical significance are avoided by not releasing some data at a small area level, to the perennial frustration of those seeking information at a small area level. This is why, for example, annual results from the ABARES Agricultural Survey are not released at a spatial unit smaller than the SA4 or Natural Resource Management area level – spatial units roughly similar in size to the Barwon and the South West RDA areas.

A related problem occurring at a small area level is confidentiality of data. In some cases, the publication of unmodified raw data could reveal sensitive information about individual households or business – such as income. For this reason, random errors are often introduced into small area data where small numbers are involved.

Issue 3: Some datasets are not recent enough to be relevant

Many key indicators are not reported annually, meaning that up-to-date estimates are harder to obtain. The ABS Census of Population and Housing is one key example of this, being held every five years, as is the Agricultural Census. Another example is the Victorian Population Health survey – the most recent data is from 2011, with the 2016 survey currently being collected. While datasets that are up to five years old don't pose problems when the indicator does not change greatly from year to year, it can pose problems with indicators that do change a lot from year to year (such as building activities data), especially in communities that are rapidly changing.

Issue 4: Benchmarks aren't used consistently

One of the main challenges with regional data is finding other appropriate regions with which to benchmark. Benchmarking is necessary because concepts such as 'prosperity', 'socioeconomic advantage' or 'disadvantage' are relative, in that they can't be established just by looking at data for one region. Rather, the data for one region has to be compared to data from other regions, so that a comparison is possible.

Yet, the process of benchmarking is fraught with dangers. Indicators can sometimes be compared with regions with which they share little common-ground, or are hand-picked to tell the 'desired story', but not necessarily the complete one. A community can appear to be prosperous when benchmarked against struggling regions, but the same region can appear to be struggling if benchmarked against regions experiencing rapid growth. Sometimes this flawed benchmarking can be deliberate – to get a particular answer – or accidental – such as comparing employment outcomes in regions with very different labour market participation rates or demographic structures.

Issue 5: Indicators can miss the real story and lead to false conclusions

When viewed in isolation, some data indicators do not reflect the whole story and can lead to false conclusions being made. One such example is the rate of family violence reporting – which has increased significantly over the past five years across most of the state. However, this does not necessarily reflect negligence of the issue, or even a growing of actual family violence incidents. Evidence suggests that effective awareness campaigns can lead to increased reporting of incidents. Areas with more effective campaigns and programs can therefore have higher rates of reporting than those without programs, indicating that family violence is more of an issue than it is in other areas where less reporting occurs. The same issue can occur when attempting to establish time series trends in a region like crime rates or public transport use. Sometimes, changes in the time series trends reflects a change other than in the indicator itself – such as crime reporting, or public transport evasion.

Issue 6: Indicators don't match the 'lived experience'

Indicators for a region or community often do not match the views or the experience of people living or working there. This issue would usually stem from one or more of the points listed above, such as small sample size (point 2), or variance between regional and community trends (point 1 above). While these reflect problems with the data, inconsistencies can also occur when the lived experience reflects subjective bias that doesn't match the objective reality.

Issue 7: Small area economic output estimates are modelled using assumptions and older data sources

Measures such as gross regional product or productivity are, at the small area level, built up using a variety of sources, including census data, national accounts, input-output tables and older estimates of gross state product. In the absence of data, assumptions are often necessary to fill data gaps. An example of a glaring data gap in understanding the size and nature of a small area economy is trade flows – what one region buys from, and sells to, other regions. This need could be partially satisfied with quality small area freight data, or detailed surveys on household and business shopping patterns. In the absence of such things, economists must infer regional trade flows through assumptions, such as assuming that people are more likely to shop local for some things, but are happy to buy distant for others. Indeed, these assumptions are at the heart of regional input-output tables, and measures of things like gross regional product. At face value, they appear to offer 'data' on the size and nature of a regional economy. But often, in reality, they reflect a series of assumptions, not real world data.

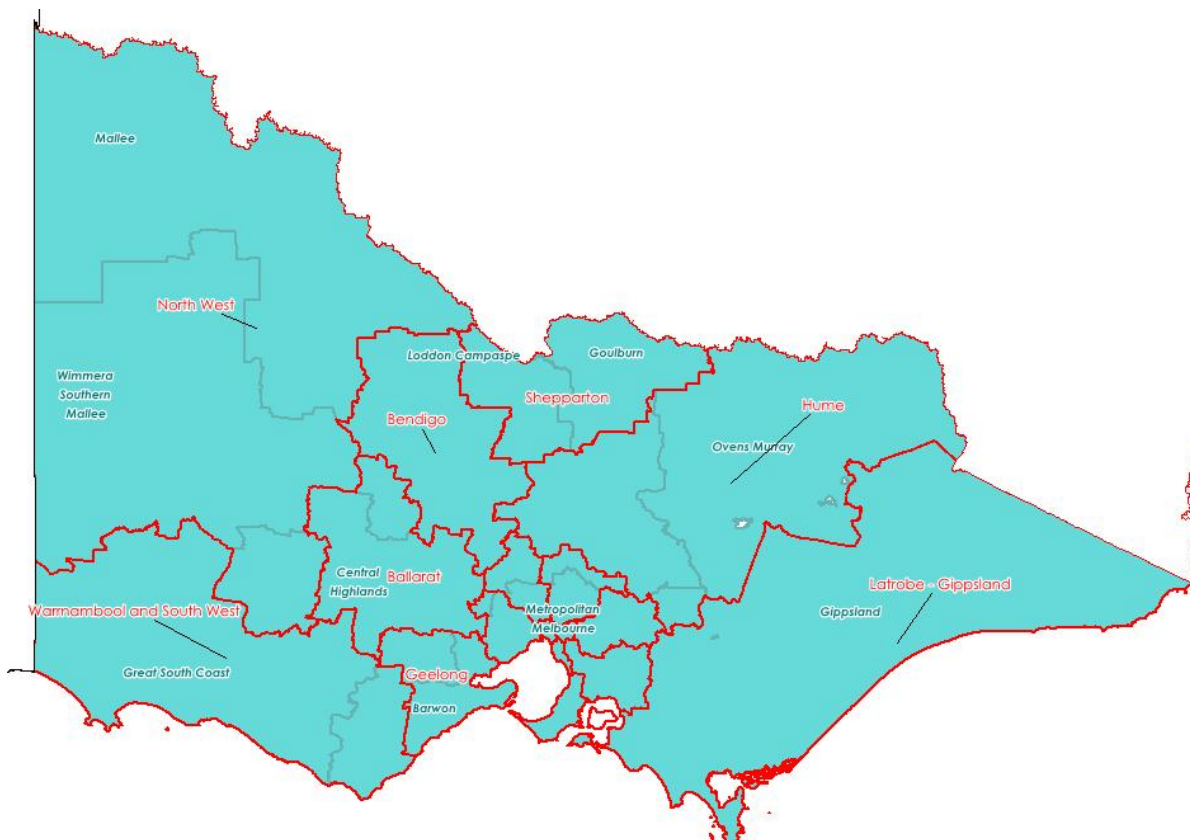
Issue 8: There is a lack of direction across the Barwon South West Region regarding what data should be collected

While Local Government Areas have economic development and tourism units with the capacity to generate and analyse data, there is a need for higher-level strategic direction around which data would be most useful at the regional level. This direction from the region is particularly needed for bespoke data on the region – data on issues that are unique or particularly important to one region, but not others. State or national statistical agencies can't be expected to offer tailored versions of data for different regions. Direction on the customisation and tailoring of data to make it fit-for-purpose in a region needs to come from the region itself.

Issue 9: Different agencies report indicators at different spatial units:

Across Victoria and indeed across Australia, spatial levels below the state-level are used for reporting. However, across different Federal and State Government agencies, there isn't always alignment in how regions are defined and indicators are reported.

The map below highlights this issue. The boundaries represent SA4 geographies – a construct of the Australian Bureau of Statistics. The Warrnambool and South West SA4 overlaps mostly with the Great South Coast region, however it also includes the western area of the Barwon Region (Colac-Otway area). The Geelong SA4 overlaps mostly with the Barwon Region, but captures part of Western Metropolitan Melbourne and doesn't include the Colac-Otway area.



Issue 10: Some outcomes aren't amenable to indicator measurement

There are some trends, outcomes and issues that don't lend themselves to immediate measurement by indicators. One such example is innovation. Potential indicators for innovation include the proportion of owner-managers, trademark or patent applications, and employment in particular industries or occupations (all on a per-capita basis). However, these indicators themselves are only proxies, and are not true measures of 'innovation'. The number of patent applications can easily be influenced by outlier businesses in any given year, while a high level of business-ownership does not capture the innovation shown by those business owners.

9.2 The building blocks of an agreed approach – an outcomes framework

As a result of the change in the Victorian Government's approach to regional development (through the formation of the Regional Partnerships), the foundations of a consistent approach to measuring regional development are being built through the development of an outcomes framework.

