Balance Victoria – Gippsland Response

Regional Development Australia - Gippsland

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Foreword

In August 2018, Balance Victoria released the report *Victoria's Future State: Why decentralisation Should be our Priority*. The report explored the opportunities presented by the 'Big Three' regional centres – Ballarat, Bendigo and Geelong - yet failed to consider the opportunities presented by a South Eastern regional centre.

Gippsland is a region which presents a wealth of opportunities for decentralisation. However it was conspicuously absent from the report's discussion. The RDA Gippsland committee considered it imperative that a Gippsland perspective be brought to the decentralisation discussion. This will not only demonstrate the numerous assets and possibilities encapsulated by Gippsland; it will also provide a more balanced overview of the regional context across Victoria.

To this end, RDA Gippsland engaged an independent consultant, SED Advisory, to conduct an analysis and present a unique Gippsland response to the Balance Victoria report.

This response illustrates that Latrobe City is comparable to the 'Big Three' regional cities, Bendigo, Ballarat and Geelong. Incorporating Latrobe City into decentralisation using a 'Big Four' model will allow for an additional 79,000 people to migrate into regional Victoria by 2050.

Clearly, Gippsland has a valuable contribution to make to decentralisation. RDA Gippsland looks forward to using this response to advocate for decentralisation that includes a strong focus on Gippsland.

Yours faithfully

Richard Elkington

Chair, RDA Gippsland Committee

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1.   Introduction - Balance Victoria Report

The Balance Victoria Report *Victoria's Future State: Why Decentralisation Should be Our Priority*[1] outlines an alternative model for supporting the growth in Victoria's population growth over to 2050. Over this time frame, under current policy settings, Melbourne's population is expected to grow to between 8 and 11 million people from the current 4.8 million. Victoria's population will reach between 10.1 and 14.5 million by 2066[2].

The Balance Victoria Report highlights the difficulties this growth profile will present and details an opportunity to recalibrate the growth scenario to one that encourages consideration of the make-up and nature of regional centres to play a greater role in supporting Victoria's expected population growth. The paper outlined three options for Melbourne's growth:

1.   London - medium density

2.   Los Angeles - low density sprawl

3.   New York - high density, high rise

Each of these options has its benefits and challenges, none, the paper argues, will deliver the optimum growth solution that will spread prosperity with greater spatial equity. The Report then develops a fourth approach, based around the decentralisation of around one million people to regional Victoria by 2050.

1.1   Challenges of the current arrangements

The current policy settings, which are all premised around Melbourne's projected growth from 4.8 million to over 8 million presents numerous challenges:

- The shape of Melbourne, and its geographical constraints will be an ever-increasing source of problems as the population grows

- Housing affordability leads to consumption of agricultural land on fringes, reliance on cars and long travel journeys

- Land close to employment and services is in short supply which negatively influences the critical nexus of proximity between jobs, services and housing. It is this nexus that allows economic growth and outcomes to be shared by residents of a place, be it local, regional, state or national levels

- Development within and close to the existing urban living area is constrained by high land values and existing uses

- Distances of travel preclude engagement in the economy, and increases exposure to vulnerabilities

- Under-delivery of economic outcomes as 'growth should boost economy but only if infrastructure can be planned and delivered in such a way as to facilitate mobility, proximity and opportunity to engage in the economy'

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[1] https://balancevictoria.com.au/works/victorias-future-state/

[2] ABS projection released 22/11/2018:
http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/3222.0Main%20Features72017%20(base)%20-%202066?opendocument&tabname=Summary&prodno=3222.0&issue=2017%20(base)%20-%202066&num=&view=

- Medium density models of urban development located close to rail nodes have been tried with limited success as residents and Councils dislike this model and developer returns can be unattractive

The alternative, or fourth option as outlined in the paper 'is the regional growth model, where, via a planned and long term (30 year plus) decentralisation program Victoria grows its existing regional cities and develops new ones in order to divert future growth out of Melbourne and across our state'. This option addresses many of the challenges identified above and is based on new technologies and new spatial settlement linked via fast rail to middle suburban locations. This model has proven successful in other parts of the world. To be successfully adopted the paper outlines four key pillars that will be required to deliver this alternative scenario.

1. Set targets
2. Willingness to look at all areas of the State, not just the existing centres
3. Integration of transport and land use planning must be at the centre of decision making
4. Private sector needs to take a role and support Government investment

1.2   Reviewing Latrobe City within the context of Balance Victoria Report

The Balance Victoria Report details what it refers to as the 'Big 3', being Geelong, Ballarat and Bendigo as being the major regional centres that have core roles to play in supporting the alternative growth scenario. This paper reviews a fourth regional city, Latrobe City within the context of the Balance Victoria Report, as being as suitable, and as important as the three identified regional cities. The paper makes the case for the Big 3, to be recast as the Big 4 and in doing so, reduce some of the risks identified in the Balance Victoria Report with the Big 3 model.

