

Regional Development Australia
Grampians Regional Plan

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RDA Grampians Regional Plan 2013- 2016

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1 Message from the RDA Grampians Chair

I am pleased to be providing the foreword to this regional plan for the Grampians. The plan builds on the excellent work already underway through the implementation of our two sub-regional plans providing the framework for growth and development into the future.

The Grampians region is positioned to take advantage of the opportunities being presented through the Victorian economy's continued growth. Significant natural assets like the Grampians National Park and rich agricultural soils coupled with its positioning on the major freight corridor between Adelaide and Melbourne make the region a wonderful place to live, work and invest. The region has a strong and diverse economy underpinned by a rich history, significant tourism and business assets, wonderful communities and talented people.

The RDA Grampians Committee take a lead position in shaping the thinking that will grow jobs and investment across the region. Stimulating the debate on regional growth to complement local perspectives will continue to ensure this plan remains current and delivering the outcomes needed for future prosperity. The plan will be at the centre, demonstrating a positive, organised and project ready image with regional, state and federal politicians. The plan's messages will be extended to state and federal officials to ensure policy advice to government is in the spirit of regional growth.

Bringing the plan into action will require effective regional governance and efficient identification and implementation of projects. The RDA Grampians Committee is pleased to have steered the plan's development and are ready to assist in bringing about its implementation. I endorse and commend this plan to you and look forward to participating in its implementation with you.

A handwritten signature in black ink, appearing to read 'Stuart Benjamin', with a stylized flourish at the end.

Stuart Benjamin

2 Executive summary

The Grampians Regional Strategic Plan sets the regional context, priorities and actions for the region's vision of "increased jobs and investment in the region". The document includes a detailed vision for the region, an articulation of the role the RDA Committee will play in its implementation, an analysis of the region and priorities for action.

The Grampians region stretches from the eastern boundary of the Hepburn, Moorabool and Golden Plains shires the northern boundaries of Hepburn, Pyrenees, Northern Grampians, Yarriambiack and Hindmarsh shires and the southern boundaries of Golden Plains, Pyrenees, Rural City of Ararat, Northern Grampians and West Wimmera shires with the western boundary being the state border with South Australia. The region covers an area of 48,000 square kilometers, has a population of 217,000 and growing at 1.2% per year, Gross Regional Product (\$M): \$9,643.532 Per Capita Gross Regional Product (\$'000): \$43.660 and Per Worker Gross Regional Product (\$'000): \$124.793.

The economy of the region is anticipated to continue its growth trajectory particularly in tourism, health, education, advanced manufacturing and professional services. This growth will require new skills and access to a contemporary knowledge pool. Of particular importance will be the IT sector. The region has a considerable comparative advantage in this area through the business networks of the Ballarat Technology Park and the early roll out of the NBN. Skills supporting this growth will be in strong demand.

The Grampians has different economic characteristics across the region, from the resource rich and agriculturally dependent western sub region to the eastern sub-region which is highly influenced by its proximity to Melbourne and the economy of Ballarat. The region is also polarised by differences in education attainment, salaries and other key indicators where generally the further west you travel the lower these indicators are. Population growth shows a similar trend with the east of the region expected to grow and western parts set to continue to experience population decline. All this considered these polarised patterns highlight service challenges, how to provide the infrastructure necessary to support the growth in the east of the region while at the same time maintain services in the west where economies of scale factors will make many services unviable in the future.

The future of the region's economy will see a relative decline in the importance of manufacturing and the relative increase in the health and social assistance sectors. There is also likely to be a general increase in the service economy with increases forecast in the professional services and education sectors. The region has benefited by a major upgrade to the Wimmera Stock and Domestic water supply through the piping of the entire channel network. The water savings this has provided are now being utilised to support the development of new businesses within the network. Freight and logistics will be a major contributor to the economy of the region moving forward. Ensuring smooth movement of goods and people into, out of and through the region is critical to the regions current and future export industries and general regional prosperity.

Overall the region has strong human capital assets. Though like so many factors relating to the region the distribution of this capital is somewhat polarised with concentrations in major locations such as Ballarat and Horsham. Outside these areas human capital challenges are evident in a general lack of skilled workers across most sectors. Contributing to this is perhaps the greatest challenge, the significantly lower levels of young people in the region attaining a higher education degree compared to metropolitan areas. The region has a strong education base underpinned by the University of Ballarat with a number of other providers present in the region including the Australian Catholic University and Work Co.

2.1 Competitive strengths

- Comprehensive educational system with strong industry links
- Strong natural resource base to support agriculture and the growing mining sector
- Strong R&D capabilities, institutions and networks
- Strategic transport infrastructure including the regions role as a transport corridor between Melbourne and Adelaide.
- Affordable housing compared to metropolitan areas
- Rich natural and built tourism infrastructure coupled with a robust events based strategic positioning
- High levels of IT capability both through human capital, business critical mass and NBN infrastructure
- Diverse economy building its natural strengths of food production

2.2 Constraints

- Relatively less diverse economy in the west of the region
- Lower educational attainment coupled with loss of working age populations
- Skills gaps in key sectors such as transport, health, construction and agriculture particularly in the west of the region.
- Bottle necks and logistical constraints for key export sectors
- Lower levels of innovation given the regions strengths in higher education IT and research.

To build on the regions strengths and alleviate constraints, the region will focus attention on projects that increase infrastructure investment, build on the regions comparative advantages, improve pathways between educational providers and business, increase workforce opportunities, support regional service planning, encourage stakeholder acceptance of regional growth plans and that support business and the community to participate in the digital economy.

The RDA Grampians committee will take a strong leadership position in bringing this plan to action. They will stimulate the regional dialogue on emerging technology, futuristic thinking and long term strategic approaches to inform regional governance at all levels. They will also advocate for regional priorities and ensure there is a sound case for investment for any project put forward as a regional priority. In addition they will engage in policy discussion to ensure government are aware of policy implications on the futures of families, businesses and institutions of the region. Lastly they will lead the region's governance system particularly where it relates to the regional strategic planning and the prioritising of regional infrastructure. Ensuring strategic and priority alignment across all levels of government will be a key to success.

2.3 Regional priorities

The plan focuses on five regional priorities. In summary they are:

- Improving cooperation to increase the effectiveness of regional planning through the refinement of the regional governance system.
- Increase human capital – through improved education/training and migration pathways to provide a more competitive labour pool
- Improve infrastructure – through the provision of high performing infrastructure that improves market access and supports business growth

- Plan for population change – this priority seeks an outcome where government programs recognise regional needs and services are planned to support regionally specific demographic shifts.
- Improve regional attractiveness – through the clear articulation of comparative advantages, based on attributes salient to prospective businesses, investors and employees.

3 Vision for the region

Increased Investment, jobs and liveability

The vision for the Grampians region to 2030 is to be a prosperous, productive, sustainable and livable region for its people which uses its natural advantages of a healthy environment, extensive spaces and a wide range of urban and rural lifestyle opportunities to attract more residents, businesses and visitors.

3.1 Human capital

Development of people is of vital importance to the region and therefore access to education and training, particularly tertiary education and leadership development is critical. The Grampians network of tertiary and secondary vocational opportunities supports the growth and continuing educational attainment of those living in the region particularly economically active younger adults.

The education network will foster greater engagement with local industry, supporting transition and the growth and development of new industries, particularly those requiring higher value adding activities and where skills shortages are expected to occur. The need for industry to be able to access a deeper skill base with technological and cognitive components will be met by the region's human capital development systems.

The region will lift its education and skills attainment levels to State averages, increase the number of young people involved in educational activities as well as maintain the high levels of participation.

3.2 Sustainable communities

3.2.1 Economy

The region's economy will be strengthened so that it is more diversified and resilient and integrated with the economic growth and development of the Melbourne metropolitan area in a manner that retains the region's separate identity. The continuing growth of the service and technological economies will gain pace and provide a point of differentiation from other regional economies in Victoria and nationally. The region's ICT industries will be globally recognised and renowned.

Utilising the unique natural and built heritage and natural assets of the region, the nature-based tourism sector will play a role in increasing national and international awareness of the region's superb natural environment. The tourism product will be repositioned so that it can be a major national destination.

As a result of The Wimmera Mallee pipeline the surety of water together with rich and productive soils opens up opportunities for agricultural and agribusiness development. The extensive and world renowned mineral sands deposits in the region present as a major development opportunity.

3.2.2 Social

The cornerstone of the region's competitiveness and attractiveness is its liveability. Housing needs will reflect the changing needs of residents as the population grows and the demographic and diversity characteristics of the population alter.

There will be an expansion in the level of key services accessible and available to persons in smaller cities and towns and rural areas particularly through increased and integrated transport services and the use of IT and greater broadband capacity.

Significant parts of the region have a proud agricultural tradition where participating in the life of its small towns and communities has been, continues to be and will be in the future a defining trait of the community. These areas will further develop and realise their potential as thriving rural alternatives which share in the population growth forecast for Victoria.

3.2.3 Environmental

A healthy natural environment underpins the prosperity and liveability of the region. The capacity of the region to sustainably manage its natural resource base and environmental assets will continue to be developed particularly through the delivery of the region's Flagship areas and regional-scale Bio links as set out in the government policy Securing Our Natural Future.

The region will be far more experienced dealing with and will continue its repositioning and recalibration in response to climate change. As a result the region will be much better equipped to adapt to and manage a changing climate.

3.2.4 Population

The region will plan for and expand its share of Victoria's population growth and seek to disperse that growth more evenly across the region, particularly through building the capacity and liveability of the region's smaller cities and towns.

