

26 October 2009



The Hon Jacinta Allan MP
Taskforce Chair
Regional Strategic Planning Initiative
Regional Development Victoria
GPO Box 4509
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Jacinta
Dear Minister

Re: Discussion Paper: Provincial Victoria - Directions for the Next Decade

Thank you for inviting the Victorian Employers' Chamber of Commerce and Industry (VECCI) to make a submission to the Discussion Paper - *Provincial Victoria: Directions for the Next Decade*.

Late last year VECCI held its inaugural Regional Business Convention. This event reflected the culmination of a series of workshops and luncheons across Victoria that brought business leaders together to discuss the key challenges and opportunities facing our regional communities.

Many of the issues identified in the discussion paper, *Provincial Victoria: Directions for the Next Decade*, were also raised through our own consultations and helped shape the subsequent recommendations presented at the Regional Business Convention. Some of these recommendations are discussed in more detail below, as they relate to the five proposed strategic directions for provincial Victoria, highlighted in the discussion paper.

Before discussing these specific recommendations I would like to make some overarching comments in response to the discussion paper:

- VECCI supports the proposed focus on productivity, sustainability and liveability and recognises that all three are vital for a healthy and prosperous future in provincial Victoria, as well as across the wider state.
- VECCI strongly supports the ongoing efforts by the Victorian Government to reduce the regulatory burden on business. To ensure that Victoria, including provincial Victoria, remains competitive, it is important that these efforts continue and that there is an ongoing reduction in the administrative burden and other impediments to business investment and growth. In particular, we recommend setting three and five year targets for the reduction and removal of 'regional red tape' with a special focus on removing and/or simplifying regulations that overlap between local Government areas or have been proven to no longer meet their policy intent.
- We acknowledge the recognition of the tourism industry throughout the discussion paper, and appreciate the vital role that tourism can and does play in supporting industry development and employment opportunities in provincial Victoria. However, we encourage the Government to also recognise the value of regional events and their role in boosting direct and indirect employment, and attracting visitors and residents to the regions.

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Position regional economies for growth

In order to position regional Victoria for future growth, VECCI recommends:

- Developing an overarching Strategic Action Plan to accelerate the development of major regional centres and corridors, and their allied industries and communities. This needs to include adjustment and development support for outer-lying regional areas or sub-regions. The Plan must focus not only on closing identified infrastructure gaps but also on improving business synergies across regions and ways to better connect them with each other, as well as Melbourne.
- Accelerating the progression of not only first-tier, priority regional infrastructure projects but also second-tier capital works, maintenance and improvement projects that have the potential to generate short, medium and long term benefits in social well being, productivity and economic activity.
- Ensuring regional business development funding applications under existing State and Local Government grants, programs and initiatives are given priority and expediency in the evaluation process.
- A review of existing local and state based regional employment and training programs to attract and retain key human resources regionally in the development of new employment opportunities for young people and indigenous people.
- A boost in funding to increase regional VET take up and increase the range of locally delivered courses.
- Accelerating in the development of key satellite provincial centres that have the potential to take pressure off Melbourne's population growth and associated infrastructure demands, stimulating prosperity for all Victorians.
- Developing vibrant and sustainable tourism and events related products, services and infrastructure to encourage greater visitation and expenditure by international, interstate and intrastate visitors to regional and rural Victoria.

Connect up Victoria

In order for provincial Victoria to prosper, it must be well connected, locally, nationally and internationally. VECCI recommends:

- Improving connectedness and collaboration between our regions by developing and implementing new models of leadership and integrated economic and community development planning that have wide and effective application across regional Victoria.
- Maximising the use of ICT capabilities and enhanced online learning resources to support distance and flexible learning facilities.
- Enhancing and maintaining infrastructure to improve intra-regional freight and transport connections.
- Establishing minimum service and performance standards for information and communications technology (ICT) access throughout regional Victoria.

Plan for sustainable growth

In order to prosper and remain competitive into the future, growth in provincial Victoria must be sustainable; economically, environmentally and socially. VECCI recommends:

- Ensuring that regional SMEs have the support, tools, information and advice needed to make informed decisions on how to improve resource efficiency and successfully adapt to a low carbon economy and the introduction of the CPRS.
- Establishing a Regional Structural Adjustment Fund to assist “high risk” industries and their workforces successfully adjust to the pressures of global competition, new technologies and then transition from carbon intensive production to low carbon alternatives.
- Boosting research and innovation funding to capitalise on “next generation” low and zero carbon local energy sources which exist across regional Victoria. These include wind, solar, tidal power and bioenergy, as well as landfill gas and waste streams from industries like agriculture. Expand the premium feed-in tariff to SMEs to further support energy efficiency, renewables and low carbon innovation.
- Providing greater support for technologies such as genetically modified (GM) food crops given their water-saving potential, capacity to raise crop yields and make Victorian farmers more internationally competitive with ensuing environmental and economic benefits to the state.
- Recognising and accelerating support for the valuable role nature-based tourism (and regional tourism generally) will play in realising new competitive advantages in response to climate change, based on business and service excellence and the provision of high quality and high yield products and visitor experiences.

Make provincial Victoria an even better place to live

Liveability is one of the key factors in attracting residents, business and visitors to provincial Victoria. In order to make provincial Victoria an even better place to live and work VECCI recommends:

- Identifying and promoting new opportunities for job growth across provincial Victoria.
- Analysing ‘liveability’ attributes and continuing to proactively market the many advantages of living, working and investing in regional Victoria, recognising the importance of ensuring supporting education, recreation, and health services are at a standard necessary to retain labour and capital inflows.
- Promoting new ways of making information on the cost and benefits of establishing regional business operations more transparent and accessible to potential investors and other stakeholders, including employees and their families.
- Ensuring additional resources are provided to assist new arrivals and their families settle and integrate more effectively into local regional communities and their workforces.

Empower communities to plan for their future

Our ongoing consultations and activities in provincial Victoria among our members, customers and clients, together with our interactions with the wider business community, continually highlight the strong sense of identify and pride found in our regional communities. In order to engage and empower communities to plan for their future VECCI recommends:

- Providing ongoing leadership development support and programs to increase the capacity and capability of economic and community development.
- Developing regional education hubs to support skills training and development, together with new knowledge and R&D as it relates to specific regional challenges and opportunities.

Concluding comments

We are currently preparing for the VECCI Regional Business Convention 2010 and welcome the opportunity for continued involvement in developing the state wide blueprint for provincial Victoria. We would be pleased to discuss the findings and recommendations that arise from our own consultations with regional members and stakeholders throughout 2010.

If you would like to discuss our submission in further detail, please do not hesitate to contact VECCI's Executive Manager - Policy, Steven Wojtkiw, on telephone (03) 8662 5357 or email swojtkiw@vecci.org.au.

Yours sincerely



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Chief Executive Officer