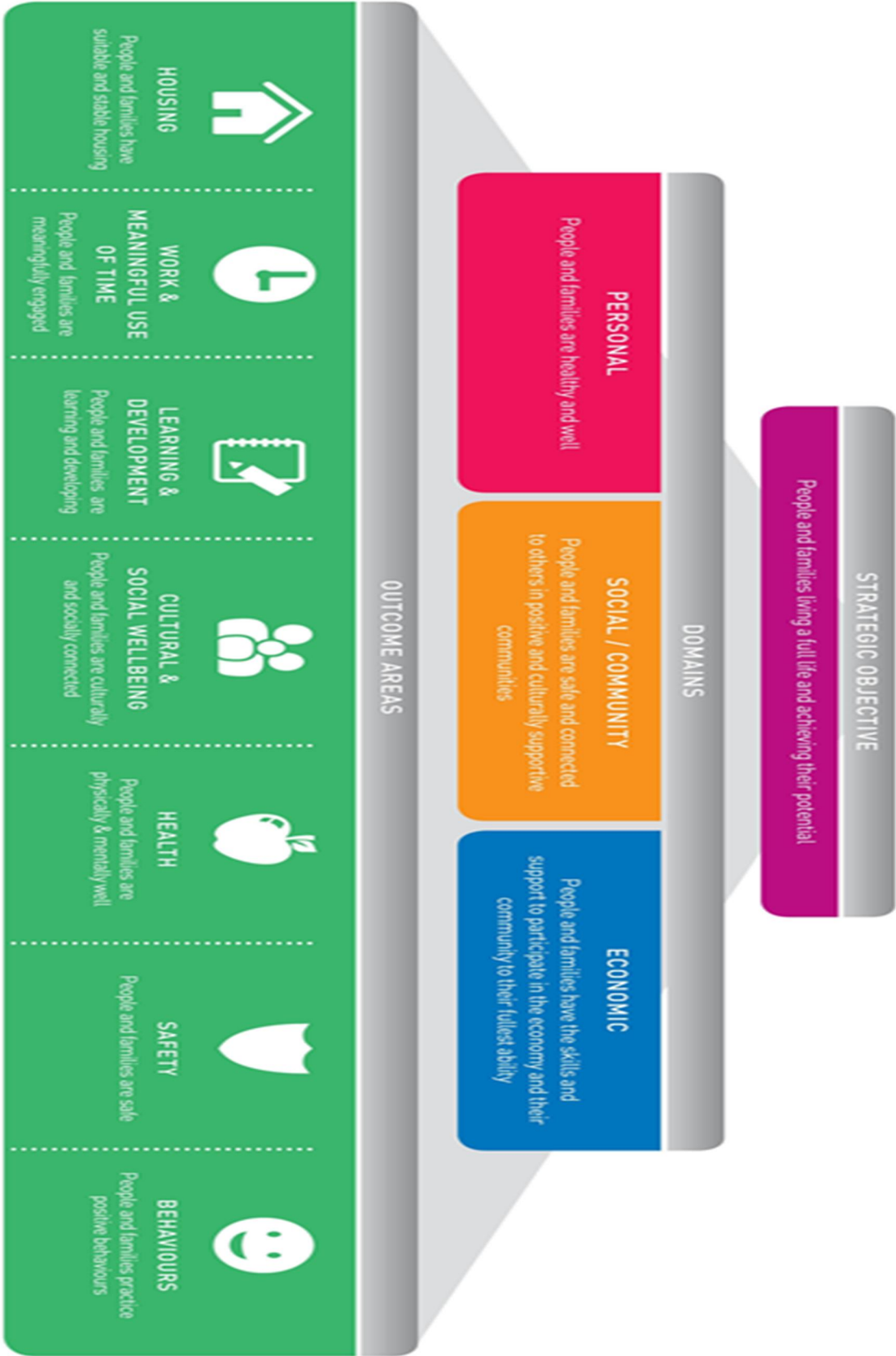
Broadly speaking, an outcomes framework sets out the outcomes and corresponding indicators that will be used to hold individuals or organisations (often government agencies) to account. Outcomes-based frameworks are already in place across some portfolio areas of the Victorian Government. Frameworks already exist for the Departments of Human Services (DHS) Education and Training (DET) and Economic Development, Jobs, Transport and Resources (DEDJTR).

There is a common architecture across these existing frameworks. An outcomes framework is built around a single vision or strategic objective – under which sit a series of 'domains'. These domains combine to form the single vision. Under each domain sits a series of desired outcomes, underpinned by a set of indicators. These indicators demonstrate whether or not the organisation/community is moving towards, or away from the desired outcome.

The Victorian Government is transitioning towards a Whole of Government framework to assess policies and programs with the outcomes they are designed to achieve – economic, social or environmental. Whilst still in the early stages of development, it is expected that a *Whole of Government* outcomes framework will be central to the recently introduced Regional Partnerships model.

The development of this outcomes framework represents a transition in how the Victorian Government conducts its regional development policy. Assessing the outcomes, rather than the delivery of programs or policies was viewed by many as an important driver for effective place-based governance, according to consultations. It shifts the conversation towards effectiveness, rather than spending on, prosperity-building initiatives. It also sets out a consistent approach to how regional data can be used across Victoria.

Most community-level and region-level issues do not sit in isolation. For example, education attainment, employment and crime are three related issues that communities may face – poorer education attainment outcomes lead to poor employment outcomes, causing issues with crime further down the track. However, it is often the case that government and community responses address these issues in isolation.








9.3 Benefits of the framework

The development of a single outcomes framework for Victoria's regional partnership will deliver a number of important benefits regarding the use of regional data:

- Provide a consistent platform for tracking and measuring progress across priority areas.
- Improve access of regional partnerships to the data held within Victorian Departments
- By shifting the focusing on outcomes, it gives regional communities greater flexibility to develop programs tailored for the needs of the region.

Example – DEDJTR Outcomes Framework

TEN YEAR OUTCOMES	HEADLINE INDICATORS
<p>What does success look like?</p> <p> Victoria is prosperous and inclusive</p> <ul style="list-style-type: none"> • Victorians build and share in income and wealth • Victorians participate in and are well connected to jobs and education • Victorians have dignity and respect <p> Victoria is liveable</p> <ul style="list-style-type: none"> • Victoria's places, towns and cities are accessible and well connected, diverse, resilient and safe • Victoria's society is open and its culture is vibrant and diverse • Victoria's natural environment is productively and ethically managed and enhanced for future generations <p> Victoria is productive</p> <ul style="list-style-type: none"> • Victoria's infrastructure and networks are efficient, reliable, well connected and digitally enabled • Victoria's business environment is competitive and provides confidence <p> Victoria is innovative</p> <ul style="list-style-type: none"> • Victorians are adaptive, knowledgeable and entrepreneurial • Victorian businesses are inventive, responsive and diverse • Victoria creates and diffuses knowledge through research, collaboration and commercialisation <p> Victoria is globally connected</p> <ul style="list-style-type: none"> • Victoria is a desired source of exports and destination for foreign investment • Victoria is a desired location for visitors and global talent • Victorians learn from and contribute to world's best thinking 	<p>Is it working?</p> <ul style="list-style-type: none"> • Increased household incomes, including for low income households • Increased participation in employment • Increased participation through business ownership <ul style="list-style-type: none"> • Improved connectivity and quality of transport in towns and cities • Increased engagement with arts and cultural activities • Improved sustainable use of natural resources <ul style="list-style-type: none"> • Increased productivity • Improved public transport and road network reliability • Enhanced confidence in the economy <ul style="list-style-type: none"> • Deepened level of knowledge and skills • Enhanced level of business innovation <ul style="list-style-type: none"> • Increased exports by Victorian businesses • Increased economic activity generated by tourism in Victoria • Increased number of international students choosing to study in Victoria

9.4 Risks/issues with an outcomes framework

There are also several risks inherent with applying an outcomes framework:

- Both the reliability and availability of data decreases when moving from state to regional level. Based on the data that is currently available, not all indicators in the Victorian Department frameworks can be reliably measured at the sub-state level. See section on 'issues with regional data'.
- Not all issues or local priorities lend themselves to accurate measurement. There are a range of issues and trends that are harder to quantify with the existing suite of indicators, such as the level of innovation in the region, certain community attitudes, or complex environmental problems.
- An outcomes framework still requires a certain amount of agreement across the broader region on which outcomes areas should be the main priority. Investment to address one particular issue may result in less funding being available for other issues.

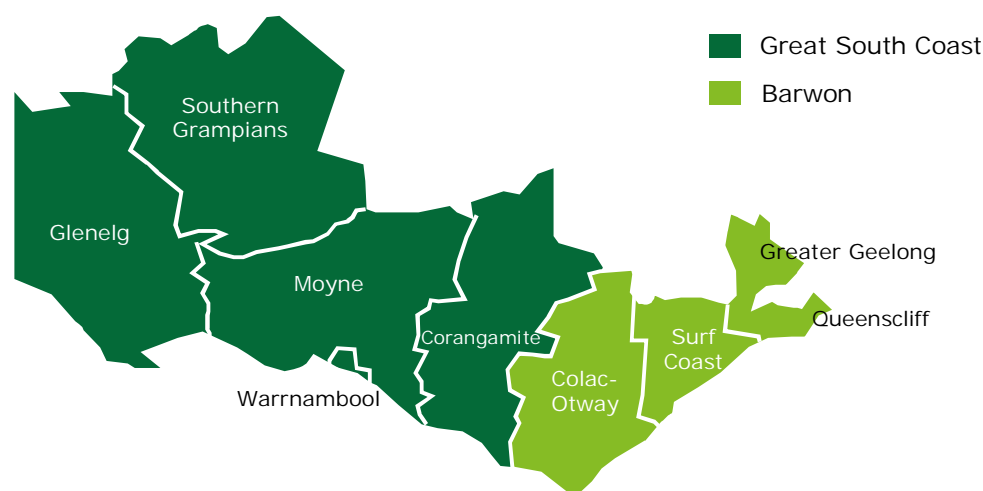
9.5 Improving collection, use and interpretation of regional data

In order to overcome the problems and issues identified throughout this chapter, and enhance the value of regional data in building prosperity in the region, we have identified five actions for RDA Barwon South West group:

Action 1: Treat the Barwon and Great South Coast Regions separately

RDA Barwon South West region consists of two Regional Partnership areas – the Great South Coast and Barwon. The feedback from numerous stakeholders, across both Partnership regions, was that there was little benefit on reporting indicators at RDA level. The reason for this is two-fold. Firstly, while aggregation is required to some extent, the Victorian Government's decision to treat the two regions separately means there is limited value for RDA BSW committee duplicating effort to report at a whole-of-RDA region level. Secondly, combining the two regions together means that indicators are skewed towards the Barwon situation due to its larger population, and therefore less relevant for the Great South Coast.