Changes to the demographics of the population will be anticipated and catered for. Considering the impact of ageing of the population together with a greater diversity of background will be paramount. Forecasting, anticipating and positioning for the impact of these factors on particular sub regions will be important to ensuring services can be accessed and liveability maintained.

3.3 Access to markets

Increases in freight movement on some of the region's roads are expected to increase by 2.5 times current levels by 2030. Therefore the region must and will become better connected through improved transport and telecommunications infrastructure and services.

The region's access to key seaports of Portland, Geelong, Melbourne, Adelaide and airports of Tullamarine and Avalon play a critical role in allowing the region's industry to access international and national markets for goods and services, as well as being able to access key imported products. Planned upgrades and development of these nationally significant infrastructure assets to ensure access can be maintained will be supported.

The region's major road and rail infrastructure assets will be developed through the upgrading of the Western highway and bypassing of townships along the highway.

The major east – west route will be complimented by the development of north-south transport routes and the continuing evolution of the region's key freight hub network.

Passenger transport will become more accessible to those living in and travelling to and from the region.

3.4 Competitive and business advantages

The Grampians region will capitalise on its access to the Western highway and rail spine that links Adelaide to Melbourne and increase the capacity for north south movement particularly for freight and commodities.

The region's economic growth will be driven from the region's comparative advantages in grain production, mining, transport, manufacturing and high technology and knowledge based regional industries such as health, ICT, education and technical services.

Security of water through the Wimmera-Mallee pipeline and high quality agricultural soils across the region will support the development of higher technology agricultural and agribusinesses.

The Region's higher education and vocational training network is complimented by one of Australia's most significant regional ICT industries and a series of technology parks which positions the region to support Victoria's comparative strengths. These strengths will be built on to further entrench the Grampians as the nation's premier regional location for ICT businesses.

World class built and natural heritage, such as the Grampians national park, Australia's major concentration of nineteenth century architecture, heritage and sites associated with the world's largest gold rushes provide the basis for the expansion of the region's tourism and recreation economy. To ensure these features continue to make a significant contribution to the attraction of the region as a highly livable place they will be appropriately managed and protected.

3.5 Partnerships

The Grampian's region will implement a new regional scale governance model (Attachment 2) that will deliver agreed and supported regional scale projects and initiatives in a timely and effective manner. The approach will be inclusive and revolve around the development of the region's leadership capabilities. There will be improvements in regional collaboration and cooperation and coordination between all levels of government.

4 Role of the RDA

Regional Development Australia (RDA) is a partnership between the Australian, state and territory, and local governments to support the growth and development of Australia's regions. A national network of 55 RDA committees has been established to provide a strategic framework for economic growth in each region.

In Victoria, Regional Development Victoria is managed and co-ordinating the operation of the nine Victorian RDAs

The RDA committees work to:

- support informed regional planning
- consult and engage with the community on economic, social and environmental issues, solutions and priorities
- liaise with governments and local communities about government programs, services, grants and initiatives for regional development
- contribute to business growth plans and investment strategies, environmental solutions and social inclusion strategies in their region.

Grampians RDA Committee comprises of local leaders with broad and diverse skills and experience, as well as demonstrated networks within the Grampians region. Committee members are individuals who understand the challenges, opportunities and priorities within their local community and are representatives from business, higher education, industry, government and the community.

In the Grampians region, the role of the RDA is to co-ordinate regional responses to regional opportunities and challenges.

4.1 Regional implementation partners

The RDA works in partnership with other regional agencies and organisations to:

- Implement the Central Highlands and Wimmera Southern Mallee Regional Strategic Plans and other strategic planning initiatives such as Regional Growth Plans.
- Facilitate the development of transformative growth strategies
- Advocate for regionally endorsed priorities with potential investors, and
- Be an effective conduit between Grampians communities and all levels of government.



Implementation of individual regional priorities and initiatives are undertaken by one or several of more than 25 regional agencies. Advocacy of regional needs and priorities are also undertaken by well organised and influential local and sub-regional groups.

4.2 Role of the Committee

The Grampians RDA Committee have determined 5 roles that will drive their involvement in the region. The roles are seen as complementary to existing groups in the region and will add the value necessary to grow jobs, investment and liveability.

4.2.1 Lead regional thinking

Delivering on this role will see the committee conducting activities, “thought leadership forums”, that will bring futurist thinking and skills to inform regional governance. It will have them advocating for this thinking to ensure it becomes a consistent part of regional planning. In addition the Committee will lead debate on emerging technology. E.g. IT and Sustainability to ensure the region stays at the fore front and capturing opportunities as they arise. The challenge in this role is to influence long term sustainable thinking beyond electoral cycles which will be managed through a new review process to align regional, sub-regional and local government planning. Local perspectives coupled with evidence-based decision making will compliment this process.

4.2.2 Advocate for regional priorities

Delivering on this role will see the RDA playing an active part either directly as an RDA Committee or individually through each member’s respective personal roles to advocate for regional priorities at local, state and federal levels as appropriate. A critical component of this role is the development of advocacy packages that tell the regional story through the highlighting of successes and identification and articulation of opportunities.

4.2.3 Advocacy policy

The RDA will advocate for policy to improve the prospects for better jobs, investment and liveability for the region. This advocacy will focus on ensuring the policy impacts are known, making sure that rural and regional issues are incorporated early to maximise the opportunities and minimise the impacts of changes in direction. Key part of this role will be delivered through participation in the Regional Policy Advisory Committee.

4.2.4 Lead the region's governance 'Eco System'

Regional governance, particularly where it relates to regional strategic planning and the prioritising of regional infrastructure is critical to the regions success. Mapping the regional governance ecosystem and identifying gaps will be a necessary step in delivering on this role. Enlisting the cooperation and participation of regional stakeholders will be necessary to ensure the Eco System functions efficiently into the future. The strong networks, expertise and skills of the RDA Committee place it in a strong position to deliver success under this role.

4.2.5 Determining priority

Delivering on this role will see the RDA Committee synthesise and lead the identification of key priorities for the region: For example projects that will transform employment and growth prospects across the region. To do this effectively the Committee will identify key strategies needed to address emergent opportunities/issues through the identification and implementation of regional research and development needs. Supporting this role will be the development of a defensible evidence based decision support tool providing the confidence necessary for the committee and other advocacy groups to lobby with integrity for regional projects.

5 Analysis of the region

5.1 Overview

The Grampians Region is a large area of Western Victoria that covers almost 48,000 square kilometres. It spans the southern Central Highlands and Bacchus Marsh (Moorabool) to the broad expanse of the Wimmera and southern Mallee to the South Australian border in the west.



The Grampians includes the central highlands and the wheat belt of the Wimmera region. The region includes the Regional Cities of Ballarat, Horsham and major settlements including Bacchus Marsh, Ararat, Stawell and Nhill. Western Victoria features highly successful agribusiness ventures and manufacturers of high-tech machinery and components. Agricultural production in the land surrounding Horsham contributes more than \$900 million annually to the Victorian economy.

Ballarat has a well-established technology park and ICT cluster with IBM as a key anchor company. The ICT industry in Ballarat employs in excess of 1,500 people and is Australia's premier regional location for ICT.

The Grampians is a proud region, developing the life of its small and large communities, well positioned to adapt to climate change and making the most of its built and natural assets. It has enviable expertise in

renewable energy, innovative manufacturing and a burgeoning economy based on the early roll-out of the National Broadband Network.

The region is well connected and central to the movement of goods, services and people, with healthy population growth and good quality lifestyle choices.

The region offers:

- Excellent education, training facilities and broadband connectivity providing opportunities to diversify and attract industry;
- Expansion of high value production and the potential for new enterprises and industries resulting from the secure water supply of the Wimmera Mallee Pipeline and Goldfields Superpipe;
- Proximity to national freight corridors with the east of the region adjacent to Metropolitan Melbourne and Geelong;
- Strategic links to other capitals, Melbourne and Adelaide, regional cities including, Bendigo and Geelong with access to ports, airports and rail;
- Development opportunities in gold and mineral sands mining and renewable energy sectors;
- Favourable climate suited to diverse agricultural production from intensive animal industries, organic produce and viticulture, to grains and pulses;
- Attractive living conditions with high quality affordable housing in beautiful surrounds, from heritage goldfields towns to spectacular natural environments;
- World class infrastructure providing health and higher education; and
- Numerous leisure activities including adventure sports, arts and festivals, wineries and world-class restaurants.

5.2 A region of two parts

The Grampians region has approximately 217,000 residents, with more than half living in the regional cities and towns of Ballarat, Bacchus Marsh, Horsham, Ararat, St Arnaud and Stawell. Its workforce of around 78,000 extends from wheat farmers in the Wimmera Mallee to a range of professional services, ICT firms and manufacturers in the region's cities and towns. The diversity of the Grampians region can be distinguished by two distinct economic, geographic and social sub-regions.

5.2.1 Central Highlands region

In the heart of western Victoria lies the Central Highlands, a region framed by majestic peaks, rolling hills, quiet villages and busy commercial centres. National parks, gardens, lakes and rivers and natural resources are among its greatest assets.

The Central Highlands has a diverse economy with significant manufacturing, agriculture, manufacturing, health, education and training, professional and technical services retail and public service industry sectors. Victoria's capital, Melbourne, is a less than 30 minutes away from the eastern part of the region and the coastline of the scenic Great Ocean Road on the west coast lies just 90 minutes to the south. The combined benefits of lifestyle, liveability, affordable housing and excellent job prospects make it an attractive investment destination.