The Balance Victoria Report notes that 'these 3 cities cannot be expected to carry the full burden of decentralisation on top of their already rapid population growth projections'. The proposition of this response is that Latrobe City can be a 4th city and further address the shortcomings of the current policy settings addressed in the Balance Victoria Report. To illustrate its suitability, this paper considers Latrobe City within the context of the Balance Victoria Report from 3 perspectives:

1. Using the analysis and data quantification contained in the Balance Victoria Report and applying the analysis to include Latrobe City compared to the Big 3
2. Considering the Balance Victoria Report as a framework for benefit delivery, and the suitability of Latrobe City to deliver the benefits outlined
3. Detailing the general growth framework of Latrobe City to illustrate its capability and capacity to support a higher than forecast growth rate[3]

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[3] The Balance Victoria Report considers that the Big 3 will be required to grow at around 2.5% above forecast to be able to make a meaningful difference under its proposed scenario.

2.   Latrobe City Local Government Area

The Regional City of Latrobe is comprised of three large settlements, Moe, Morwell and Traralgon. Each are roughly equidistant from each other. Moe is 135 kms from Melbourne GPO with Traralgon a further 20 kms. The settlements are linked by both road and rail. As can be seen in Figure 1, the major settlements support a series of other townships, each within a 20km radius.
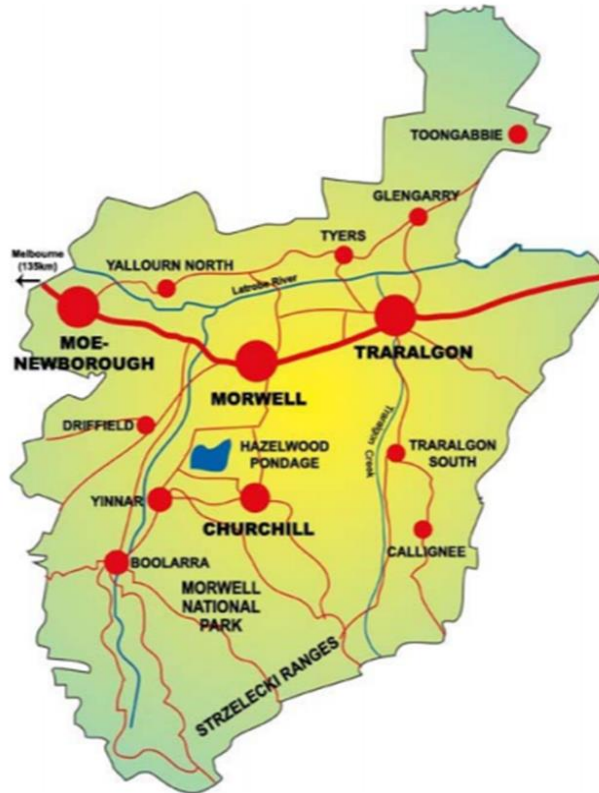

Figure 1 -Map of Latrobe Regional City

2.1   Latrobe City's Proximity to CBD Melbourne

In terms of proximity, Latrobe City is comparable to the other Regional Cities (Table 1).

Table 1 – Regional City Proximity to Melbourne

Regional City	Km from Melbourne GPO	Travel time (mins)
Geelong	75	67
Ballarat	116	89
Bendigo	153	112
Moe - Traralgon	135 - 164	100 - 120

Proximity and connections, which are vital to the 'Balance Victoria Model' of development are not limitations to Latrobe City being considered as a major regional city. This spatial pattern proposed in this paper leads to a model where Geelong is seen as the Major Regional city to the South, Bendigo to the North, Ballarat to the West and Latrobe City to the East.

Furthermore, Latrobe City is less than 100kms from the growing outer East Metropolitan Growth Centre or Node of Dandenong. This is identified in Plan Melbourne as a major development area. In terms of connectivity and the 'Balance Victoria Model', the connection between Central Melbourne, Dandenong and

Latrobe City should be a strategic corridor which services the State's East and links regional cities to outer suburban development nodes, which are in turn linked to the Central Metropolis.

Latrobe City is currently integrated with Dandenong's economic system, being a major producer of food and agricultural products, which are processed in and around Melbourne South and East. There is a strong economic and social connection between these two regions.

2.2   Population and Dwellings

The estimated resident population in 2016 for each of the locations and the number of structural private dwellings is shown in Table 2.

Table 2 – Regional City Population and Dwellings

	As at June 30th 2016		
Local Government Area	Estimated Resident Population (ERP)	Structural Private Dwellings (SPD)	Ratio SPD / ERP
Victoria	6,048,767	2,574,721	42.6%
Ballarat (C)	103,249	45,249	43.8%
Greater Bendigo (C)	110,446	48,837	44.2%
Greater Geelong (C)	233,349	107,393	46.0%
Latrobe (C)	73,646	33,935	46.1%
	520,690	235,413	45.2%
	8.61%	9.14%	

While not as large in population terms as the other Regional Cities, Latrobe City is Victoria's next largest Regional City after the Big 3 and whose population level of 73,656 is above the often-quoted figure of 50,000 where agglomeration economies are seen to arise. In addition to this Latrobe City adjoins Baw Baw Shire, which has a population of over 52,000 people, mostly in Warragul and Drouin which are approximately 30 mins travel time from Latrobe City.