Partnership regions within RDA Barwon South West



Action 2: Identify and document issues, limitations and misuse of data.

Uncritical use of data needs to be avoided. It is particularly important that users of data understand and document the limitations of data indicators – as presented earlier in this chapter. Where doubts are raised over the accuracy or suitability of data indicators, input should be sought from the agency responsible over the confidence with which the indicators are reported.

It is also important to communicate common misuse of regional data. To avoid making incorrect assessments by misinterpreting indicators, it is important to understand how the indicators are constructed, and all of the drivers. For example, attracting retirees to live in the region, which may be seen as a positive outcome, will lower the participation rate for the region, since there will be more people of working-age who aren't working.

Action 3: Routinely monitor the data pipeline

Census measures are powerful, but given that they only come out every five years, they aren't necessarily suitable for monitoring and measuring prosperity over shorter timelines. Timely monitoring requires appropriate indicators, and understanding the frequency and timing of data releases is an important element in this process. A potential ongoing role for RDA BSW could be to monitor and report on the timing of the release of key regional datasets, and communicate this to stakeholders in the regions.

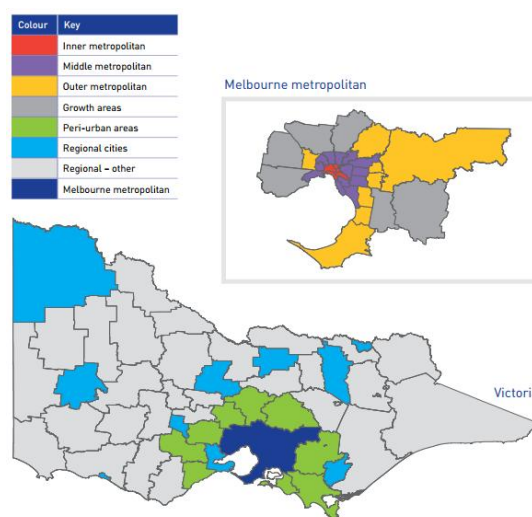
Action 4: Develop a common framework for benchmarking

A key opportunity for RDA BSW Committee should be to provide a consistent framework for benchmarking data across the region.

Regional indicators need to be benchmarked appropriately, noting there is no such thing as the perfect benchmark – there is no other city, town or region with the same set of characteristics - and the ideal benchmark will also differ depending on the nature of the issue or trend that the data captures. There are some principles that, if followed, would improve the effectiveness and consistency of benchmarking in the region:

- For like-for-like benchmarks (Town A compared with Town B) choose other regions with the same or similar spatial unit (is it the RDA region, Partnership Region, LGA, regional city or town).
- If benchmarking against the Victorian or Australian average, consider appropriate ways to divide these areas into the most meaningful categories – such as metropolitan and non-metropolitan Victoria, or as per the map below.
- Select regions that demonstrate similarity in the 1-3 MOST relevant characteristics that are relevant to the indicator. For example, if benchmarking economic growth, relevant characteristics may be industry structure or population growth. For population growth, the most relevant characteristics would likely be existing population size.
- Engage government, businesses and communities on selecting long term and ambitious targets – Deloitte's experience over many assignment consultations indicates that stretch targets, whether they be for social or economic indicators, or population growth, may lead to better outcomes than easy targets. This means that regional communities are challenged to excel, rather than show a 'pass-mark'. The opportunity to work with or leverage the Regional Partnership Forums work and the Outcomes Framework is significant, but may not be sufficient
- In most cases, benchmarking against regions within Victoria will offer the most meaningful results. This is because regional data is more consistent across the state, since it is collected and reported by Victorian agencies. Furthermore, where data is used to support the case for Victorian Government funding, it is more valuable to communicate the relative position of the Barwon South West (or areas within it). Benchmarking against other regional Victorian areas will, to an extent, control for outside factors, such as droughts or commodity prices that aren't impacting on Victoria.
- Benchmarking outside of Victoria is most appropriate where data is collected and reported nationally, and there are particular characteristics of non-Victorian regions that make it appropriate to do so. For example, as a leading region for Victorian tourism, it could be meaningful to compare average overnight visitor expenditure in the Barwon South West region with other prominent coastal tourism areas outside of Victoria, such as the North Coast of New South Wales.

Victorian LGAs – by category



Source: VicHealth

Action 5: RDA Barwon South West should consider engaging LGAs and partnerships as to what data could best be collected where existing data isn't adequate, or doesn't tell the whole story.

Where particular data isn't adequate, or doesn't tell the whole story, there is a role for the RDA BSW to collect additional data or information – or facilitate collection via the local governments, to supplement that indicator and complete the story. This will not replace existing data – for example, it is not feasible to collect monthly unemployment statistics to replace ABS data, but it is feasible to conduct a one-off survey of local employment agencies or community resource centres to report on their views, and then repeat that annually. Appendix 2 further informs this.

Part 3 - Conclusion and Appendices

10 Conclusion and Way Ahead

There is a unique opportunity to make a long term and substantial contribution to building regional prosperity in the BSW region through collaboration. Further, by recognising that collaboration is critical to this challenge of building regional prosperity, RDA BSW Committee is uniquely placed to lead and enable this.

Achieving specific objectives in growing regional prosperity, such as growing jobs and tackling disadvantage requires an integrated, collaborative approach between the three levels of government and across government portfolios, and with business and community. To focus effort now on further enhancing collaboration will better enable regional prosperity, and regional prosperity is what attracts and retains individuals and businesses, and enables a thriving community. A key part of this opportunity to strengthen collaboration will make it more efficient for all, ensuring better outcomes for the region, and better use of Commonwealth resources.

Deloitte believes that the revised Mission it has developed together with the proposed clarification of roles and responsibilities will result in a more effective and efficient RDA contribution to regional prosperity. Further, agreed role clarification is essential to enable effective and efficient collaboration. Proposed delineation of roles and responsibilities should help minimise any duplication of activities between different levels of government.

This then enables the application of the framework, where sharing information and approach to data outlined in detail in this Report will enable a more efficient and effective collaborative effort, led in a facilitative way by RDA Committee and staff. The collaboration between the Victorian and Australian government to deliver the RDA program provides for a practical and efficient approach where staff are embedded and work with RDV staff. With the recent introduction of the Victorian Government's Regional Partnerships the opportunity is even greater to better enable collaboration between the three levels of government and to optimise alignment with Australian Government policy objectives.

In doing so, RDA should lead efforts to use a place based, measurable outcomes approach that aligns with all levels of government, and using the data in the way outlined in this report. More open collection of and access to data will allow all three levels of government to share and use the outputs.

In total, the report provides for an additional significant step in the RDA BSW journey to lead to a more prosperous region, based on effective, efficient and focused collaboration. The RDA BSW Committee must now trial and evolve this framework, and engage all stakeholders in focusing on regional prosperity as the way ahead.

11 Key Recommendations

The following is the full list of recommendations made in this report, and numbered for simplicity. The last recommendation addresses the implementation of the Report and the recommendations. For simplicity the Economic Activation recommendations are separated out into a distinct list.

Role and Mission

1. The RDA BSW Committee adopt the revised RDA BSW Mission.
2. RDA BSW work with all levels of government to review and implement the recommendations on role clarification for government.
3. RDA BSW Committee uses and encourages / educates others to apply the lens of the two Regional Partnership regions (Barwon and GSC) rather than an aggregation in order to provide the most accurate view, and seek to educate and inform other Federal Government agencies as to the value of this approach.
4. RDA BSW lead a collaborative process to adopt and trial a consistent framework for benchmarking data across the region and measuring regional prosperity (an abbreviated prosperity framework as per Section 5.5). This would include engaging LGAs and Regional Partnerships as to what data could be best collected where existing data isn't adequate, or doesn't tell the whole story.
5. Engage government, business and communities in selecting long term and ambitious targets. The opportunity to work with or leverage the Regional Partnership Forums work and the Outcomes Framework is significant, but may not be sufficient from a regional prosperity perspective.

Optimal Use of Data

6. Identify and document issues, limitations and misuse of data. It is critically important to understand and document the limitations of data indicators. It is also important to communicate common misuse of regional data.
7. Develop and routinely monitor an agreed set of prosperity indicators and or regional score card line with the agreed prosperity indicators, benchmark and outcomes framework to measure the regions' progress.

Implementation

8. Deloitte have identified the following actions for RDA Barwon South West that would help to implement the Collaboration Framework proposed:
 - RDA BSW Committee as soon as possible to review this paper, and adopt / accept appropriate elements (modified if needed)
 - Once accepted by the Committee, circulate this paper to RDV BSW, Regional Partnerships, local government agencies and structured business groups in the region for comment and feedback.
 - Convene a workshop/s with relevant stakeholders to:
 - Review, improve and agree the role clarification for the government;
 - Agree and adopt an agreed set of indicators to measure regional prosperity by region; and
 - Agree and adopt a consistent framework for benchmarking data across the region.
 - Agree on adopt and outcomes approach to inform and measure regional priorities review, improve and agree on a 12 month planning and engagement calendar
 - Submit final, approved version of this report to the Federal Department of Infrastructure and Regional Development for commend and feedback.