Ballarat, the largest centre in the Grampian's region, is one of Australia's fastest growing regional centres in Australia. It is an elegant metropolis with the distinct advantage of the infrastructure of a capital city with the lower cost base of a regional centre. A population of 100,000 lives in the area. Ballarat lies 100km west of Melbourne and is linked to the capital through the Victoria's regional rail network.

The Ballarat region continues to support a strong construction sector in both residential and commercial areas. With sustained population growth, the region provides solid opportunities for continued growth and development. The information technology sector has emerged as a significant industry in this part of the region, and hosts a modern communications network that provides easy data exchange worldwide.

5.2.2 Wimmera Southern Mallee region

The Wimmera Southern Mallee has a warm, sunny climate and is located in the heart of Australia's best performing grain-growing area. Major road and rail networks intersect the region, providing access to spectacular national parks that offer numerous activities and adventures.

The Wimmera Southern Mallee's major regional centre, Horsham, is a progressive and rapidly developing rural city, with a growing services industry providing health, leading educational and training institutions and a variety of retail outlets.

Agricultural production is its main economic base, contributing more than \$900m each year to the Victorian economy. Other industry sectors include mining, health, education, government, manufacturing and business. The Grampian's National Park is predominated located in this sub-region.

5.3 Key analysis

This section describes the Grampians region through presenting key facts and some analysis to support the current situation, challenges and opportunities.

5.3.1 Human capital

Background

The education profile of the region varies quite extensively across the region's LGAs, for example the percentage of the population with higher education qualifications is highest in Hepburn with 47%, and lowest in Yarriambiack with 28%.

The Grampians region percentage of the population with higher education qualifications is 40%. Although higher than other Victorian Regional areas (average 38%), it is heavily influenced by Ballarat's 44%. The portion of the region with higher education qualification is considerably less than the Victoria average of 52%. Only Ballarat, Horsham and Hepburn LGAs exceed the Regional Victorian average (RDV(a), 2013; RDV(b), 2013).

There are currently significantly lower levels of young people in the region attaining a higher education degree (bachelor and above) (33%) compared to State average of 46% (RDV(a), 2013; RDV(b), 2013). The lowest in the region is Northern Grampians with 24% and the highest, Hepburn, 39%. In the Wimmera Southern Mallee region, no LGA exceeds 30% of the population having a bachelor or above level qualification.

Analysis, challenges and opportunities

One of the most significant challenges facing the region is related to the development of its workforce. There are numerous skills shortages in areas as diverse as general practice doctors, professional services, transport operators, health and community services (Grampians RDA, 2012). There will be an increased need to incorporate skilled migrants into organisations as the region looks to solutions to deal with these skills shortages.

There is an apparent disconnect between the expectation of employers and the readiness of graduates for employment once they have finished vocational and tertiary training (Grampians RDA, 2012). The workforce must become more 'work ready' to ensure productivity and competitiveness of the region's industry improves. There will need to be continued collaboration and cooperation between industry and educational providers to overcome these issues.

Industries that have forecast growth, notably tourism, whose percentage of the total regional workforce is forecast to grow by 1.2% between 2011 and 2017, will need to more clearly define career paths for prospective employees to attract them to the industry (Grampians RDA, 2012).

This industry and many others, such as health care and social assistance will continue to struggle to locate younger workers as many leave the region to move to larger centres looking for employment and lifestyle opportunities. The movement of younger people to larger regional centre compounds the already vexed issue of the level of skills disparity across the region, particularly in the more rural and remote part of the region.

Forecast growth in tourism and agricultural exports (RDV(a), 2013; RDV (b), 2013).will need to be accompanied by the development of export and export facilitation skills, such as cultural and language skills and capabilities. Failure to develop these skills will curtail export related growth.

The region's strong presence in ICT will require specific strategies to ensure the right type and number of skills are available to allow this industry to continue to grow and develop.

The shift in manufacturing to higher technology manufacturing is already apparent with the portion of employment in high technology manufacturing increasing from 28% in 2002 to 34% in 2012 (RDV(a), 2013; RDV (b), 2013).

As higher technology manufacturing grows, and less complicated and less competitive manufacturing across the region contracts together with the growth of larger farming enterprises which require less staff, there will be an increased demand for re-training and re-skilling of the workforce currently employed in these sectors.

The ageing of the workforce and the increasing demand for skills within the region as industry grows will require industry and education and skills providers to develop new approaches to retaining and engaging with a mature workforce.

It is likely that the region will also face increased competition between different industry sectors and also from outside the region. Should mineral sands mining expand, this is likely to increase levels of compensation competition within the region, as the average wage paid in the sector is \$125k (SED Advisory, 2013), compared to the average paid across all industry sectors of \$57k. There may also be increased skills shortages in some areas and vocations as workers move to the mining sector away from other industries seeking higher salary and wages paid in the mining sector.

The region will continue to face compensation competition from Melbourne; which will be most acute in the eastern part of the region.

There are several major skills training and education challenges the region faces. Perhaps the greatest is that only 33% of the region's population has a bachelor's degree or above compared to the Regional Victorian average of 31% and the State average of 46% (RDV(a), 2012; RDV (b), 2012). While Grampians region reflects broader state trend in relation to this metric, the importance of this measure to the region is significant as the region's industry moves to the use of increased technology and cognitive skills, a greater portion of the workforce will need higher order skills of the type developed through undergoing the higher education process. Lifting this standard therefore stands out as being of paramount importance to the region's economic and social future.

Also important will be lifting the portion of the population with tertiary qualifications in science and technology related disciplines, a measure of a regions' ability to innovate. Currently this percentage is 7%, below both State averages (10%) and Regional Victorian averages (8%) (RDV(a), 2013; RDV(b), 2013).

Similarly, ensuring the rate at which young people leave the region to seek opportunities in larger centres declines will be important. Issues as broad as location of education facilities, ensuring access to on-line education tools and improving industry / regional lifestyle image will all play a role in overcoming this issue.

Critical to ensuring the longer term future of the region, will be addressing the lower post-secondary participation rates across the region and the lower levels of participation in skills development and vocational pathways within schools.

Retraining people previously employed in manufacturing and agriculture and an ageing workforce will also need to be undertaken. To ensure positive and beneficial outcomes can be achieved it will be necessary to ensure the links and collaboration between employers and education providers are built on and improved.

Summary of opportunities for human capital

The region's human capital assets and education network give it a distinct competitive advantage. To ensure the region is able to continue to grow its industry and increase the standard of living of its residents the following opportunities can be further developed:

- Retaining of a greater portion of younger people with the region, through increased opportunity, education, lifestyle choices;
- Increasing portion of the population with bachelor degrees or above;
- Developing pathways for younger people to be retained in the education and employment sectors;
- Increasing the collaboration between industry and the education sectors to ensure skills training is relevant and appropriate for industry needs. This level of collaboration should extend to working with key industry sectors, such as manufacturing, tourism, agriculture and health to identify specific workforce skills and training needs so that these needs can be strategically addressed at a regional level. Educational institutions in the region can assist these industries build skills and career pathways, increasing the prospects of younger people entering these industries to build careers, rather than merely for short term employment; and
- Re-skilling and working with an ageing demographic in new and innovative ways, such through mentoring

5.3.2 Sustainable (economic, environmental and social) communities and population growth

Participation

Background

The workforce participation rate across the region is 59%, slightly higher than the regional average of 58%, but below the Victorian average of 61%. Worryingly, with the exception of Ballarat there has been a general decline in the participation rate between 2001 and 2011 (RDV(a), 2012; RDV (b), 2012).

In terms of 15-19 year olds not engaged in education and / or employment, the Grampians average of 19% is below the regional Victorian average of 20%, but above the state average of 17%. There is considerably regional variability, ranging from a low of 12% in Hindmarsh to a high of 24% in the Northern Grampians (RDV(a), 2012; RDV(b), 2012).

Analysis, challenges and opportunities

The Grampians has different participation characteristics and challenges across the region, from the highly resource and agricultural dependent western sub-region to the eastern sub-region which is highly influenced by its proximity to Melbourne and its industrial history.

These statistics point to one of the most significant challenges facing the region, that is ensuing there is equity and equal distribution of population and industry growth benefits across the entire region. If current

trends continue, there is a real risk the disparity that is beginning to emerge between the east and the west of the region becomes larger and leads to a range of socio-economic issues which are not yet apparent.

Changes in industry composition

Background

The output of the Grampians economy in 2012 was around \$8.65b, a 51% increase of on 1997, where output totalled \$5.7b. The average annual growth rate of the Grampian's regional output was an impressive 3.4% over the past 15 years.

The Central Highlands regions economy's output in 2012 was \$6.25b or 72% of the total regional output (RDV(a), 2013; RDV(b), 2013)

The major change in industry composition is shown in Fig. 1.

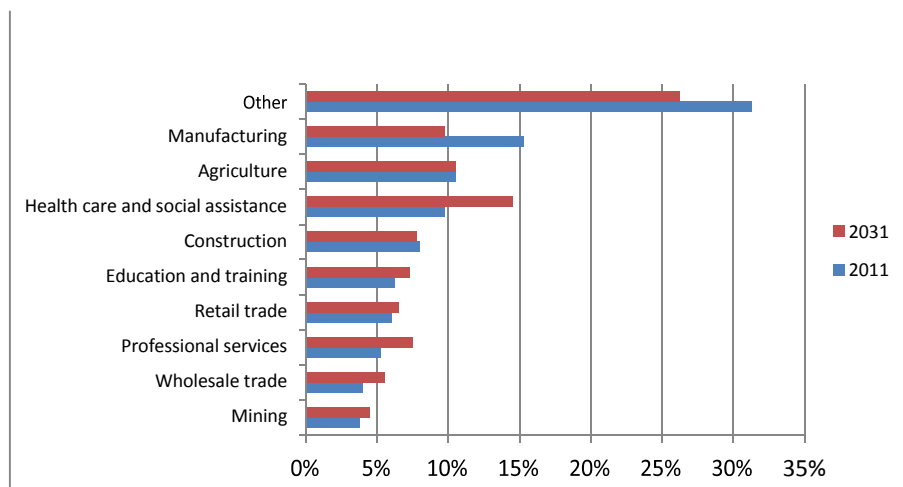


Figure 1: Grampians - industry composition 2011:2031(% of total). Source: RDV(a),2012; RDV(b), 2012.