This linear settlement pattern is somewhat unique in Australian terms and reflects an economic corridor with a population of around 120,000 people with major transport linkages between settlements. This is exactly the settlement and development pattern the Balance Victoria Report envisages. The Gippsland Regional Growth Plan[4] notes that a strategy will be developed to advance the growth of Latrobe City as a single urban system.

In terms of housing, a critical component in the Balance Victoria assessment, Latrobe City has the highest ratio of structural private dwellings to estimated resident population of the Regional Cities of 46.1%, indicating enough short-term housing stock for near term population growth.

2.3   Migration

The Balance Victoria Report identifies internal migration of people to and from the Regional Cities as a characteristic that underpins their ability to play a role in a decentralised development and growth model.

Table 3 shows that Latrobe City is comparable to the Big 3 in this regard, with 8.9% of the population migrating to the Local Government Area (LGA) between 2011 – 2016.

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[4]Gippsland Local Government Network and the Department of Transport, Planning and Local Infrastructure, Gippsland Regional Growth Plan (2014)

Table 3 – Regional City Migration

	Ballarat		Geelong		Bendigo		Latrobe City	
	No	%	No	%	No	%	No	%
Regional	5,935	7.2%	8,765	4.6%	4,207	4.7%	794	1.3%
Metropolitan	4,165	5.1%	10,641	5.6%	4,212	4.7%	2,741	4.6%
Surrounding	2,253	2.7%	3,850	2.0%	2,180	2.4%	1,735	2.9%
Totals	12,353	15.0%	23,256	12.3%	10,599	11.9%	5,270	8.9%

In terms of the Balance Victoria Report, metropolitan migration is the most important component as it reflects the ability to draw people from Melbourne. Migration from other regional areas is of less importance than being a centre that has demonstrable capability to be a centre for growth based on economic opportunity and lifestyle. In this regard Latrobe City has a higher percentage of its population migrating inwards from metropolitan and surrounding areas (7.5%) than Bendigo (7.1%) and is only just behind Geelong (7.6%) based on this metric.

When plotted on distance from Melbourne's CBD, Latrobe City's migration patterns are very similar to that of Bendigo, which is a similar distance from Melbourne (Figure 2).
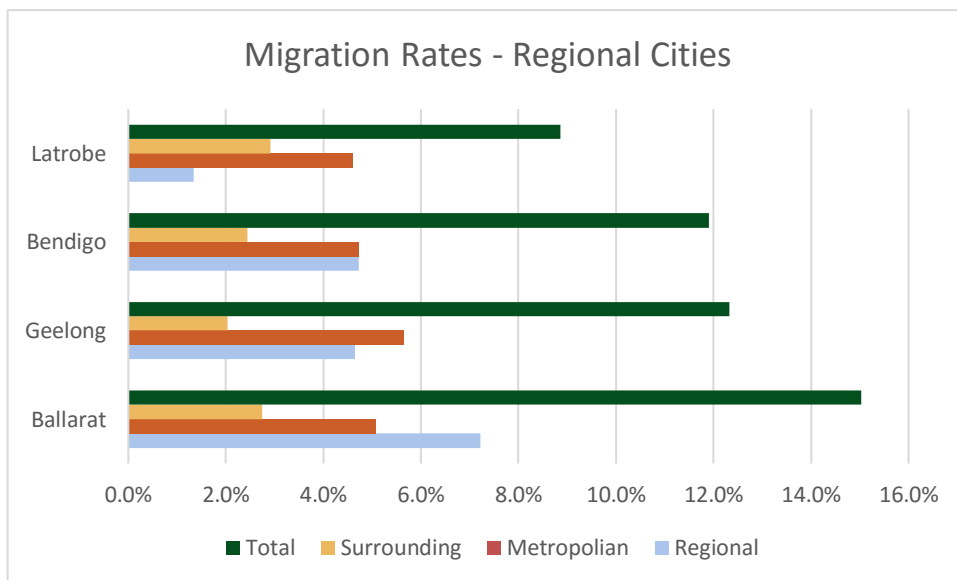

Figure 2 - Migration Rates

2.4   Forecast Population Growth

The Balance Victoria Report states that the decentralisation program cannot rely solely on the Big 3. It is a scenario that is not likely to be political or practically workable. Nor is it a scenario that delivers fairness.

Moving the 'Balance Victoria Model' from a Big 3 to a Big 4 assists to overcome these issues through designation of another location that can and is willing to accommodate higher rates of population growth.

Table 4 shows the expected Population figures of the four Regional Cities to 2031 using Victoria in the future forecasts (VIF)[5], and then extrapolates the average annual growth rates (AAGR) from 2016 – 2031 to

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[5] https://www.planning.vic.gov.au/land-use-and-population-research/victoria-in-future-2016

forecast the 2050 figures. This is the approach that the Balance Victoria Report adopts to estimate both estimated resident population and structural private dwellings in 2050.