These recommendations on Economic Activation are the collation of all such from Chapter 8

Economic Activation

9. We have identified RDA BSW work with the both the Great South Coast Food and Fibre Group and G21 Agribusiness Forum to promote priority water projects with the Federal Government funding, which would assist the agricultural sector going forward.
10. We have identified the following actions for RDA Barwon South West that would assist the higher education sector going forward:
 - Facilitate partnerships between tertiary education facilities (e.g. Deakin, Marcus Oldham and Gordon) with industry, such as high-value manufacturing, agribusiness and health.
 - Co-ordinate with higher education providers by promoting the Barwon South West region throughout Australia and through DFAT as a safe, healthy, attractive place to live and study, where the visitor economy provides opportunity for part-time work to go with study.
11. We have identified the following actions for RDA Barwon South West that would help to promote growth and employment opportunities in the healthcare, aged care and medtech sector going forward:
 - Continue to support and build on the work being undertaken in the BSW Health and Wellbeing Workforce Strategy. This expected demand for skills and facilities will help the region to plan for future workforce requirements, identify entrepreneurial opportunities associated with the sector and support local businesses seeking to harness the business opportunities that might flow from an ageing population
 - Facilitate collaboration between Barwon's medical research sector and advanced manufacturing sector to identify potential for medical parts manufacturing in the Geelong region (also under advanced manufacturing).
12. We have identified the following actions for RDA Barwon South West that would help to promote growth and employment opportunities in the visitor economy going forward:
 - Work with Tourism Australia and other peak bodies to better define and measure the make-up and needs of the Visitor economy, including ways in which the area can leverage from the growth of 'disruptive tourism' to really ensure it remains a leader in Victoria.
 - Support the development of Avalon Airport, including attraction of international carriers to boost to both the region's profile and visitor economy
 - Co-ordinate, with regional tourism bodies, LGAs and alliances, an assessment of the region's tourism assets required to enhance the visitor economy.
13. We have identified the following actions for RDA Barwon South West that would help to promote the ICT sector in the digital economy going forward:
 - Work with organisations like Runway Geelong promote opportunity and attract digital start-ups and broader ICT businesses – digital economy opportunities are limitless.
 - Advocate to Federal Government for improving digital infrastructure and/or prioritising NBN rollout in identified key regional areas. The NBN can make the whole region instantly more connected. Currently, lack of education on the NBN and access to the NBN is stopping the region from taking full and early advantage.
14. We have identified the following actions for RDA Barwon South West that would help to promote the advanced manufacturing sector going forward:

- Work to identify new opportunities for new research/industry partners like the Deakin Carbon Nexus project. New opportunities could either have an academic or commercial focus (Ford automotive design and proving centre)
- Facilitate collaboration between Barwon's medical research sector and advanced manufacturing sector to identify potential for medical parts manufacturing

15. We have identified the following actions for RDA Barwon South West that would help to promote the work anywhere sector going forward:

- Commission, or facilitate, a scoping study into the viability and benefits of a smart/flexible work hubs in the Barwon region
- Work with the ATO and others to look to promote tax incentives for "work from home" in rural and regional businesses.

12 Appendices

12.1 Appendix 1 – Summary of Consultation

Part of Deloitte's methodology was to engage key stakeholders in the Barwon South West region. Below is a list of attendees and participants engaged for each information gathering session. In some cases, not all participants were able to be fully involved. However, for full disclosure we think it important to include all stakeholders that were approached.

Interviews

Stakeholder group/organisation	Representative
RDA BSW	Bruce Anson
G21 Alliance	Elaine Carbine
RDV BSW	Unni Menon
Committee for Geelong	Dan Simmonds
GSC group	Colin Ryan
Victorian Dept. of Premier and Cabinet	Simon Phemister
Victorian Department of Justice	Carolyn Gale
Deakin University	Cora Trevarthen

ILM Workshop

Stakeholder group/organisation	Representative
Chair of RDA BSW, GSC Regional Partnership; CEO of Warrnambool City Council	Bruce Anson
RDV RDA Regional Partnerships	Phil Currie acting for Unni Menon
CEO Committee for Portland RDA BSW Committee Member GSC Regional Partnership Councillor for Glenelg Shire	Anita Rank
Deakin University	Chris Jones
RDA Committee member Barwon Regional Partnership	Elaine Carbines

Stakeholder group/organisation	Representative
CEO of G21	
Chair of GSC Regional Partnership	Emily Lee-Ack
CEO of Glenelg Shire, GSC Regional Partnership	Greg Burgoyne
CEO of Surf Coast Shire, Barwon Regional Partnership	Keith Ballie
Chair of Geelong Chamber of Commerce Chair of Barwon Regional Partnership	Kylie Warne
RDV BSW	Stephen Ryan
RDV BSW	Meg Bullen
Partner, Deloitte	Frank Kelloway
(Workshop Facilitator) - Deloitte	Ellie Newnham
Analyst, Deloitte	David Gilmour
Senior Analyst, Deloitte	Robert Leith

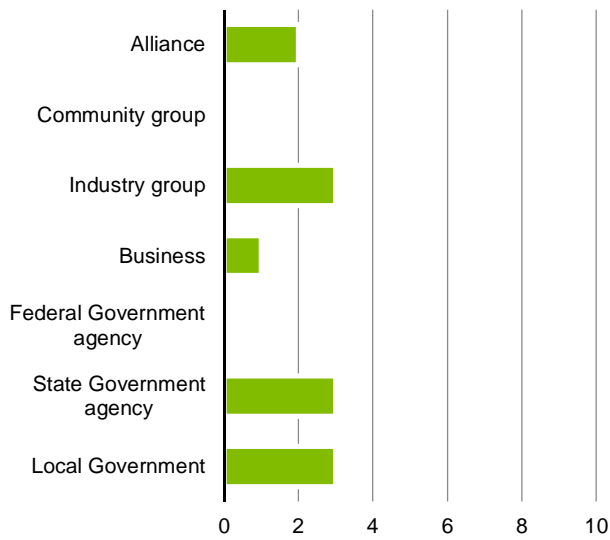
Survey

Stakeholder group/organisation	Representative
RDA Barwon South West, Deputy Chair	Peter Dorling
RDV, Regional Director	Unni Menon
AusIndustry (Department of Industry Innovation and Science), Regional Manager	David Elliott
Barwon Health, CEO	Belinda Moyles
Austrade, Senior Investment Specialist	Karen Wales
Department of Premier and Cabinet, Deputy Secretary Economic Policy and State Productivity	Simon Phemister
Department of Justice and Regulation, Deputy Secretary Service Strategy Reform	Carolyn Gale
Department of Health and Human Services, Area Director	Pam Williams
Department of Health and Human Services, Area Director	Peter Lake
Department of Land, Water and Planning, Regional Director	Helen Vaughn
Department of Education and Training, Area Executive Director	Catriona Salt
Department of Education and Training, Area Executive Director	Michael Fitzgerald
Department of Economic Development, Jobs, Transport and Resources, Lead Deputy Secretary Strategy and Planning	Anthea Harris

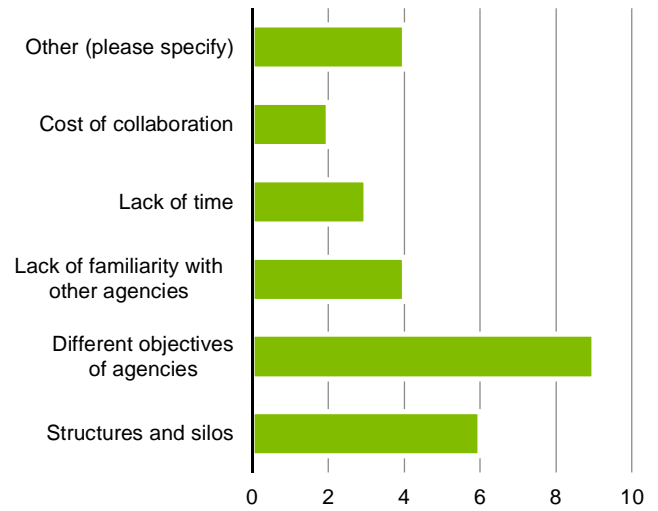
Stakeholder group/organisation	Representative
Great South Coast Group, Chair	Cr Colin Ryan
G21, CEO	Elaine Carbines
Barwon Regional Partnership, Chair	Kylie Warne
Great South Coast Regional Partnership, Chair	Emily Lee-Ack
Deakin University, Advisor to Vice Chancellor	Cora Trevvarthen
LGA: City of Warrnambool, CEO	Bruce Anson
LGA: Colac Otway Shire, CEO	Sue Wilkinson
LGA: Corangamite Shire, CEO	Andrew Mason
LGA: Glenelg Shire, CEO	Greg Burgoyne
LGA: Moyne Shire, CEO	David Madden
LGA: Southern Grampians Shire, CEO	Michael Tudball
LGA: Surf Coast Shire, CEO	Keith Baillie
LGA: City of Greater Geelong, CEO	Kelvin Spiller
LGA: Borough of Queenscliffe, CEO	Lenny Jenner
Committee for Portland, CEO	Anita Rank
Committee For Geelong, Chair	Dan Simmonds
Geelong Manufacturing Council, Executive Officer	David Peart
Geelong Chamber of Commerce, CEO	Bernadette Uzelac
Geelong Region Local Learning and Employment Network (GRLLN), Anne-Marie Ryan Executive Officer	

The responses received from the survey, 'Growing Regional Prosperity through Collaboration in Barwon South West' allowed a pattern of preferences to develop. These patterns and data are summarised in the following graphs (appendix 1).