Analysis, challenges and opportunities

While there are some significant changes to industry composition, the diversified economy of the Grampians means that these changes will impact more at an industry level than an economy wide level. The most significant movement is the decline in the relative size of the manufacturing sector from 15% in 2011 to 10% of the economy in 2031 and the increase in the health and social assistance services sector, from 10% in 2011 to 15% in 2031.

There is also a general increase in the service economy, with increases in professional services and education and training. There will be variability in these changes across the region that will need to be managed at a sub-regional level.

The narrowing of the economic base (as reflected in the reduction of the contribution of other industries from 31% in 2011 to 26% in 2031) will be offset by many sectors becoming more robust, with increasing scale being achieved. The economy will become more 'balanced' in the future.

The increasing scale of some sectors, together with increased population growth, should produce agglomeration benefits for industry and the region. These will be particularly noticeable in centres with higher population densities and / or concentrations of particular industry types.

The changing structure of industry will present both workforce challenges and opportunities. The development of newer roles in developing industries, in agriculture, health, education, advanced manufacturing and professional services requires technological understanding and cognitive foundation skills. Ensuring there are sufficient of these skills in the region will be critical to the economic development of the region.

The most significant issues for the region's economy and that can be satisfactorily addressed at a regional level (ie: some of the productivity and competitiveness issues faced by the region cannot be dealt with at this level, for example the exchange rate or increasing cost base facing business) include, but are not limited to:

- Ensuring workforce skills are available and of the right sort to ensure the development and transition of the region's industries. Improving awareness of the issues, improved linkages between education and industry, ensuring access to broadband, encouraging and supporting population growth and building on the region's unique educational network are key actions to assist in overcoming the broader workforce issue.
- Whilst the region's infrastructure is of high quality, the future freight and passenger demands that will be placed on it present considerable risks to the competitiveness and productivity of local industry. Ensuring smooth movement of goods and people into, out of and through the region is critical to the region's export industries and prosperity. Ensuring rail access is improved and movement along the key east-west corridor through widening and completing by-passes are both significant opportunities. The region's infrastructure is vital to support the region's liveability, its most significant asset; and
- The increase in the global demand for food presents the Grampian's region a unique opportunity. With a significant agricultural industry and linkages between this sector and a range of others forming a unique platform for growth, ensuring the region positions itself to capture this opportunity is not just important to the region's prosperity, it represents an opportunity to set the region up for decades to come.

Liveability – housing affordability and urban growth pressure

Background

Housing is affordable across the region, with median house prices considerably below metropolitan equivalents, with the median house price in Ballarat being 6 times the average salary and wage, compared to 8.9 times in Melbourne (ABS, 2009). In the western parts of the region, this ratio drops to 4.9 times in Horsham (RDV(b), 2012). There are multiple lifestyle and housing options available across the region.

The development of the Wimmera-Mallee pipeline is a significant infrastructure investment that provides much confidence for the region. Similar significant investments in the eastern part of the region such as the Goldfields super-pipe have improved water security of the region for the next 50 years with demand for the next 30 years able to be met from existing supplies (RDV, 2013).

Analysis, challenges and opportunities

Urban growth pressures are likely to be different across the region also. In the eastern parts, in close proximity to Melbourne's peri-urban area there is ongoing pressure for urban and rural residential development in high amenity areas, particularly to cater for 'tree changers'. These pressures may conflict with planning objectives relating to the protection of state and regionally significant water catchments,

environmental assets and ensuring the ongoing availability of versatile and productive agricultural land or primary production. Natural hazards such as bushfire and flooding also need to be carefully managed to protect life and property in many high amenity areas.

The extension of services and infrastructure to locations where growth is planned is a key challenge. The rate of growth likely to occur in Ballarat West, Bannockburn and Bacchus Marsh will continue to present challenges for the provision of infrastructure and services.

Further west, the pressures are likely to be of a different kind with house and land values in some of the smaller settlements may be too low to encourage investment in construction of new housing or refurbishment of existing houses. Lack of suitable housing has been identified as a potential constraint to attracting new residents to some settlements and rental accommodation is sometimes scarce or of poor quality. There is also a mismatch between the nature of the housing stock –predominantly detached family homes – and the requirements of older residents, who often live alone or as couples (DPCD, 2013).

Water management has been a most significant issue facing the region. The recent drought had profound impact on the region and its communities. Not only does the region have to ensure water management for its self, the eastern part of the region is at the top of the catchment for a range of other regions surrounding the Grampians. This requires a careful balance to be found between competing needs.

The recent investments in the regional water infrastructure (Wimmera Mallee Pipeline, Goldfields Superpipe) have increased the region's self-sufficiency with regards to water and provide an additional mechanism for authorities to balance the competing needs of residents and industry and inter-regional water allocation and management.

Catchment health has also improved across the region as a result of these investments.

Quality of life issues

Background

The percentage of the population who have positive perception of amenity in their LGA is 84%, equal with the Regional Victoria average, and higher than the Victorian average of 81% (RDV(a), 2013; RDV(b), 2013).

Analysis, challenges and opportunities

The region is considered to have high standards of living with high standards and access to education, health, amenity and recreation / leisure facilities. The accessibility of Melbourne to the region adds to its liveability. The high level of liveability is driving increases in the population of the region, particularly in the areas closest to Melbourne. Being able to access many higher order social and health services within the region adds to positive perceptions of the region's desirability as a place to live.

Regional arts, creative, recreational and sporting facilities

Background

The region has a proud sporting history and is well served with significant art, creative, sporting and recreational industries and assets. Over 64% of the population are a member of an organised group, equal to Regional Victorian averages and exceeding the State average of 61% (RDV(a), 2013; RDV(b), 2013).

Analysis, challenges and opportunities

The Grampians region contains major and significant art galleries, festivals and creative industries, many centred around townships that have built significant, (often nationally and internationally recognised)

reputations based on these industries, for example Daylesford (Hepburn). The University of Ballarat’s arts campus is located in the CBD of the city, bringing a creative flavour to the centre of the region’s major urban centre. Major theatres and performing arts facilities are located across the region, many utilised for a strong creative arts focus supported by the region’s secondary and tertiary education institutions.

The region’s sporting facilities and infrastructure is of a high standard with a range of sporting activities catered for. Major assets include the Stawell Easter Gift, Australia’s premier footrace, AFL and first class accredited cricket accredited facilities in Ballarat, significant horse racing facilities across the region and recently announced upgrades to Ballarat’s soccer facilities will create a world class facility. This combination of assets adds to the region’s liveability, health and well-being as well as playing a role in promoting the region’s tourism. The high proportion of the population who are active in an organised group is partially attributable to the quality and access of the region’s arts, creative, recreational and sporting facilities.

Population

Background

The current population of the region is currently around 217,000. The expected population of the region to 2031 is shown in Fig.2.

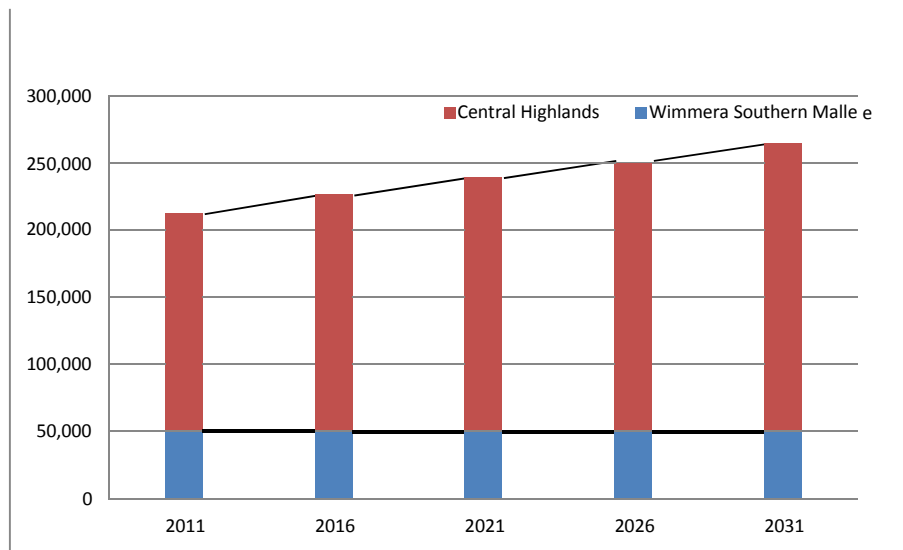


Figure 2 Grampians Region - Population growth (2011 - 2031) (2011 – 2031). Source: VIF, 2013

Fig. 3 shows the changing demographics of the region from 2011 to 2031.