Table 4 – Forecast Population Growth

	As at June 30th 2016		As at June 30th 2031		As at June 30th 2050		Additional		AAGR	
	ERP	SPD	ERP	SPD	ERP	SPD	ERP	SPD	ERP	SPD
Victoria	6,048,767	2,574,721	7,733,259	3,377,660	10,556,269	4,763,629	4,507,502	2,188,908	1.65%	1.83%
Ballarat	103,249	45,249	136,873	60,377	195,611	87,004	92,362	41,755	1.90%	1.94%
Bendigo	110,446	48,837	144,632	65,256	203,521	94,202	93,075	45,365	1.81%	1.95%
Geelong	233,349	107,393	296,360	140,823	401,161	198,498	167,812	91,105	1.61%	1.82%
Latrobe City	73,646	33,935	81,222	40,130	91,948	49,626	18,301	15,691	0.65%	1.12%
Totals	520,690	235,413	659,087	306,585	888,389	428,414	367,699	193,001	1.58%	1.78%

If, as the Balance Victoria Report recommends, the AAGR of regional cities is to be 2.5% per annum, and assuming the ratio of structural private dwellings to estimated resident population remains constant, then the following population and structural private dwellings will be needed by 2050.

Table 5 – Population growth @ 2.5% per annum to 2050

	As at June 30th 2016		As at June 30th 2050		Additional	
	ERP	SPD	ERP	SPD	ERP	SPD
Ballarat	103,249	45,249	239,056	104,765	135,806	59,516
Greater Bendigo	110,446	48,837	255,717	113,073	145,272	64,236
Greater Geelong	233,349	107,393	540,277	248,649	306,929	141,256
Latrobe City	73,646	33,935	170,515	78,570	96,869	44,635
Total	520,690	235,413	1,205,565	545,057	684,875	309,644

This analysis points out that if the Big 3 are considered the Big 4, then regional city population will be able to accommodate an additional 684,900 people by 2050. If the Big 3 model remains, this figure is reduced by 79,000[6], or 11.6%.

2.5   Impact on Balance Victoria Model

The challenge laid out in the Balance Victoria Report is for Regional Victoria to accommodate an additional one million people in regional areas that would have otherwise lived in Melbourne. If Latrobe City is not considered a regional city and growth is only at forecast, then either Ballarat, Geelong and Bendigo will need to absorb the additional 79,000 identified above, or these people will have to be accommodated outside of the Big 3 Regional Cities.

Both propositions are likely challenging, the first as the population predictions for the Big 3 mean they will be starting to push into geographical, political and topographical growth-related challenges, the second will require planning and infrastructure related challenges to be considered in numerous and potentially dispersed locations where some of the benefits of scale are not realised.

The scenarios modelled above as shown graphically in Figure 3.

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[6] This represents the difference between growth at 2.5% (an additional 96,869 – refer Table 5 people compared to the baseline forecast growth of 18,301 – refer Table 4).
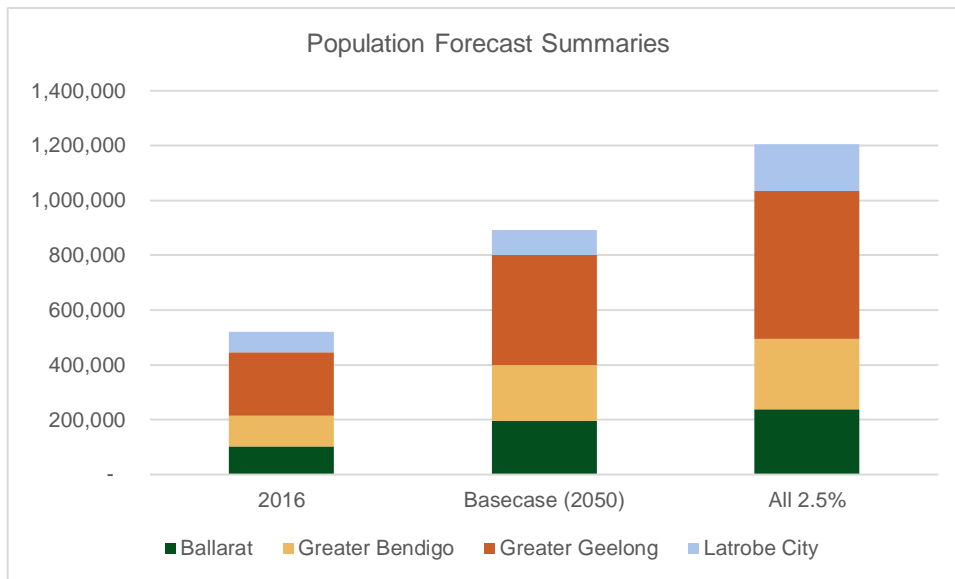
Figure 3 - Summary of Population Impacts

Figure 3 shows that if a growth rate of 2.5% across all four Regional Cities is achieved an additional 314,000 people can be located outside Melbourne. This represents around one-third of the million people diverted from Melbourne that Balance Victoria Report identifies as being a successful decentralisation target (one million people). Without including Latrobe City in the regional city cohort this figure falls to 234,500, or less than a quarter of the diversion target.