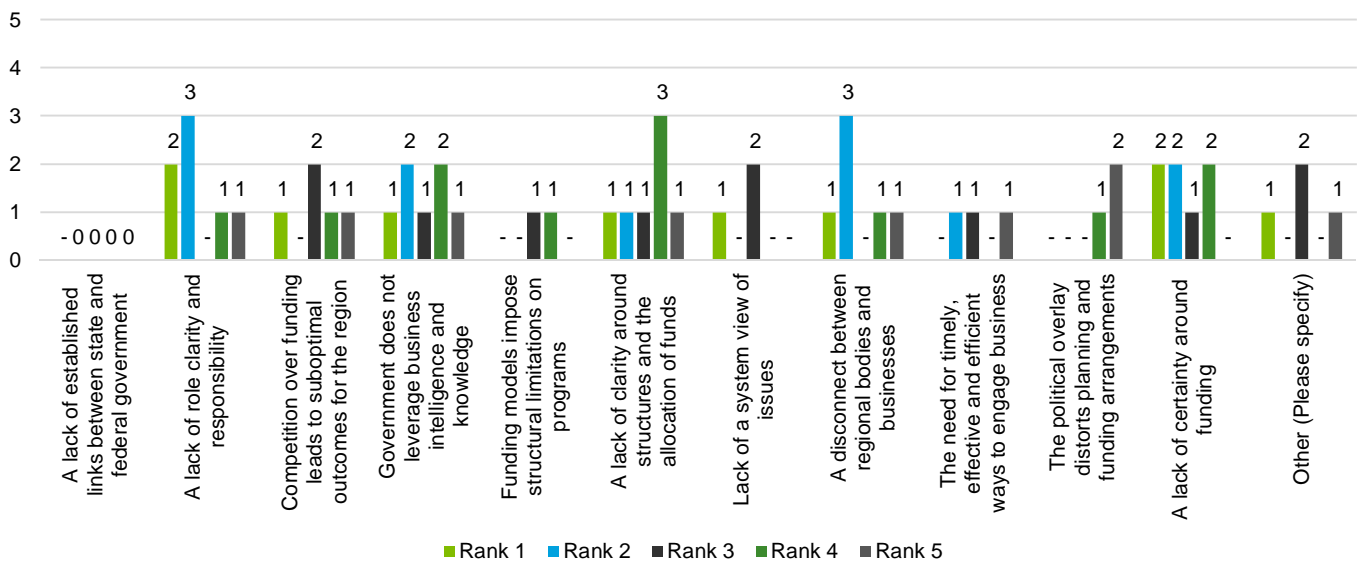
What type of organisation is it?



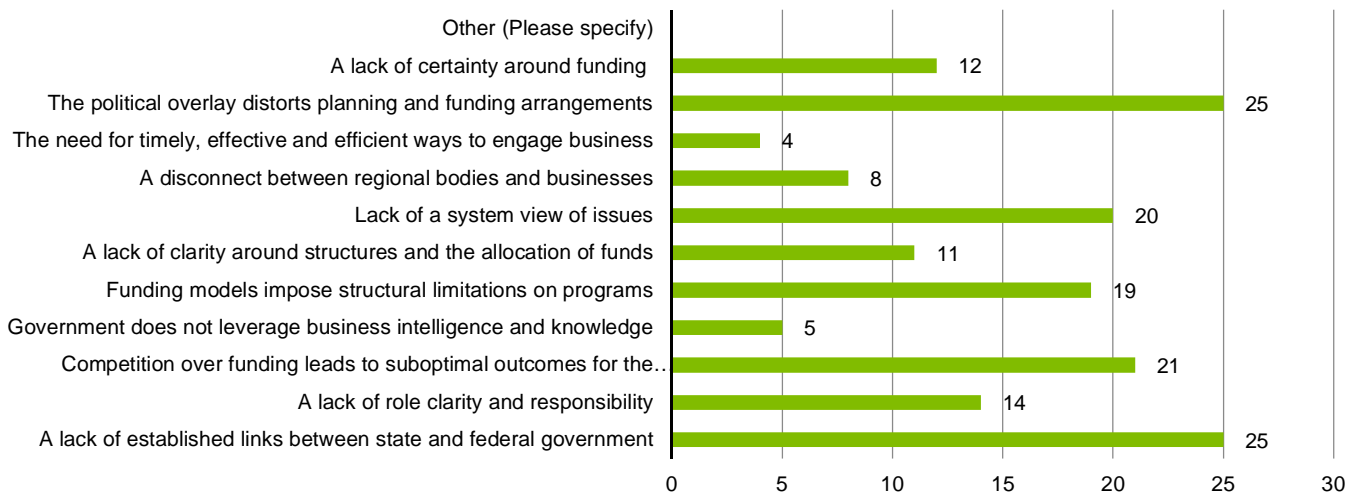
What are the biggest barriers to collaboration?