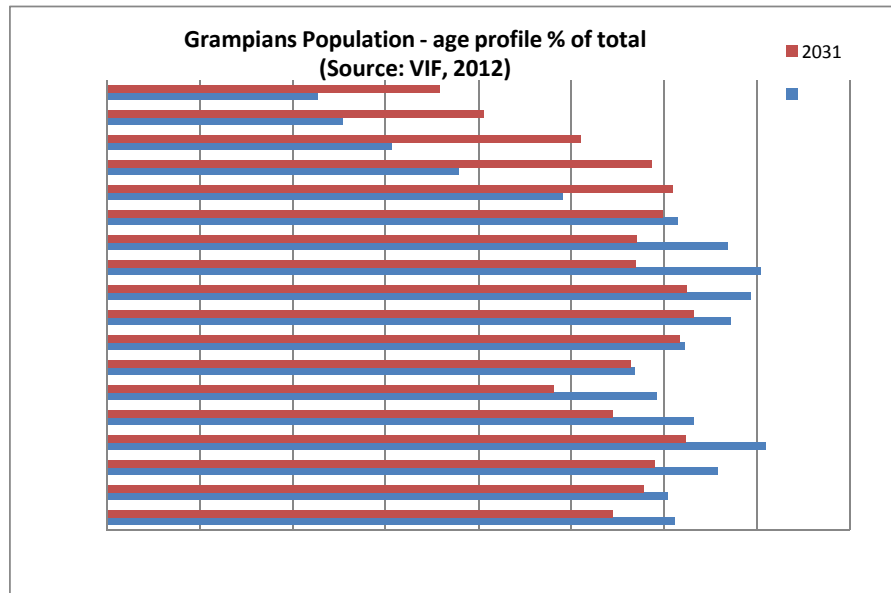


Figure 3 Grampians Population - age profile % of total. Source: VIF, 2012.

Analysis, challenges and opportunities

The population of the Grampians region is expected to increase to over 264,000 over this time, an annual average growth rate of 1.2%. This is comparable to Regional Victorian State averages over the same period (VIF, 2012). Over the period to 2031, the Central Highland sub-region will have average annual population growth of around 2%, while the Wimmera Southern Mallee Region’s population will remain largely unchanged (VIF, 2012)

Population growth, like many of the indicators of the region reflects a region of contrasting parts. Historically the average annual growth rate of the Wimmera Southern Mallee sub-region declined by 0.5% over the period 1997-2012 (RDV(b), 2013) and the population of the Central Highlands Region increased by 1.0% over the same time frame. (RDV(a), 2013).

Increase in population impacts on the economic output of the region. Population growth in the Central Highlands region has contributed 1% of the 3.4% average increase in economic output over the period 1997:2012 (compared to a State average of 3.3% and Regional Victorian average of 2.0%) in this sub-region (RDV(a), 2013). The impact of the negative growth in the Wimmera Southern Mallee region reduced the growth in GRP/capital from 1.9% to 1.4% over the same period (RDV(b), 2013).

There is a considerable ageing effect of the population with the percentage over 65 increasing from 16.6% in 2011 to 24.6% in 2031 (VIF, 2012). With the percentage of under 15 years static at around 18%, there will be an increase in the dependency ratio, a measure of the workforce in a region compared to those over 65 years. This increase indicates that there is likely to be a workforce / skills shortage unless there is an increase in the labour force participation rate of those over 65 years and / or additional labour / skills can be recruited into the region.

The region will come under increasing health and ageing related issues with the percentage of those over 65 increasing from 16.6% in 2011 to 24.6% by 2031 (VIF, 2012). Not only will the capacities of the region’s service providers have to be increased to overcome the growing number of the population over 65 years of

age, but so too will the ability of those needing services to be able to access them. Internet and broadband technologies have a role to play in assisting to deal with this issue, however managing the intra-regional migration of people into town and communities that have more immediate access to health; ageing and well-being related services can be expected. Appropriate housing stock will be required to facilitate and accommodate this movement of people, as will ensuring sufficient and appropriate community and social infrastructure are available and accessible.

Migration cultural and diversity

Background

Migration patterns reflect strong migration into the eastern parts of the region, notably Ballarat. This migration is occurring from within the region itself and also from outside the region, with over 4,700 residents migrating to the Ballarat region over the period 2006-2011, with 2,000 being overseas immigrants (RDV(a), 2012).

The largest migration loss was to Queensland, possibly comprising young adults, families and retirees pursuing work opportunities or lifestyle options.

Analysis, challenges and opportunities

As a result of the migration flows into and out of the region, particularly those residents who migrate from overseas, the cultural mix of the region is changing. This trend expected to continue into the future. Despite these positive changes, there remains a perception of low levels of multiculturalism with the percentage of the population that believes their region enjoys multiculturalism is 64%, below the Regional Victorian average of 65% and State-wide average of 76%. Ballarat (68%), Horsham (69%) and Hepburn (70%) rank highest in this measure, likely due to the influence of a higher number of overseas residents and tourists.

There is a large amount of intra-regional migration occurring, principally from west to east as residents move to the larger centres of Horsham and particularly Ballarat in search of services (retired farmers) opportunity and education (younger people). Many younger people leave the region, relocating to Melbourne or other State capitals for education and lifestyle reasons.

Summary of opportunities for sustainable (economic, environmental and social) communities and population growth

The Grampians region has a unique combination of economic, environmental and social assets. Opportunities to build on this include:

- The increase in cultural diversity presents a range of cultural and lifestyle opportunities to enhance the region's liveability from food and wine, theatre, education and regional exchanges of people, business and ideas.
- Improving employment, education and lifestyle choices for younger people will reduce the number of young people leaving the region.
- Further investment in water storages and further investment in recycling facilities will enhance the gains made through the pipeline investment. Incremental improvements in facilities to improve water quality will also be made.

- Continued and ongoing improvement in the region's water catchments and waterways will deliver environmental benefits to the region
- The Grampians region will actively pursue renewable energy generation alternatives. Solar, wind and biomass power are being investigated at present and offer the opportunity to build on the regions existing renewable energy assets, which include large wind farms at Waubra, Buangor and the approval of the largest wind farm in the Southern Hemisphere at Stockyard Hill, just outside Ballarat.
- Opportunities for bio-char and carbon farming have also been identified within the region.
- Continued revitalisation of the Ballarat and Horsham CBD's, including key precincts such as the University of Ballarat's city campus and Lydiard street rail precinct.
- Development of the Ballarat West Employment Zone, the region's key industrial development site which has capacity for around 9,000 new jobs.
- Ensuring sufficient and appropriate housing supply is available across the region.
- Improving the liveability of the region's numerous small towns to encourage infill liveability opportunities in these towns and communities.

5.3.3 Access to international, national and regional markets

Current and future trade patterns

The international export profile of the Grampians region is outlined in Fig. 4

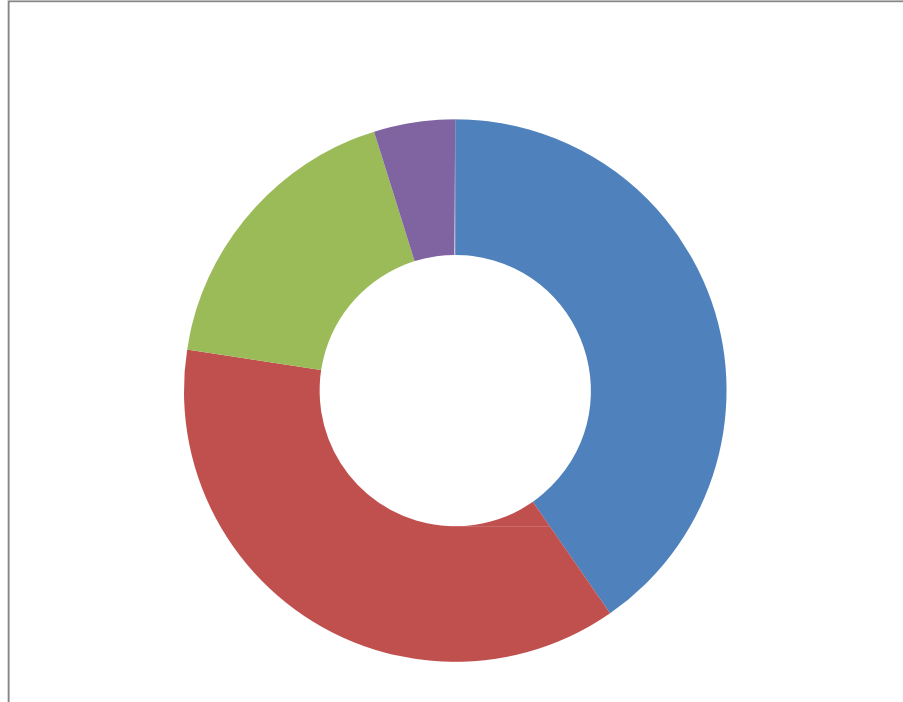


Figure 4 Export composition % of total exports (2011). Source RDV(a), 2013; RDV(b), 2013.

Total exports in 2011 totalled more than \$1.2b, which is around 17% of total regional output. The average annual growth rate of exports between 2001 and 2011 is around 4%. Major export sectors are Agriculture \$500m, manufacturing \$460m and mining \$220m.

Analysis, challenges and opportunities

The majority (around 60%) of the agricultural production is exported, which is expected to at least continue in line with increased global demand for food and food systems technologies. Much of the manufacturing export base is food related, and this too is expected to increase commensurate with increasing global demand for food.

Should mineral sands development proceed, it is expected that nearly 100% of product mined will be exported overseas for value adding. It is also anticipated that there is increased export of education, health and tourism related services.

At a high level, the rate of increase of exports should continue at levels exceeding Victorian and regional Victorian averages, with the diversity of goods and services export also increasing.