Viewed in this light, Including Latrobe City and reconstituting the Big 3 into the Big 4, is a viable and achievable option under the Balance Victoria scenario and moves the targeted population decentralisation significantly closer to being achieved.

2.6   Connectivity to surrounding regions

High levels of regional interconnectivity are another precondition of the 'Balance Victoria Model'. In this regard Latrobe City is highly connected with surrounding regions, with around 24% of those employed in Latrobe City residing outside of the LGA. Of these, 58% are living in Baw Baw Shire. Of the Latrobe City Residents, 12% work outside of Latrobe City, of which 31% work in Baw Baw. The travel data shows that each day around a net 4,200 people travel into Latrobe City for employment, with 3,325 of these coming from Baw Baw Shire, around 7% of the Shire's population.

3. Supporting the Balance Victoria Strategic Directions

The Balance Victoria Report identifies several underlying factors that will support successful decentralisation. This section reviews these factors and considers Latrobe City's ability to meet these criteria.

3.1 Integration of transport and land use planning

The Balance Victoria Report states that the integration of transport and land use planning must be at the centre of decision making. In this regard Latrobe City is ideally suited and arguably is more so than other regional Cities. The city is located along the Princes Highway road and rail corridor and is connected to the southern part of the region via the Strzelecki Highway. As noted above, Latrobe City is also directly linked to the key metropolitan growth region of Dandenong. The Gippsland Logistics Precinct has been identified to facilitate freight movement through export gateways from the region. Latrobe City Regional Airport is a key asset providing access to air services. The region is directly linked to the Port and Airports at Tullamarine and Avalon.

Future planning will focus business and retails functions within defined commercial centres, supporting diverse employment and opportunities for mixed use development including housing. Increased local job opportunities will reduce reliance on commuter travel to employment locations in the metropolitan area.

The spatial structure (Moe, Morwell and Traralgon) of Latrobe City matches the road and rail corridor running east, with existing passenger and rail infrastructure and plans for further development underway, including $530 million transformation of the line funded by the Victorian Government. The project includes:

- a second platform at Traralgon Station

- second platforms at Morwell, Bunyip and Longwarry stations

- track duplication

- level crossing upgrades

- better signalling

- these upgrades will boost services and reliability for passengers along the line.

This planned upgrade of works further addresses the factors that will underpin successful decentralisation as it provides certainty through evidence of commitment, increasing demand and increasing land values. The location of transport corridors has long shaped real estate developments, which professionals / knowledge workers pay a premium to access as the commuting time is reduced, delivering the trifecta of housing affordability, jobs/productivity and mobility. This combination is considered most likely to deliver economic impacts for the State.

Gippsland's agricultural and defence industries are globally competitive, and the region's national resource endowments are ranked second in the country by the Regional Australia Institute[7]. Integrating Latrobe City into the Regional City network will strengthen the competitiveness of Victoria at a global level, an outcome more possible under the 'Balance Victoria Model' than the other models of development currently under consideration.

3.2 Geo-spatial sharing of growth benefits

Turning the model into a Big 4 will also provide the platform to spread the benefits of decentralisation through the east of the state. That the benefits arising from decentralisation may not fully be delivered to

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[7] http://www.regionalaustralia.org.au/home/insight-second-edition/

the east of the state is a risk under the Balance Victoria Model. Including Latrobe City in the model reduces this risk.

Many of the economic benefits that will arise under the Balance Victoria Model do so through agglomeration effects, which are recognised to have some exponential qualities[8], in that there is a correlation between city size and productivity. Moreover, it is also recognised that such effects lose their impact over distance, that is there is an inverse relationship between agglomeration and the distance over which the benefits are transmitted. Enhancing the existing links Latrobe City enjoys with the Dandenong region would be the most effective way to have these benefits 'spillover' and therefore represents a strategic opportunity that would benefit the entire State. That this link and economic connection currently exists reduces the risk that the economic benefits will do not spillover and would also enhance the attractiveness of value capture opportunities for Government and the private sector.

Because agglomeration benefits increase with scale, if Latrobe City is not integrated into the 'Balance Victoria Model' agglomeration benefits will not be felt in the east of the state to the extent they could be. One of the principals outlined in the Balance Victoria Report, sharing the benefits of economic growth geo-spatially will not be realised.

There is significant overseas evidence[9] that growing cities can share agglomeration benefits between one city and their near neighbours. The strong connection Latrobe City has to Baw Baw, for example, already exists and would be the mechanism through which agglomeration benefits would be transmitted. Higher growth in Latrobe City, would have the effect of promoting higher growth in Baw Baw and other surrounding areas. The large number and depth of connections Latrobe City has with other townships in the region would enhance the flow of economic benefits across the region.