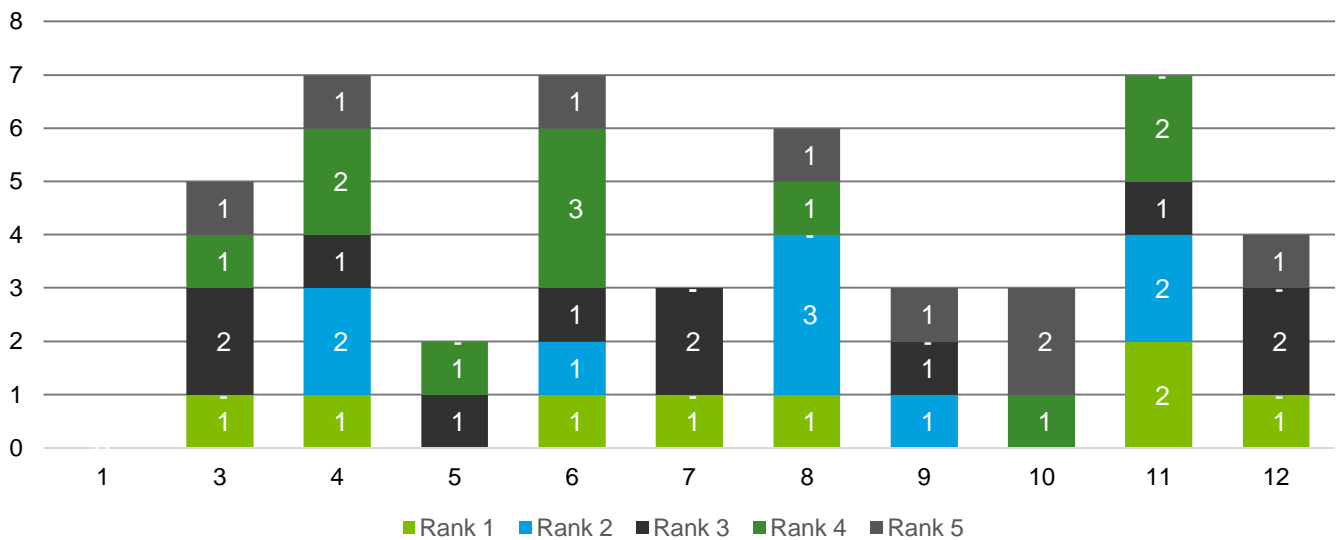
Ranked Issues identified with workshop



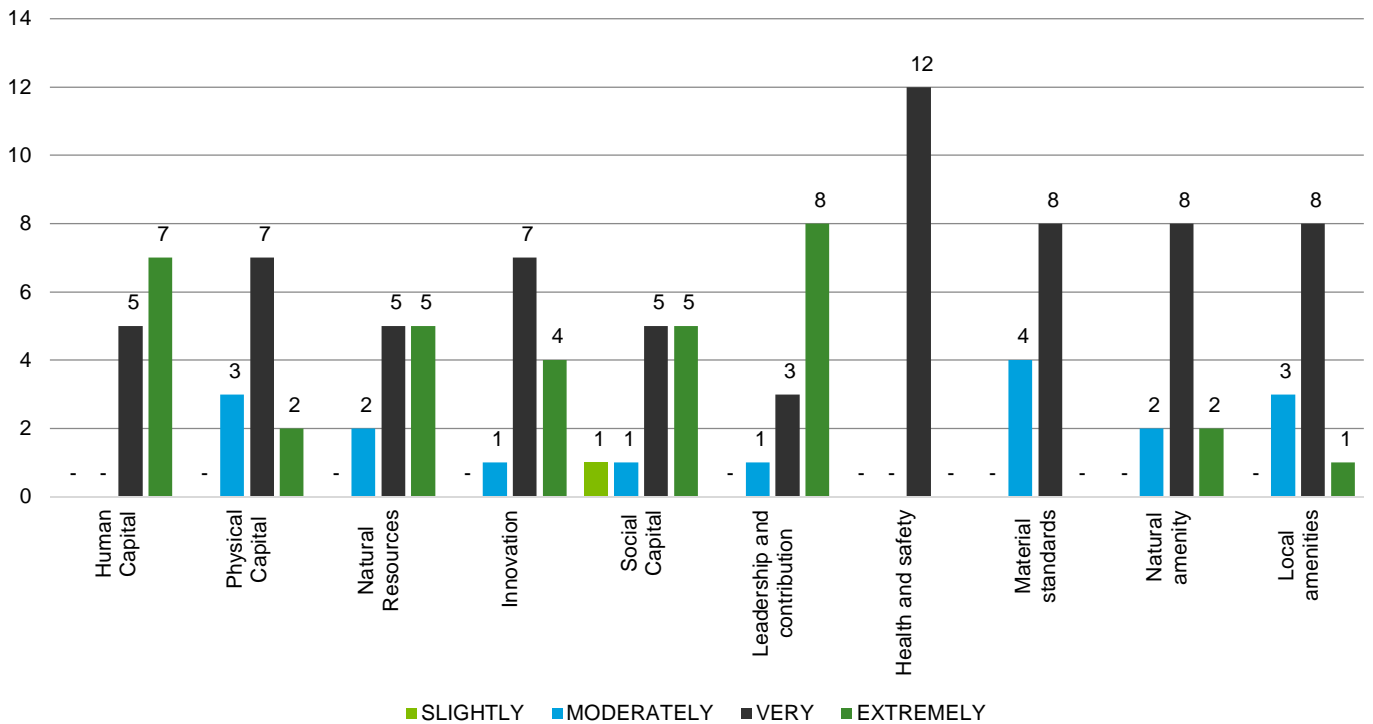
Total issues



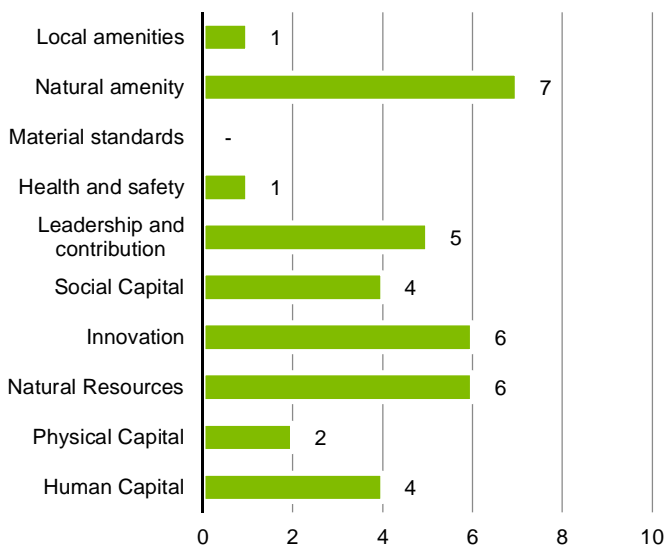
Ranked Issues identified with workshop



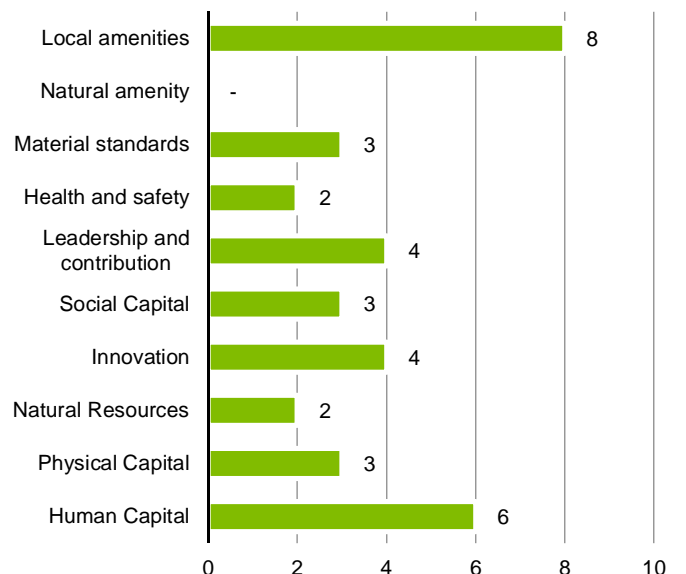
Importance of 10 pillars



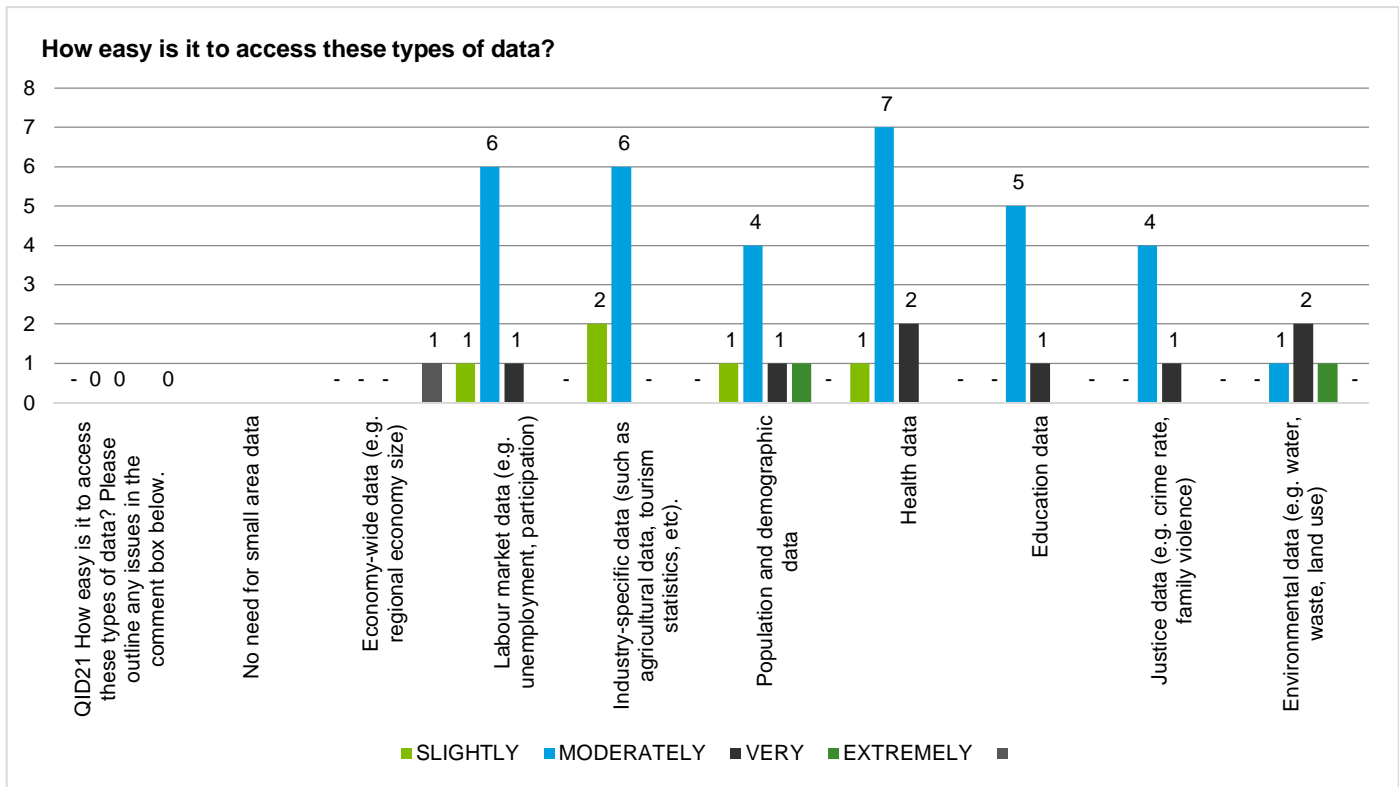
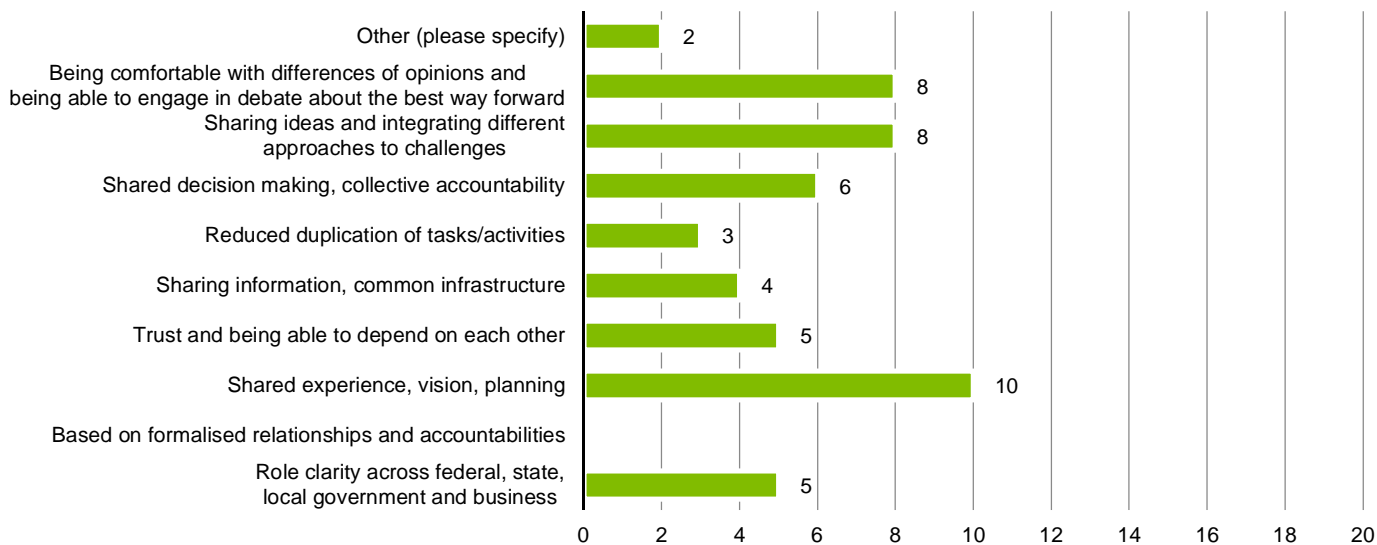
Which (up to three) of these 10 pillars do you see as the Barwon South West Region's greatest strengths?



Which (up to three) do you see as the Barwon South West Region's main weaknesses?



What are the hallmarks you would want in an improved collaboration framework? (select all that apply)



12.2 Appendix 2 – Regional Datasets

The table below contains a summary of the important regional datasets which can be used to measure and monitor prosperity, analyse regional issues and support regional planning and policy development. Also included are some of the key utilities for each one, as well as some observed limitations.