Regional communication

Background

The percentage of dwellings connected to the internet is 64%, above the Regional Victorian average of 58%, but below the State average of 66%. Several LGA's have connection rates below 50%.

NBN has been implemented in parts of the region, for example Bacchus Marsh and is currently being implemented in other parts, for example Central Ballarat however the roll out across the remainder of Ballarat will not be completed until at least 2014. The roll-out of the NBN across the broader region will not be completed until 2016 and beyond. Much of the region will rely on wireless and satellite for services.

Analysis, challenges and opportunities

Although the current disparity in the number of dwellings connected to internet likely reflects an older demographic in those LGA's where connectivity rates are low, lifting the connection ratio will be critical to assisting to ensuring equity of access to services and economic opportunity.

The region has demonstrated advantages in the area of ICT and while the expected roll out profile is superior to many regions, the variability in the profile across the region and the expected differences in the quality of the broadband across the region presents some difficulties for some ICT service providers, for example educational and health providers who require a consistent level of quality across the region in order to deliver equity and consistent service offerings.

Building on the region's ICT related strengths is important to increasing the region's productivity and competitiveness as well as improving the region's liveability and access to critical services and the response of emergency services. Broadband will support the development of significant local industries such as advanced manufacturing, tourism, education, health, ICT and professional services.

Regional networks and industry clusters

Background

The region has a range of clusters, from groupings such as Regional Universities network, Birchip Cropping Group, Ballarat ICT, strong industry groups (may qualify as 'clusters') such as AIG, VECCI, Regional Tourism Association, Wimmera Grains Cluster, Wimmera manufacturers network, Wimmera Development Association, Ballarat University Technology Park, Ballarat West Employment Zone, Champions of the Bush, Ballarat Manufacturers Productivity Network, Leadership Ballarat and Western Region, Committee for Ballarat and the Grains Innovation Park.

Analysis, challenges and opportunities

The continued growth and development of the region's clusters through improving industry leadership, marketing and business development is an important element to building on the economic strength of the region.

Summary of opportunities for access to international, national and regional markets

There are major opportunities to improve the Region's access to international, national and regional markets including:

- The strength of the region's clusters can play a key role in opening opportunities in new markets, nationally and internationally, as can creating a common regional brand embodying the qualities of the Grampians region.

- Increasing the broadband connectivity of the region through increasing the ratio of dwellings to internet to help ensure equity of access to services and economic opportunity which will increasingly be sourced via the internet.
- Ensuring business productivity increases can be achieved through improved internet connectivity on V/Line rail services which are increasingly being used by commercial travellers and commuters.
- Continued development of the regions infrastructure linkages with specific focus on the key north-south road and rail corridors and those between other regional cities particularly those between Ballarat-Bendigo-Geelong
- Improving the inter-regional and intra-region rail and road linkages will open up opportunities for the increased movement of people into and within the region.
- Continued development of the region's key freight and logistics hubs such as the intermodal developments at Ballarat and Dooen (outside Horsham) and aerodrome assets will increasingly allow the movement of freight and people to take up opportunities in other regions, such as fly in, fly out mining opportunities
- Completing key by-passes of Horsham, Beaufort and Ararat will improve productivity and competitiveness, but also enhance the liveability of these townships which will come under increasing threat as freight volumes dramatically increase.

5.3.4 Comparative advantages and business competitiveness

Regional economic strengths

The Grampians has some compelling economic strengths including:

- Education infrastructure, institutions and delivery model of postsecondary school education (university and vocational education and training) provided by the University of Ballarat. This is complimented by high quality secondary schools across the region and the presence of other major educational institutions across the region;
- Built heritage; including goldfields heritage and unique landscapes such as the Grampians National Park which has been leveraged into a significant tourism industry and provides a cornerstone of the region's high levels of liveability;
- A significant and growing health and wellbeing industry with major health related infrastructure located throughout the region;
- ICT sector capabilities and industry rated in September 2012 by IT consulting firm capioIT as the most competitive location in Australia for the delivery of IT and business process services (capioIT, 2012);
- Manufacturing sector capabilities, with notably a highly developed and integrated food production manufacturing sub-sector;
- Strong forecast growth in knowledge intensive sectors – professional, scientific and technical services, and financial and insurance services;
- Significant productive land and soils, used to generate over 50% of Victoria's total grain crop, oilseeds and pulses. This has been complimented by the recently completed Wimmera-Mallee pipeline which provides security of water supply to much of the region's food production areas;
- Proximity, integration and linkages to Melbourne;
- High levels of vocationally trained and an increasing number of university educated workforce; and
- Well-developed transport infrastructure linking the region to other regions and key market access points.

These strengths demonstrate a highly productive regional economy with traditional strength in manufacturing and agriculture and growing knowledge based sectors in health, education and professional services. These strengths are underpinned by well-established infrastructure, close proximity and linkages to Melbourne and market access, and high quality of liveability for the region's residents.

Analysis, challenges and opportunities

Mining

The regions comparative advantages present significant economic and green economy opportunities. With the potential to service over 15% of the worlds demand in mineral sands for the next 40 years the region's mineral sands industry could develop into an industry of international importance. The development of the

industry is aligned to State Government economic action plan, Securing Victoria's Economy which aims to make Victoria a global hub of mining and mining services (SED Advisory, 2013).

Agriculture

The region is home to a large and nationally significant agricultural industry. The industry has a GRP in 2011 of over \$800m, or 11% of the economy's output. Agriculture is the second largest export earner with around \$500m exported in 2011 (RDV(a), 2013; RDV(b), 2013). The industry is forecast to grow to around 18% of the region's output by 2031 as global demand for food and food production increases (RDV (b), 2012).

The Wimmera–Mallee pipeline has provided certainty of water to much of the region's key agricultural production regions. This together with the region's highly productive soils and established education and agricultural industry clusters will underpin the development of the sector.

The agricultural industry has strong linkages with the local manufacturing industry, with over 34% of the manufacturing industry being food product manufacturing (RDV(a), 2012), the largest manufacturing sub sector in the region. Manufacturing is the largest export sector, exporting over \$2.8b in 2011. The region is home to a highly developed advanced manufacturing sector, with over 34% of the manufacturing sector currently employed in high technology manufacture. The region's manufacturing is highly advanced compared to Regional Victoria (28%), only slightly behind the Victorian' average of 38%. (RDV(a), 2013; RDV(b), 2013)

Renewable energy

The region has an abundance of natural resources that can be further developed to support additional renewable energy, predominately wind and biomass. The opportunity to link local energy production to new industrial development, increasing the region's energy self-reliance, is being actively pursued. Carbon farming in the region's less productive land mass is also an opportunity for the region.

Transport infrastructure and location

Capitalising on the location of the region along the nation's major east – west road and rail route, and with key intersection points with the major north – south routes, the region can continue to build a major logistics industry. This can be further enhanced through building of industry linkages north –south in addition to the existing east –west corridor.

The principal infrastructure challenges for the region pertain to supporting the expected population growth and liveability and ensuring local industry can continue to grow, increase productivity and its competitiveness. The growth in freight (estimated to be 2.5 times current levels) (Central Highlands Majors and CEO's forum, 2010) will create bottlenecks on road and rail systems. Poor infrastructure connectivity between the regional cities of Ballarat, Bendigo and Geelong limits the exchange of people and industry between these major centres.

Existing bottlenecks exist on passenger rail services required to move significant numbers of commuters (estimated to be 3,000 daily, RDV(a), 2013) between Melbourne and Ballarat. Limited internet connectivity on rail services limits productivity opportunities for business travellers (Ballarat ICT, 2012).

Health

The health industry will continue to grow to support the changes in the region's population and demography. The share of the local economy is expected to increase from 9.5% in 2011 to over 14% in 2031 (RDV(a), 2013; RDV(b), 2013). The use of new ICT related technologies, the development of new skills and overcoming skills shortages will be critical to enabling this growth to occur.

Service industries

To support the forecast growth in the region's population, there will be increases in size and sophistication of key service industries. The proximity and linkages to Melbourne, high levels of liveability, broadband capabilities lower cost of labour and land (rentals, ownership) opens up the possibility for further growth in professional service firms, whose output is expected to increase from 5.7% of the regional economy to 8.7% between 2011 and 2031 (RDV(a), 2013; RDV(b), 2013).

Common to the region's development opportunities is the region's strength in ICT and technology related skills, infrastructure and industry. The underlying strength in education and industry and the continued and ongoing development, growth and collaboration between the sectors will be important in delivering on the region's competitive and comparative advantages.

Summary of opportunities comparative advantages and business competitiveness

The region can continue to build on its comparative advantages and business competitiveness in the following ways:

- Support the growth and development of the tourism industry on the back of the region's world class heritage, landscapes and assets. This will include supporting the development of key tourism infrastructure throughout the region and linking of the industry to the key other key tourism regions.
- The importance of the continued development of the key export access infrastructure (Portland, Melbourne, Geelong seaports and Tullamarine and Avalon airports), although outside the region is seen as vital to support the continued growth and development of the Grampians region and to facilitate growth in export related industries.
- Utilising broadband will be used to assist the region construct a comparative advantage in agriculture through turning data and information collected through the network into knowledge, resulting in higher productivity, response rates as well as opening up new national and international markets. This is a potential revolutionary change which through the leverage of technology and regional skills will create a long term, and internationally resistant constructed competitive advantage for the businesses of the region.
- The expected increase in demand will support the development of higher value agri-businesses, bio-food and bio-agriculture, agri-technology, many of whom who will use of information and through the skills of its workforce, turn this into knowledge and commercial value. There will be expanded research and development related activities
- Increasing global demand for food offers the opportunity for the food manufacturing and processing sector to move to a higher technology platform supporting the agricultural sectors increasing productivity needs.
- The region's major hospitals are in a position to develop into significant research hospitals in a range of areas including regional medicine, e-health and regional health delivery.
- Growth and increased sophistication of the region's professional and technical service firms.
- Growth and development of the region's mineral sands industry to become an internationally significant industry, potentially with the establishment of further value adding production and services.