Achieving this outcome will reduce the costs of managing population growth, with Latrobe City being able to impact greenfield sites on transport corridors, which the Balance Victoria Report identifies as being the most suitable places for decentralised population growth to occur as:

- Smaller towns don't have entrenched interests and status quo to overcome

- Smaller towns want growth, population and industry brought to them and they want better connectivity to Melbourne

- Developing new towns provides opportunity to offset a serious portion of the construction costs of the infrastructure via value capture frameworks

These characteristics are all in evidence in and around Latrobe City as shown in the proposed future settlements map for the broader Gippsland region, and at a smaller spatial scale surrounding Latrobe City (Figure 4).

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[8] The agglomeration economics literature contains consensus that a doubling a city's size by population equates to a 2.5% - 5% increase in its productivity.

[9] What makes cities more productive? Agglomeration economies and the role of urban governance: Evidence from 5 OECD countries, OECD, 2015
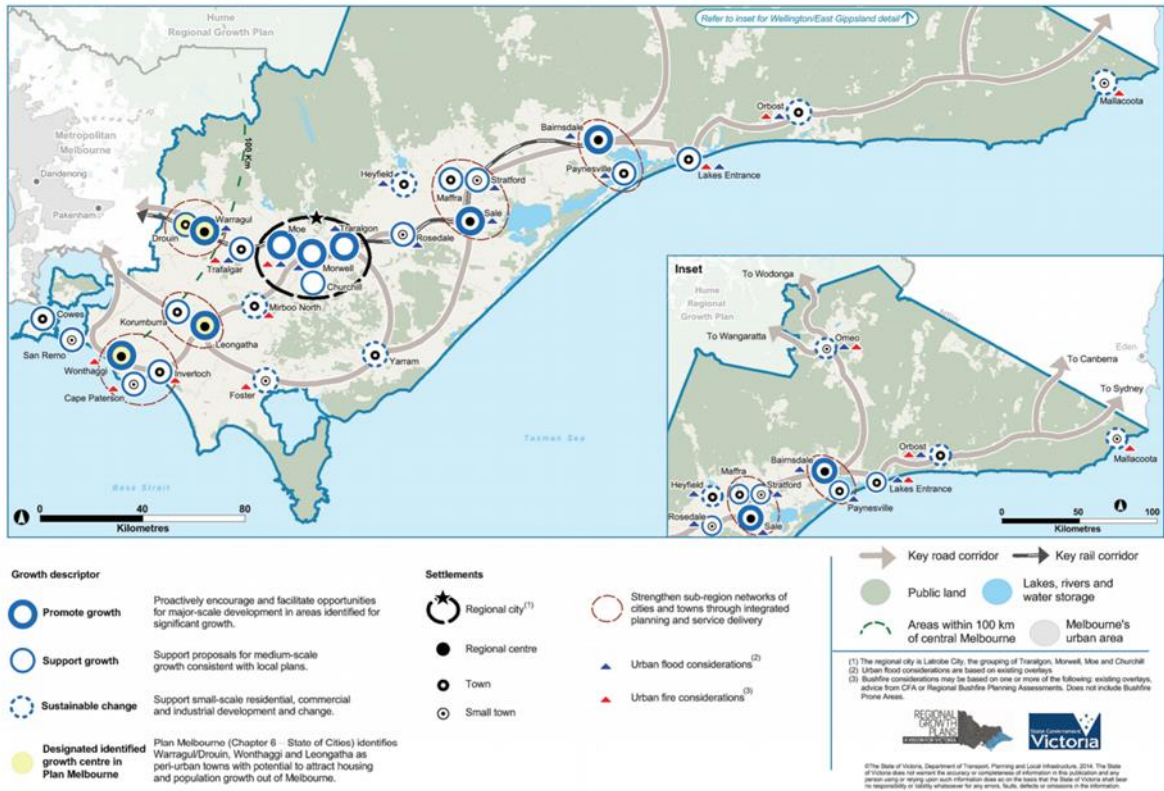
Figure 4 - Future directions for Settlement Gippsland

4. Planning for Growth

The Balance Victoria Report identifies several critical elements that must be met for the proposed decentralisation model to work. This section reviews these and considers Latrobe City's capabilities in this area.

4.1 Planning for urban growth and spillover of decentralisation benefits

Within the context of the Balance Victoria Report, although the document is silent on this issue, the economic growth and urban development literature also recognises that the more local governments / municipalities that have coverage over an area, the lower productivity growth is likely to be. One of the structural benefits of Latrobe City is that there is one LGA covering the settlements of Morwell, Moe and Traralgon. From an urban growth perspective this is a positive factor and likely to lead to stronger productivity growth than if the settlements where under more than one governance framework. The same logic applies to the smaller towns within the Latrobe City LGA. There is likely to be greater coordination of investments, planning and infrastructure because of the current LGA framework.

This should be compared to the other regional cities, which to varying degrees do not have the same level of control over surrounding areas as Latrobe, and again, to varying degrees are likely to be less efficient in making long term investment, infrastructure, planning and coordination decisions. For example, these issues are already arising in relation to Geelong and the Surf Coast, where consensus as to the funding and location of recreational facilities near the LGA boundary remains a source of some contention.