Purpose	Datasets	Utility	Limitations
Measuring the future population	<i>Victoria in Future</i> Provider: Victorian Department of Environment, Land, Water and Planning	Examine population, including aging trends, for demographic analysis infrastructure and service planning	This data is not published at a small-area level
	<i>Forecast ID</i> Provider: ID	<i>As above</i>	Population forecasts are provided at a smaller level for more detailed analysis. This is a fee-for-service offering.
Measuring Economic Output	<i>LGA Economy Profile</i> Provider: REMPLAN	Obtaining estimates of economy size, and measuring the contributions of each sector to the regional economy.	Estimates are modelled, not measured, using a range of data sets from different time periods. Estimates therefore depend largely on model assumptions.
	<i>Local Government economic modelling</i> Provider: NIEIR		These are fee-for-service offerings.
Measuring Employment, unemployment and workforce participation	<i>Small area labour markets (LGA)</i> Provider: Department of Employment (Commonwealth)	Assess key trends in unemployment	Regional estimates of unemployment are highly volatile, especially by demographic.
	<i>Labour Force Australia, cat no 6202.0 (Updated monthly)</i> Provider: ABS	Assess up to date workforce and employment trends by age cohort and gender	This data is only available at the SA4 level, which are very large and do not align with partnership regions. Estimates by cohort are, as acknowledged by the ABS, not reliable
	Census of population and housing Provider: ABS (2011)	Assess very detailed, accurate estimates at a small area level.	This data is only updated once every five years.
Examine trends in the criminal behaviour in regional and local areas	Crime data Provider: Crime Statistics Agency, Victoria	Assess the rate of crimes, by type, by small area post-code, suburb, LGA. Assess the number family incidents, victim reports	There can be reporting issues regarding location of crimes, however data is considered to be reliable. A change in the propensity to report family violence (either by location, or over time) can lead to false conclusions.

Purpose	Datasets	Utility	Limitations
Assess key metrics in children's development	<i>Victorian Child and Adolescent Monitoring System (VCAMS)</i> Provider: Victorian Department of Education and Training	Assess key indicators relating to the safety, health, development, learning and wellbeing of Children in the region. Indicators include physical activity, health, diet, bullying, school completion and indigenous and family issues.	Across the all the VCAMS datasets, the regions are not in perfect alignment – i.e. some data is available at the LGA-level, while others are not.
	<i>Australian Early Development Census (AEDC)</i> Provider: AEDC	Assess key indicators relating to the development of young children across five domains, including the % of vulnerable children	Data is only released once every three years
Assessing disadvantage in the region	<i>ABS SEIFA – Socio Economic Indexes for Areas</i> Provider: ABS	Identify and track the progress of the most disadvantaged areas within a region, at a very small level (it is possible to measure variation within a suburb)	These indices are based on Census data, and are therefore only updated once every 5 years. Index is constructed by the ABS using a range of variables – which need to be understood.
	<i>Social Health Atlas of Australia (Victoria)</i> Provider: Public Health Information Development Unit (PHIDU)	Assess trends and compare regional disadvantage metrics. Indicators include: <ul style="list-style-type: none"> - Disability assistance - Financial stress - Income support - Housing stress - Single parent families - English proficiency 	This database contains indicators constructed using data from a wide range of different sources, measured over varying time periods.
Measuring Income in the region	ABS Estimates of Personal Income for Small Areas, ABS Cat. 6524.0.55.002	Examine the difference in income across regions and LGAs, and over time. Measure the share of income earners across quartiles, and income inequality.	Estimates are lagged – the latest estimates are from 2012-13
Monitoring tourism in the region	<i>Tourism Region Profiles</i> Provider: Tourism Research Australia	Measure trends and compare indicators across with other regions, with metrics including overnight visitor numbers, visitor expenditure, number of tourism businesses, visitor origins and accommodation occupancy	The Tourism Regions differ from Partnership and RDA regions – although the Western Region and Geelong Region encompass most of the RDA BSW region. There is limited data available at the LGA level Access to more detailed data requires subscription

Purpose	Datasets	Utility	Limitations
Monitor community wellbeing and health indicators	<i>Indicators Survey</i> Provider: VicHealth	Assess trends and compare the attitudes, behaviours and wellbeing of people in the region. Assess metrics such as obesity, cultural diversity,	Survey is only updated every 5 years – the most recent is 2011, with 2016 survey currently under collection.
	<i>Social Health Atlas of Australia (Victoria)</i> Provider: Public Health Information Development Unit (PHIDU)	Assess trends and compare regional health and wellbeing metrics. Indicators include: <ul style="list-style-type: none"> - health risk factors - hospital admissions - chronic diseases - cancer screenings - causes of premature or avoidable mortality 	This database contains indicators constructed using data from a wide range of different sources, measured over varying time periods.
Monitor house price trends	<i>Quarterly Sales data</i> Provider: Valuer General	Monitor house and property price trends and compare housing affordability of different localities within the region (when compared with income metrics)	Median prices within the dataset are for houses only; they do not include apartment prices or larger property prices. Estimates are unavailable or less reliable in smaller communities, due to the smaller sample size.
Monitor Road safety performance	<i>Interactive CrashStats</i> Provider: VicRoads	Monitor trends in crash statistics at the LGA level, by severity and over time.	More detailed crash data is available, which contains detailed crash location and details, however this analyzing this dataset requires significant effort and a powerful data analytic tool.
Monitor enrolments in Vocational Education and Training courses	<i>Enrolments by Region</i> Provider: Victorian Department of Education and Training	View enrolments in vocational education and training (VET) courses, both by course type, and industry classification, from 2009 onwards.	Education regions are large, limiting the ability to monitor community-level trends.
Monitor trends in agricultural production	<i>Value of Agricultural Commodities Produced (Cat no. 7503.0)</i> <i>Agricultural commodities (Cat no 7121.0)</i> Provider: Australian Bureau of Statistics	Monitor and assess emerging trends in the number and size of agricultural enterprises in the region, and the volume of value of commodities produced in the region.	Data is presented at the SA4 level, which does not align with RDA BSW region or sub-regions. The exception is during census years, when data is presented at the LGA and SA2 level. Value and volume of production are heavily influenced by commodity market prices and climate conditions, and need to be factored in to trend analysis.

12.3 Appendix 3 – Deloitte’s regional prosperity framework

The prosperity framework used in this report builds on a well-established literature which seeks to develop broader measures of human wellbeing and the welfare potential of places, beyond standard economic measures such as GDP per capita or labour market indicators such as unemployment and the participation rate.

Stiglitz, Sen and Fitoussi (2009), for example, argue that a multidimensional definition of wellbeing should be used and should include, at least in principle, the following dimensions: material living standards, health, personal activities (e.g. work), political engagement, social connections, the environment and insecurity. Examples of broader measures include the Regional Australia Institute’s Competitiveness Index and the Social Progress Index. Some other examples which the ‘Building the Lucky Country’ socioeconomic framework drew on are listed below:

Source	LGA
Legatum Prosperity Index	<i>Drawing upon international academic literature, the Legatum Prosperity Index uses 89 variables for various countries (categorised in 8 sub-indices) to capture what nations need in order to increase in terms of prosperity.</i>
OECD Better Life Index	<i>The OECD identifies 11 dimensions as being essential to well-being, from health and education to local environment, personal security, as well as more traditional measures such as income.</i>
Regional Australia Institute Competitiveness Index	<i>An index of 59 statistical indicators across ten themes, to measure competitiveness for Australia’s regional areas.</i>
Social Progress Index (SPI)	<i>SPI is a weighted average of three broad conceptual dimensions: Basic Human Needs, Foundations of Wellbeing, and Opportunity.</i>
Socio-Economic Indexes for Area (SEIFA)	<i>SEIFA consists of four indexes used by the ABS to assess levels of socioeconomic advantage and disadvantage in various parts of Australia. SEIFA captures variables such as educational attainment, employment, household income and housing circumstances.</i>
University of Canberra Regional Wellbeing Survey	<i>The 2013 Regional Wellbeing Survey conducted by the University of Canberra examined both the wellbeing of individual people and of communities in rural and regional Australia.</i>
<i>Source: Legatum Institute (2014), OCED (2015), Regional Australia Institute (2014), Social Progress Imperative (2015), ABS (2011), Schirmer and Berry (2014).</i>	

Like the studies above, the Deloitte framework is comprised of ten socio-economic themes. These ten socioeconomic themes are classified as either ‘inputs’, ‘boosters’ or ‘outputs’. Inputs are themes that are considered to be building blocks of prosperity in places; boosters are themes which are considered to influence the effectiveness with which these inputs are applied to creating prosperity these places; and outputs are socioeconomic themes that people ultimately tend to care about. That is, these are the themes that contribute to prosperous places.

- The first three themes – Human Resources, Natural Resources and Physical Capital – are ‘inputs’.
- The next three – Social Capital, Innovation and Entrepreneurship, and Leadership and Contribution – are called ‘boosters’.
- The final four – Material Standards, Health and Safety, Natural Amenity and Local Amenities – are ‘outputs’.

Each of these ten socioeconomic themes is backed by the 45 statistical indicators (collected at the SA2 and LGA level) for the whole of Australia (see table below).

This framework allows individual localities to be compared with the whole of Australia, its states, as well as larger sub-state regions or other localities. For indicator, a Z-score was computed for each small area:

$$\text{Z-score} = \frac{\text{Region score} - \text{Average score for all regions}}{\text{Standard deviation of score for all regions}}$$

This captures how many standard deviations a small area's score is above or below the mean for an entire group of small areas on that indicator. Under each theme, all small area was given a weighted average for the indicator Z-scores, which was then used to derive the ordinal rankings.