6 Regional priorities

At the highest level the regional priority is to increase regional investment, jobs and liveability. The strategies for achieving this have been developed through the preparation of the region's two sub-regional plans and their refinement through the lens of the RASC 5 determinants for long term economic growth. This work has been further informed by the economic analysis provided in the RDV Regional Economic Profile. The focus areas were developed by consolidating the work streams of each sub-regional plan into a single regional set. The development of work streams for each plan went through a considerable public consultation at the time they were written and as a result have broad acceptance of their alignment to local government priorities.

Analysis of the growth factors, regional strategies and reports suggests that the region's competitive strengths include:

Wimmera Southern Mallee

- Wimmera Mallee pipeline that provides stronger water security and opportunities for agricultural diversification.
- Existing energy infrastructure (Horsham and Northern Grampians) and potential for renewable energy investment (particularly solar).
- Growth and future potential of mining (Heavy Mineral Sands and Gypsum).
- Innovation capabilities including agricultural R&D institutions, industry networks, and the Wimmera Development Association.
- Industry diversification within Horsham including growth of business services, construction, transport and manufacturing.
- Strategic transport linkages between Melbourne and Adelaide, and between the north-west of the State and Portland.
- High levels of amenity, social capital, and affordable housing.
- Natural environment, tourism related activities and biodiversity within the Grampians, Little Desert and Wyperfield National Parks.

Central Highlands

- Human capital endowment of the region including comparatively high levels of tertiary attainment in Ballarat and Hepburn, and the University of Ballarat and the Australian Catholic University.
- High levels of amenity, goldfields heritage and landscapes that provides the basis for a diverse range of tourism experiences
- High technology and specialist skills associated with information and telecommunications and mining support services, and the local manufacturing sector (food and transport equipment)
- Early roll-out of the National Broadband Network (NBN)
- Trunk water and energy infrastructure in Ballarat and Moorabool that can support a range of manufacturing and agricultural activities
- Agricultural specialization in vegetable growing and favourable soil and climate conditions in Ballarat, Ararat and Golden Plains
- Growth of Ballarat, which has an increasingly diverse economy, high levels of amenity and affordable housing, and access to Melbourne

Constraints to the region's growth include:

Wimmera Southern Mallee

- A relatively less diverse economy (concentrated mainly on agriculture) leaving the region vulnerable to changing market conditions for key commodities and a variable climate.
- Lower educational attainment coupled with loss of working age population.
- Skills gaps within key sectors such as transport, health, construction and agriculture.
- Bottlenecks and logistics constraints for key export sectors (mining and agriculture)
- Access and use of internet for households, public service providers, and business.

Central Highlands

- Comparatively lower levels of Year 12 attainment and workforce participation (particularly in Ararat and Pyrenees)
- North-south freight capacity including links to Portland and Geelong ports
- Public transport options for people in smaller centres to access services in Ballarat (Golden Plains, Pyrenees, Hepburn)
- Lower levels of innovation (measured by patents) given the regions strengths in higher education and high technology industries

Strategies to capitalise on these competitive strengths and minimise growth constraints to increase regional investment, jobs and liveability are presented below.

The strategies are based on the RASC key determinants of long term regional growth which have been refined to provide additional focus within the Grampians context.

6.1 Improve cooperation

This strategy will focus on addressing a lack of cooperation across sectors and governments which restricts effective planning for the region. It builds on RASC determinant 5 and seeks an outcome of "an effective regional governance system that considers regional implications above local and sectorial interests".

6.2 Increase human capital

This strategy recognises that restricted access to human capital reduces regional business growth opportunities. It builds on RASC determinant 1 and seeks an outcome of improved education / training and migration pathways to provide a more competitive labour pool.

6.3 Improve infrastructure

This strategy recognising that distance and ageing infrastructure limits access to product and labour markets. It builds on RASC determinant 3 and seeks an outcome where high performing regional infrastructure improves market access and business growth.

6.4 Plan for population change

This strategy acknowledges the two speed population growth patterns in the region, rapid population growth in the east and declining populations in the west. This creates service challenges for business and government. It builds on RASC determinant 4 and seeks an outcome of government programs being appropriate for regional needs and services planned in recognition of demographic shifts.

6.5 Improve regional attractiveness

This strategy highlights the need for the region's comparative advantages to be better described so they are more meaningful to target markets and audiences. Failure to do this will limit regional attractiveness. It builds on RASC determinant 2 and seeks an outcome where clear articulation of comparative advantages, based on attributes salient to key audiences' drives improved economic, social and environmental sustainability.

6.6 Focus areas

To deliver on these strategies the Grampians RDA will focus on projects that:

- Increase infrastructure investment
- Build on the regions comparative advantages
- Improve pathways between business and education providers
- Increase workforce opportunities
- Support regional service planning
- Encourage stakeholder acceptance of Regional Growth Plans
- Support digital enterprise and inclusion

7 RDA initiatives

Strategy 1: Improve Cooperation
An effective regional governance system that considers regional implications above local and sectoral interests
RDA Initiatives
<ul style="list-style-type: none">✓ Revitalisation of regional governance✓ Fostering evidence based decision making✓ Stimulate regional thinking
Strategy 2 Increase Human Capital
Improved education / training and migration pathways to provide a more competitive labour pool
RDA Initiatives
<ul style="list-style-type: none">✓ Support regional workforce development through sub-regional forums
Strategy 3 Improve Infrastructure
High performing regional infrastructure improves market access and business growth
RDA Initiatives
<ul style="list-style-type: none">✓ Supporting business case development of priority regional infrastructure projects✓ Advocating for regional priorities✓ Supporting dialogues on regional needs
Strategy 4 Plan for Population Change
Government programs being appropriate for regional needs and services planned in recognition of demographic shifts
RDA Initiatives
<ul style="list-style-type: none">✓ Support research to identify solutions to regional issues✓ Support the implementation of the Regional Growth Plans✓ Advise governments on regional policy implications✓ Support service planning initiatives addressing demographic challenges
Strategy 5 Improve Regional Attractiveness
Region's comparative advantages to be better described so they are more meaningful to target markets and audiences
RDA Initiatives
<ul style="list-style-type: none">✓ Support initiatives that clarify comparative advantages

8 Source Documents

Ballarat ICT, 2012	Analysis of internet on trains and productivity impacts report	<i>May 2012, SED Advisory for Ballarat ICT and RDA Grampians</i>
DPCD 2013	Draft Central Highlands Regional Growth Plan, Draft Wimmera Southern Mallee Regional Growth Plan	<i>June 2013, State of Victoria through Department of Planning and Community Development</i>
RDV(b)	Regional Economic Profile - Wimmera	<i>2012 & 2013, Regional Development Victoria</i>
RDV(a)	Regional Economic Profile – Central Highlands	<i>2012 & 2013, Regional Development Victoria</i>
SED Advisory, 2012	Wimmera Southern Mallee Mining Sector Plan	<i>December 2012, SED Advisory for Wimmera Development Association</i>
Grampians RDA, 2012	Workforce Development in the Grampians Region report	<i>April 2012, University of Ballarat for RDA Grampians</i>
VIF, 2012	Victoria in the Future	<i>2012, Victorian State Government</i>
capioIT, 2012	Central Highland Regional Economic Work: p12	<i>Invest Victoria 2013</i>

Attachment 1 - Victorian Approach to Regional Economic Analysis

Purpose

To outline the RDV approach to regional economic analysis, and alignment with the RASC framework for regional economic development.

Policy context

The Victorian Government has a goal to achieve more balanced growth across Victoria in the longer term. There are a range of policy directions relevant to this overarching goal:

- Targeted investments to accelerate the growth of the regional cities and maximise the inherent cost and lifestyle advantages compared to Melbourne.
- Grow export markets by better linking Victoria's natural advantages in food production and mineral extraction to consumers and businesses in growing Asian markets .
- Supporting industries and employees in transition by growing new markets, equipping people with new skills and encouraging innovation.
- Attracting population to regional Victoria by promoting the benefits of living and working in rural and regional areas.

There is a strong body of evidence internationally that accelerating growth in regional cities and rural regions can improve long term aggregate economic performance¹. This requires a place-based approach where policies are designed with a detailed understanding of the unique growth enablers and constraints within each region, and includes a simultaneous focus on building human capital, promoting innovation and investing in infrastructure.