As Gippsland's regional city, Latrobe City will accommodate urban growth and be the focal point for high order regional infrastructure and service investment. Growth will be planned to achieve greater integration across the four centres of Traralgon, Morwell, Moe and Churchill to support them functioning as a single urban system.

Latrobe City as Gippsland's regional city provides a focus for future regional investment to help achieve the momentum necessary for a more diverse and resilient economy, capable of attracting more specialised services and enhancing access to goods and services otherwise only available in metropolitan Melbourne. Significant assets such as the Latrobe Regional Hospital, numerous public and private schools, Latrobe Regional Airport, the Federation University campus at Churchill, Gippsland Hi-Tech Precinct, manufacturing and commercial functions, and rail and road transport connections provide a platform to support a knowledge-driven economy directed at utilising the region's resources in new and sustainable industries. The aim of promoting and planning for Latrobe City as Gippsland's regional city is aligned with work to accelerate population growth in regional cities by Regional Cities Victoria, which is supported by the State Government and is consistent with the Balance Victoria Model.

Efficient and reliable transport connectivity between the four centres (Traralgon, Morwell, Moe and Churchill) will be important to enable full integration of their respective services and facilities, including access to employment, education and housing choices. Success in growing Latrobe City as a single urban system will support growth within the Princes Highway corridor, including in the regional centres of Warragul/Drouin, Bairnsdale and Sale.

The regional settlement framework (as shown on Figure 4) directs projected population growth to six defined growth nodes consisting of Latrobe City as the regional city, and the regional centres of Bairnsdale, Leongatha, Sale, Warragul/Drouin, and Wonthaggi. These locations are serviced by existing utilities, education, health, and community infrastructure. Continued growth and investment in these locations will help generate a critical mass of population, which in turn will drive demand for business and employment. Greater housing diversity, cultural and recreational opportunities in these centres will be an important attractor for population growth and retention. The regional city and regional centres are connected through Gippsland's transport network, and will continue to provide a range of employment, education, health, and

recreation opportunities accessible to the region's population, including dispersed and remote communities.

The settlement framework provides a clear direction of settlement roles and functions and promotes greater coordination of investment in services and facilities through the identified sub-region networks. This model of development is reflective of the approach adopted in the Balance Victoria Report and details the framework where the benefits of Latrobe City growing can 'spillover' to surrounding regions.

4.2   Residual land supply

Implementation of growth frameworks has provided land for residential development across the city to meet short-term and medium-term needs. Further planning work is underway to determine development requirements including infrastructure provision, transport access and amenity and landscape considerations. Identifying a population target in 2050 closer to 170,000 compared to 92,000 under the current expected growth profiles will make a difference to these planning processes.
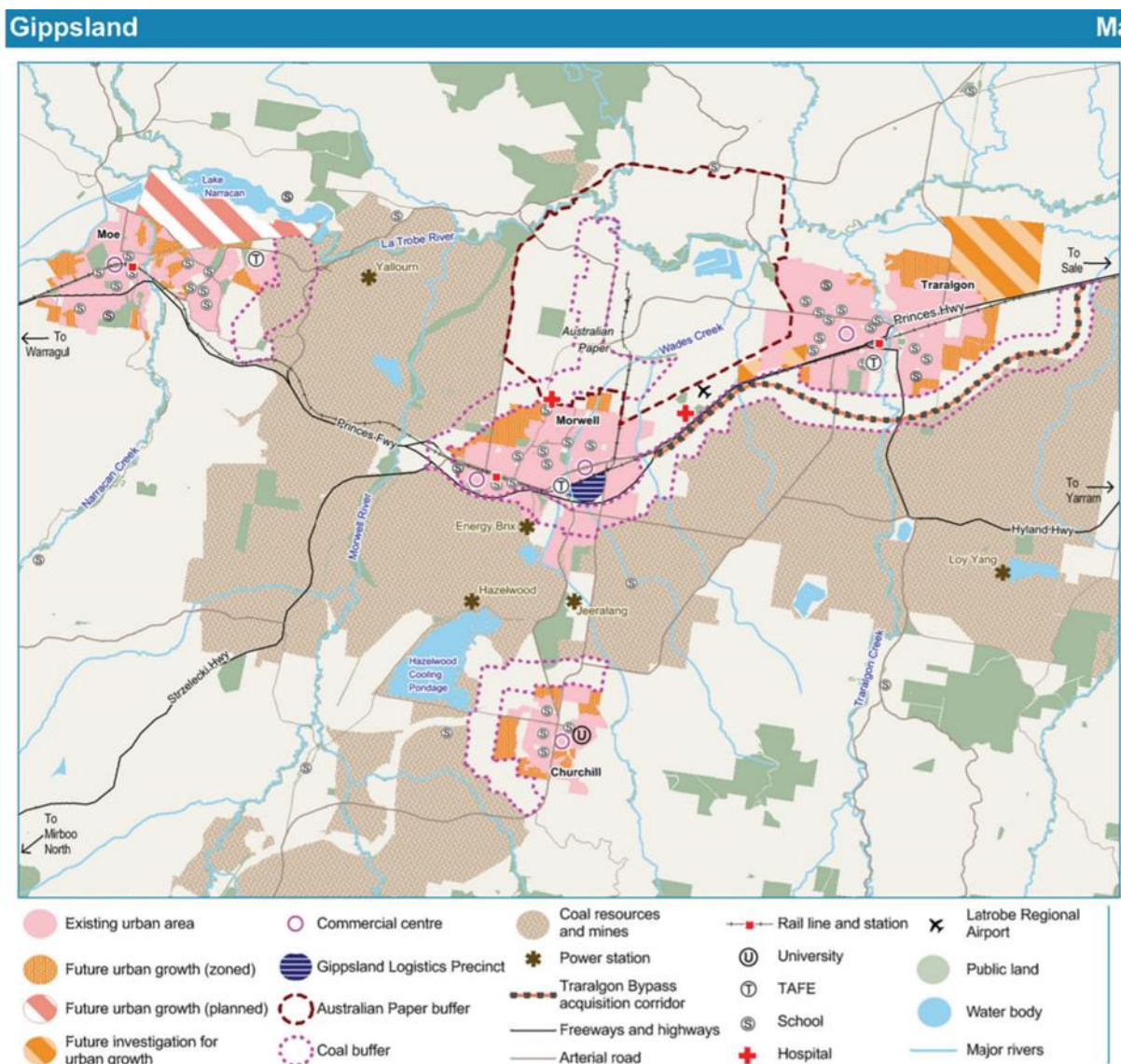

