

**Submission
No 57**

**INQUIRY INTO ECONOMIC AND SOCIAL DEVELOPMENT
IN CENTRAL WESTERN NEW SOUTH WALES**

Organisation: Regional Development Victoria

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Regional Development Victoria

Level 12, 1 Spring Street
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The Hon Rick Colless MLC
Chairman
Standing Committee on State Development
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Mr Colless

INQUIRY INTO ECONOMIC AND SOCIAL DEVELOPMENT IN CENTRAL WESTERN NEW SOUTH WALES

I refer to your letter, dated 13 September 2011, in which you requested a submission to the above Inquiry. I appreciate the invitation to contribute to the Inquiry and am interested in hearing about its findings.

As the principal Victorian Government agency with responsibility for regional development in this State, Regional Development Victoria (RDV) has a strong interest in the experiences of other jurisdictions and the social and economic development priorities that they identify. RDV is not in a position to comment in detail about the factors listed in the Inquiry's Terms of Reference as they relate specifically to economic and social development in central western NSW. However, it is worth emphasising that most of these factors are also priorities for action within the Victorian Government's current regional development agenda.

This agenda is based on the view that regional areas hold the key to balancing the state's future population growth. A long-term government commitment to accelerating growth in the regions is critical to Victoria's long term prosperity and competitiveness. Based on research that supports the case for targeted government investment to encourage regional development, the Government is investing heavily in developing regional Victoria.

The centrepiece of the Government's regional development policy is the \$1 billion Regional Growth Fund (RGF), which in turn is supported through the delivery of a number of additional programs. The focus of the RGF and these other programs is broad, but is predominantly targeted towards building upon and mobilising the unique assets and advantages of different regions, and strengthen the links between them. This involves:

- Land use and planning – working with industry and local communities to better managing new demands associated with growth;
- Infrastructure provision – investments in freight and logistics, ICT, and public transport to increase competitive advantages;
- Quality of life – investing in amenities and community facilities to provide capital city-type opportunities and services;
- Human capital and innovation – improved facilities and services, and facilitating the development and absorption of new technologies; and
- Capacity building – local leadership development/mentoring, and strengthening regional governance arrangements.

Four features of our policy approach are also worth highlighting:

1. **Flexibility** The RGF guidelines provide considerable flexibility in terms of the projects that can be supported. For example, the fund can support feasibility studies, enabling the government to assist small organisations and rural councils to develop project proposals that can then be put forward. The flexibility also enables investments to be made in building social capital in rural and regional communities.
2. **Local input to decision making.** The RGF program has been very deliberately structured to ensure local communities through councils and the five non-metropolitan Regional Development Committees (RDA) committees have a key role in determining spending priorities. Local communities understand their own needs and are best placed to make sensible decisions about spending priorities.
3. **Greater funding certainty for councils.** The Victorian Government is providing significant additional funding for regional and rural councils through a special \$100 million fund within the RGF - the Local Government Infrastructure Program. Separately, the State Government has also allocated \$160 million for country roads and bridges. These programs have been specifically structured to reduce funding uncertainty, as councils will know in advance the funding they can reasonably expect.
4. **Better coordination with Commonwealth programs** The RGF has been designed to link in as much as possible with Commonwealth Government regional development programs. The Victorian Government has chosen to use the five non-metropolitan Regional Development Australia Committees as a key advisory structure on regional policy. These committees are also advisory bodies to the Commonwealth. The objective is to create a more effective partnership between the Commonwealth and the State in regional development.

Finally, an important symbol of the Government's recognition of the importance of regional centres to the future development of the State is the creation of a dedicated Regional Cities ministerial portfolio to coordinate Government action and responsiveness and advocate for regional cities within State and Federal governments.

I hope this provides a useful summary of the current approach to regional development in Victoria. Further information about the RGF and the role and activities of RDV can be obtained from www.rdv.vic.gov.au.

I would also be happy to share further information with your Committee about the Victorian regional development experience and past activities that RDV has undertaken should you consider it of assistance. I can be contacted on tel.

Yours sincerely

Lachlan Bruce
CHIEF EXECUTIVE

25 October 2011