Theme	Indicator	Description	Data Source	Year	Weighting
Human Resources	Working Age Pop	Population aged 15–64 as a % of total population	ABS Census	2011	1/7
	Education Index	Weighted average of education level across the population (1 = 'did not go to school, 11 = 'postgraduate degree level')	ABS Census	2011	1/7
	Tertiary and VET	Those with tertiary or VET qualification as a % of working age population	ABS Census	2011	1/7
	Participation rate	Population working or seeking work as a proportion of working-age population	ABS Census	2011	1/7
	Living in Work Region	Those living in the same region in which they work as a proportion of the working population of the SA2	ABS Census	2011	1/7
	Ratio of Living to Working in Region	Ratio of those living in SA2 with those working in SA2	ABS Census	2011	1/7
	English Spoken Very Well/Well	% of non-native speakers with a proficiency in spoken English.	ABS Census	2011	1/7
Natural Resources	Mining Employment	Mining employment/working population	ABS Census	2011	1/5
	Agriculture Employment	Agriculture employment/working population	ABS Census	2011	1/5
	Forestry Employment	Forestry employment/working population	ABS Census	2011	1/5
	Fishing Employment	Fisheries employment/working population	ABS Census	2011	1/5

Theme	Indicator	Description	Data Source	Year	Weighting
Physical Capital	Evapotranspiration	Evapotranspiration/ area	BOM	1961–90	1/5
	Mobile Availability Rating	Mobile quality rating in area. 3= 'very good', 2= 'good' and 1= 'limited' availability	MyBroadband	2014	1/6
	Road Infrastructure	GIS calculation of average distance for residents and businesses to nearest major road	RAI (Geoscience Australia)	2003	1/6
	Distance to Railway	Average distance from SA1 to nearest rail station	RAI (Geoscience Australia)	2003	1/6
	Distance to Airport	GIS calculation of average distance for residents and businesses to nearest commercial airport	RAI (Bureau of Infrastructure, Transport and Regional Economics)	1985–2011	1/6
	Distance to Port	GIS calculation of average distance for residents and businesses to nearest port	RAI (Ports Australia)	2012	1/6
	NBN Coverage	Broadband quality in area – from 5=A (best) to 1=E (worst)	MyBroadband	2014	1/6
Social Capital	Volunteers	% of people living in area who are volunteers	ABS Census	2011	1/4
	Receive Support	Persons aged 18 and over who are able to get support in times of crisis from people outside the household (%)	Social Health Atlas	2010	1/12 ¹¹
	Give Support	Persons aged 18 and over who gave support to other relatives living outside the household (%)	Social Health Atlas	2010	1/12
	Feels safe walking home in dark	Persons aged 18 and over who feel very safe/safe walking alone in local area after dark (Likert scale)	Social Health Atlas	2010	1/12

¹¹ “Receive Support”, “Give Support” and “Feels safe walking home in dark” were deemed similar enough to be weighted equally at 25% when combined.

Theme	Indicator	Description	Data Source	Year	Weighting
Innovation and Entrepreneurship	Acceptance of other cultures	Persons aged 18 and over who disagree/strongly disagree with acceptance of other cultures (Likert scale)	Social Health Atlas	2010	1/4
	Inequality measure	Inequality calculated using total household income (weekly equivalised)	ABS Census	2011	1/4
	Business Owners	Proportion of business owners	ABS Census	2011	1/3
	R&D Managers	Number of R&D managers/working population	ABS Census	2011	1/3
Leadership and Contribution ¹²	Own Business Income	% of income by own business	ABS Census	2011	1/3
	Voter turnout	Voter turnout at federal level (%)	AEC	2013	1/3
	Informal voting	Informal voting at federal level (%)	AEC	2013	1/3
Health and Safety	Managers and Professionals	Managers and professionals/working population	ABS Census	2011	1/3
	Health Risk	Estimated % of people with at least one of four of the following health risk factors – smoking, harmful use of alcohol, physical inactivity, obesity – persons aged 18 years and over	Social Health Atlas	2007–08	1/3
	Avoidable Mortality	Avoidable mortality (index)	Social Health Atlas	2009–12	1/3
Material Standards	Crime Rate	Offences as % of population	Various	VIC 2013-14	1/3
	Household income	Average household income	ABS Census	2011	1/4
	Unemployment	Population actively seeking work/labour force	ABS Census	2011	1/4

¹² “Voluntary voting”, an indicator present in ‘The Building the Lucky Country’ publication was removed due to an insufficient sample size.

Theme	Indicator	Description	Data Source	Year	Weighting
Natural Amenity	Mortgage stress	Households in the bottom 40% of income distribution, spending more than 30% of income on mortgage repayments as a proportion of mortgaged private dwellings	Social Health Atlas	2011	1/4
	Rent stress	Households in the bottom 40% of the income distribution, spending more than 30% of their income on rent as a proportion of rented private dwellings	Social Health Atlas	2011	1/4
	Proximity to nature	GIS calculation. Average distance for a region's residents to the nearest nature reserve or national park	RAI (Geoscience Australia) 2004		1/4
	Conservation size	% of area that is protected	National Profile	Regional 2015	1/4
	Proximity to coast	GIS calculation. Distance from midpoint of each LGA to nearest coastline	RAI	2013	1/4
	Night trips Outdoor	–Number of domestic night trips by calendar year, for outdoor purposes (000s)	Tourism Research Australia 2014		<i>The sum of nights trips and day trips was weighted 1/4</i>
	Day trips – Outdoor	Number of domestic day trips by calendar year, for outdoor purposes (000s)	Tourism Research Australia 2014		
Local Amenities	Access to stores	Number of workers in retail trade, accommodation and food services/area	ABS Census	2011	1/3
	Activity centres	Number of workers in arts, recreation, sports, heritage, creative and performing arts/area	ABS Census	2011	1/3
	Access to finance	Number of workers in financial services (e.g. banking, building society operations and credit union operations)/area	ABS Census	2011	1/3

12.4 Appendix 4 – Collaboration Case studies

Case Study 1 – Enabling and encouraging regional prosperity, monitoring progress in key areas

Beyond the Bell

Collective impact is a framework for facilitating and achieving large scale social change within an area or region. It is a structured and disciplined approach to bringing cross-sector organisations together to focus on a common agenda that results in long-lasting change.

- *Collective Impact Australia*

An example of Collective Impact in the BSW is *Beyond the Bell* in the Great South Coast. The target is to have 90% or more of young people achieving Year 12 or equivalent (Certificate III) by 2030. The underlying aim is to build the leadership capacity of the community to work collaboratively in addressing all complex issues. We aim to make this 'the way we work together' – and embed a culture of authentic collaborative leadership across this region of Victoria.

Similar challenges to collaboration

- Competition between councils (for funding and services)
- 'turf' challenge

How was this overcome and what can we learn

Creation and implementation of:

- 6 Local Action Groups (one per local government)
- Beyond the Bell Regional Leadership Group (established to guide and enable)
- Workshop held with an external facilitator to explore the role of the 'regional leadership' group

Consultation Feedback:

"Communities that don't collaborate won't prosper"

Case Study 2 – Promote regional capabilities/investment opportunities

US private sector-led models for regional and local economic development

In some states of the US, independent bodies have been created to drive economic development within individual counties. This model differs from Australia, where economic development within smaller areas is led and carried out mostly by state or local government, or alliances between government and the private sector.

To highlight an example, the largest non-government economic development in the USA is the Fairfax County Economic Development Authority (FCEDA), in Fairfax Country, Virginia. This organisation was established in 1970's by the Fairfax County, to develop and execute a business attraction and retention program to stimulate job creation.

The FCEDA promotes Fairfax County government as a business and technology centre, locating office spaces, providing market information and business development assistance. The FCEDA also establishes connections between prospective investors and with county and state government agencies to help companies locate and expand in Fairfax County. As well as its headquarters, the FCEDA also maintains marketing offices in six cities globally.

Similar authorities are located in other counties in Virginia, and across other parts of the US such as New Jersey.

Consultation Feedback:

“Economic development should be funded by government, but largely run by the private sector”

FAIRFAX COUNTY
ECONOMIC DEVELOPMENT AUTHORITY

Case Study 3 – Support increase in exports/greater Asian presence

Toowoomba and Surat Basin Enterprise (TSBE)

Toowoomba and Surat Basin Enterprise Pty Ltd (TSBE) exists to help businesses of all sizes grow and to promote the sustainable economic growth of the region. Established to give appropriate importance and recognition to investment attraction, economic growth and infrastructure development, TSBE has the following strategic themes:

1. Support existing business
2. Encourage new investment and business
3. Promote the need for infrastructure

Initiatives/Data

- Full time business development manager in China
- Focus on enabling regional food producers and processors to leverage opportunities in Asia and recently opened a Beijing office
- 87% of TSBE members, said that membership and engagement had contributed to an increase in their industry knowledge and awareness of opportunities.

Future thought:

How does RDA lead the design of similar initiatives and roles in the Barwon South West region result in greater business opportunities and private sector enablement, noting the role created by City of Warrnambool?

Case Study 4 – Reduce barriers to job/economic growth i.e. infrastructure development, policy alignment

Geelong Region Innovation and Investment Fund (GRIIF)

GRIIF is a joint federal and state government initiative solely focused on growing the Geelong economy. By leveraging industry partners, GRIIF is able to enable innovation in the region. The focus will be on supporting projects that foster new investment and create new businesses that result in more sustainable jobs. The GRIIF represents a key linchpin in the combined efforts of businesses and government to rejuvenate the region.

G21 Region Opportunities for Work (GROW)

GROW is a long-term strategy for tackling disadvantage in the G21 region. It is based on significant international evidence that will benefit and strengthen the social and economic fabric of the entire G21 region over coming years. The GROW philosophy is that a prosperous region cares for the wellbeing of all of its members.

GROW will encourage collaboration between philanthropic, business, government and community organisations across the G21 region with a single objective — creating job opportunities specifically benefiting the most disadvantaged in our community.



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