Figure 5 - Latrobe Residential Growth

Future residential land supply within Latrobe City is currently around 12,500 residential lots which will accommodate around 27,000 new residents. This figure is compared to the other regional cities as a percentage of the higher-level growth rate outlined in the Balance Victoria Report.

Table 6 – Levels of residential growth supported

	30 June 2050		Residental land supply (per Balance Victoria)		% growth supported	
	Additional ERP	Additional SPD	ERP	SPD	ERP	SPD
Ballarat	135,806	59,516	69,768	30,600	51%	51%
Greater Bendigo	145,272	64,236	40,680	18,000	28%	28%
Greater Geelong	306,929	141,256	180,110	83,000	59%	59%
Latrobe City	96,869	44,635	27,125	12,500	28%	28%
Total	684,875	309,644	317,683	144,100	46%	46%

Based on this analysis, Latrobe City is also comparable to other regional cities, notably Bendigo, however unlike the other regional cities the nearby shire of Baw Baw has also completed significant residential land use planning. The Baw Baw Settlement Management Plan identifies land supply for residential and employment uses and opportunities for medium density and urban infill in Warragul/Drouin. Planning for the commercial centres has been completed. This planning has identified 17,000 residential lots, enough for around 37,000 additional residents by 2041.

This residential land supply compliments the land available in Latrobe and reduces the risks associated with insufficient land supply. In the Latrobe City and Baw Baw Shire case, this is particularly so as the municipalities are highly interdependent, with the Productivity Commission identifying the LGAs as a common Functional Economic Region in their 2017 Report on Transitioning Regional Economies[10]

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[10] Transitioning Regional Economies, Productivity Commission (2017)
https://www.pc.gov.au/inquiries/completed/transitioning-regions#report

5.   Conclusions

This paper has highlighted that within the context of the Balance Victoria Report Latrobe City has characteristics very similar to the Big 3 of Geelong, Ballarat and Bendigo. In many regards and based on the criteria set out in the Balance Victoria Report, Latrobe City has attributes that make it equally appealing, and in some matters more so, than the other regional cities.

Latrobe City has comparable migration, housing and proximity to the other regional cities examined in the Balance Victoria Report. The network of small towns clustered around Latrobe City and the transport corridors provide the ideal spatial structure for growth and reflects the preconditions set out in the Balance Victoria Report.

Latrobe City's economy is in transition. Increased migration to the region will strengthen the transition by providing a labour force for emerging industries. Latrobe City has significant infrastructure to support population growth, including Latrobe Regional Hospital, Federation University and state of the art cultural and sporting facilities.

Latrobe City's existing size and potential to grow along a designated transport corridor, its strong linkages to the growth centre of Dandenong and the potential for agglomeration arising from its growth (particularly the benefits of which will spill over to the broader region, and most likely and most notably across the Baw Baw Shire), and its capacity to house large numbers of new residents make a strong case for the Big 3 to become the Big 4.

The inclusion of Latrobe City in the Balance Victoria Report modelling, would result in an additional 79,000 people, living in Regional Victoria. Through returns to scale, this growth will provide the platform to deliver spatially equitable growth across eastern Victoria.

The Balance Victoria model does not provide for this State-wide framework, despite adopting this as one of its core principals. This inclusion will make it considerably easier to achieve the Balance Victoria decentralisation and dispersal ambitions, and therefore strengthen the case for the model proposed by Balance Victoria.

Including Latrobe City as one of four regional cities, makes for a considerably more balanced growth model, with potential regional capitals to the south, north, west and east of Melbourne.