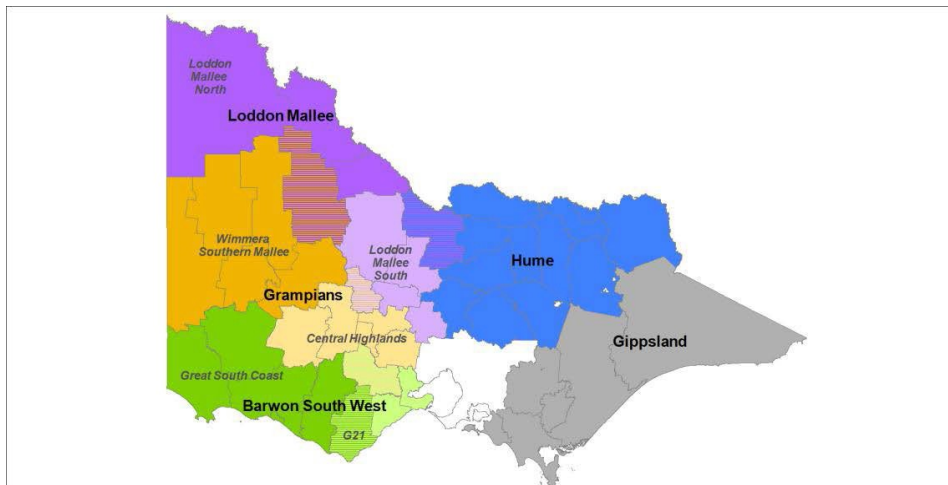
The Victorian Government's integrated approach to regional and rural development is based on empowering communities to make decisions and is backed by a significant package of targeted funding programs. The centre piece of the government's regional development policy is the \$1 billion Regional Growth Fund (RGF), with \$500 million available from the fund over the four years from 2011-12 to 2014-15. Regional Strategic Plans provide a platform for regions to identify priorities and act on them.

Role of RDV in Regional Strategic Planning

There are eight Regional Strategic Planning groups across the State that aligns with Regional Development Australia Committees (Figure 1).

Figure 1: Victoria's Regional Strategic Planning areas

¹ OECD (2011) *OECD Regional Outlook – Building Resilient Regions for Stronger Economies*, OECD: Paris.



Each of these Regional Strategic Plans generally includes:

- Analysis of economic, social and environmental performance, outcomes and challenges;
- A strategic positioning statement for the future
- Regional strategic directions highlighting priority areas for coordinated support and action; and,
- Projects to be delivered articulated in short-medium and long term aspiration timeframes.

Regional Development Victoria's ongoing roles in regional strategic planning has been to create a supporting research and evidence-base, provide technical advice, policy leadership and strengthen collaboration in the implementation of regional priorities. A Regional Development Inter Departmental Committee (IDC), chaired by the CEO of RDV and including Deputy Secretary's from all State Departments, was established to provide a pathway into Government for large scale projects that cut across portfolio responsibilities.

Developing a regional information base

The initial development of the Regional Strategic Planning (RSP) model had identified the need to develop a strong evidence base for quality regional planning. RDV had initially played this role through commissioning and brokering a range of reports to develop RSPs in 2010, which were made available to regional leadership groups. The new Victorian Government elected in 2010 has a strong focus on productivity and exports, and accelerating regional growth. This shift in policy focus led to a decision in mid-2011 to review and refresh RDV's information base and identify ways to improve it. RDV undertook a systematic review of past work in Victoria, the national and international literature on regional economic development, engaged with other State Departments and agencies, and national and international experts in this field. Three areas of focus were identified from this initial scoping:

- the need to develop some generalised understandings about regional growth trends and drivers through some quantitative analysis;
- more detailed economic profiling of the RSP areas and the regional cities; and,

- an updated view of the policy levers available to accelerate regional economic growth.

Scoping briefs were prepared for each of these components.

These ideas were then tested again with key stakeholders and experts and the following key products were identified:

- Overview of Victoria’s economic and industry performance to identify the context for economic performance in the regions
- Comparative analysis of regional economic performance to understand the relative contribution of regions to aggregate growth, and identify factors explaining differences in growth rates between them.
- An economic profile of each Regional Strategic Planning area in the State which could outline headline growth performance, key industries, economic flows and interactions, growth outlook and strategic options to promote growth.
- A more detailed economic profile of each regional city which could provide in-depth evaluation of the competitiveness of each location, and options to promote growth.
- Development of a ‘tool-kit’ of policy levers which could help realise these strategic options.

Framework for RDV regional economic analysis and profiling

Economic geography

The first step in constructing a consistent framework for the analysis was identifying an appropriate economic geography for the analysis. It was recognised this would have to reflect both local economic functions and the integration of these locations into global supply chains. The initial engagement, and the policy and literature review identified led to the following integrated spatial framework (Table 1).

Table 1: Spatial framework for the framework

Element	Definition
Functional economic regions	Clusters of Local Government Areas (LGA) with a high level of labour market integration indicating that employment generated in these areas benefits these residents and income earned is spent within them.
Urban and rural interaction	Urban agglomerations of population and employment that provide services to a broader rural hinterland. Defined by size and functional role.
Economic flows and interactions	Magnitude of economic flows defined by the volume of traffic on key arterial routes, directions of commuter travel, and estimated imports and exports from the region.
Institutional arrangements	Clusters of Local Government Areas working together through RSPs

The geography of our work, by definition, is groupings of LGA with a hierarchy of settlements reflecting functional relationships as well as concentrations of economic activity that are linked into national and international value chains.

Defining headline regional growth performance

The second step involved defining headline regional economic performance. A traditional economic framework was drawn upon to understand regional growth whilst also arguing that contemporary regional development is also dependent upon regions defining aspirations and priorities. The working definition of regional growth was drawn from these two key ideas: *an increasing, sustainable and inclusive state of growth in the regional economy's productive capacity, arrived at through the efforts of regional stakeholders and leading to an increase in income.* Growth in regional income (value-added) is the key measure of growth under this definition. The structural drivers of this growth are productivity, workforce participation and population growth. Gross value-added, productivity, labour force participation/ employment and population were selected as a basket of headline indicators to measure headline city and regional economic performance.

Regional growth factors

The third step involved reviewing the academic and grey literature to categorise key theories seeking to explain differences in economic performance between regions (Table 2).

Table 2: Key ideas about the causes of regional growth

Growth Theory	Key idea
Neoclassical (comparative advantage)	Differences in economic activity between areas arise due to natural endowments and the accumulation of physical and human capital. Inter-regional convergence will occur due to lower costs and technological transfers to lagging regions.
Endogenous growth (e.g. knowledge spillovers)	Differences in economic activity between areas explained by increasing returns from advantages within the region associated with R&D expenditure, entrepreneurship, skills, specialised infrastructure, local networks and technologies.
Trade based growth theories (e.g. Export/ Keynesian, and Porter's competitive advantage)	Differences in economic activity between areas explained by the location of firms embedded in local supply chains that can generate export income, and the capacity to retain those advantages through innovation and investment in networks, skills and infrastructure.
Spatial growth models (e.g. New Economic Geography)	Differences in economic activity between areas explained by forces associated with agglomeration benefits, congestion and transport costs.
Cultural economy theories (e.g. Florida's creative class)	Differences in economic activity between areas influenced by the efficacy of local institutions and quality of life factors that are important for creative knowledge-based industries.

This literature was also reviewed to develop a clear definition of growth factors which aligned with these different theories of regional growth:

- human capital - the quantity, quality and diversity (in terms of skill set) of the labour force in an area.

- innovation/technology – new ideas and techniques that lead to more efficient processes and new products.
- agglomeration – benefits that arise from interdependencies across complementary economic activities which give rise to increasing returns.
- physical capital - includes hard infrastructure such as roads, railways, ports, broadband, water, energy and soft infrastructure related to research and development, innovation, training and education (e.g. schools, colleges, universities) community development and health care (e.g. hospitals).
- social capital/quality of life - the ‘soft determinants’ of economic performance which includes social institutions and structures, emergence of knowledge-oriented industries and quality of life/liveability factors.
- natural capital – land, water, mineral endowments, and physical attributes of the region.
- economic diversity/industry mix – refers to the extent of diversity of the economic base in the area (in terms of employment and industry gross value added), and the export base of the region.

A review was then undertaken of various studies that examine the competitiveness of cities and regions from a global or national perspective to identify relevant measures for each of these growth factors. A database was assembled for each LGA in Victoria to populate this framework. The core data sets about headline performance have been drawn from a regionalised input output model for gross value added by industry and exports/ imports, and Australian Bureau of Statistics (ABS) census and other data for population, employment and workforce participation. A range of other place-based information was also collected including administrative data on road utilisation, land supply, and post secondary education. The indicators and indices used to measure these factors, and other place-based data is identified in [Table 3](#).

Table 3: Indicators and data sources for the regional growth factors

Regional growth factors	Example indicators	Other information sources (examples)
Human capital	<ul style="list-style-type: none"> • Proportion of workforce with higher education qualifications • Proportion of population aged 15–19 years not engaged in work or further education and training 	<ul style="list-style-type: none"> • Regional TAFE and university courses
Innovation/ technology	<ul style="list-style-type: none"> • Patents per capita (number of patents per 1,000 people) five Year average (2005-2009) • Percentage of employment in high-tech manufacturing (from total manufacturing) 	<ul style="list-style-type: none"> • Agricultural research and development centres
Agglomeration	<ul style="list-style-type: none"> • Population/ GRP density. • Accessibility /proximity to inner Melbourne. 	<ul style="list-style-type: none"> • Freight traffic flows along key arterial routes
Physical capital	<ul style="list-style-type: none"> • Road density (kilometres of road per 100 square kilometres of land area) • Residential/Non- residential construction 	<ul style="list-style-type: none"> • Mapping key trunk infrastructure
Quality of life	<ul style="list-style-type: none"> • Perceptions of amenity • Member of an organised group 	<ul style="list-style-type: none"> • Major artistic and cultural facilities

Regional growth factors	Example indicators	Other information sources (examples)
Natural capital	<ul style="list-style-type: none"> • Soil quality 	<ul style="list-style-type: none"> • Mapping of key natural assets
Economic diversity/ industry mix	<ul style="list-style-type: none"> • Herfindahl-Hirsch Index of Specialisation • Locational quotient 	<ul style="list-style-type: none"> • Major employers

Policy instruments to promote regional growth

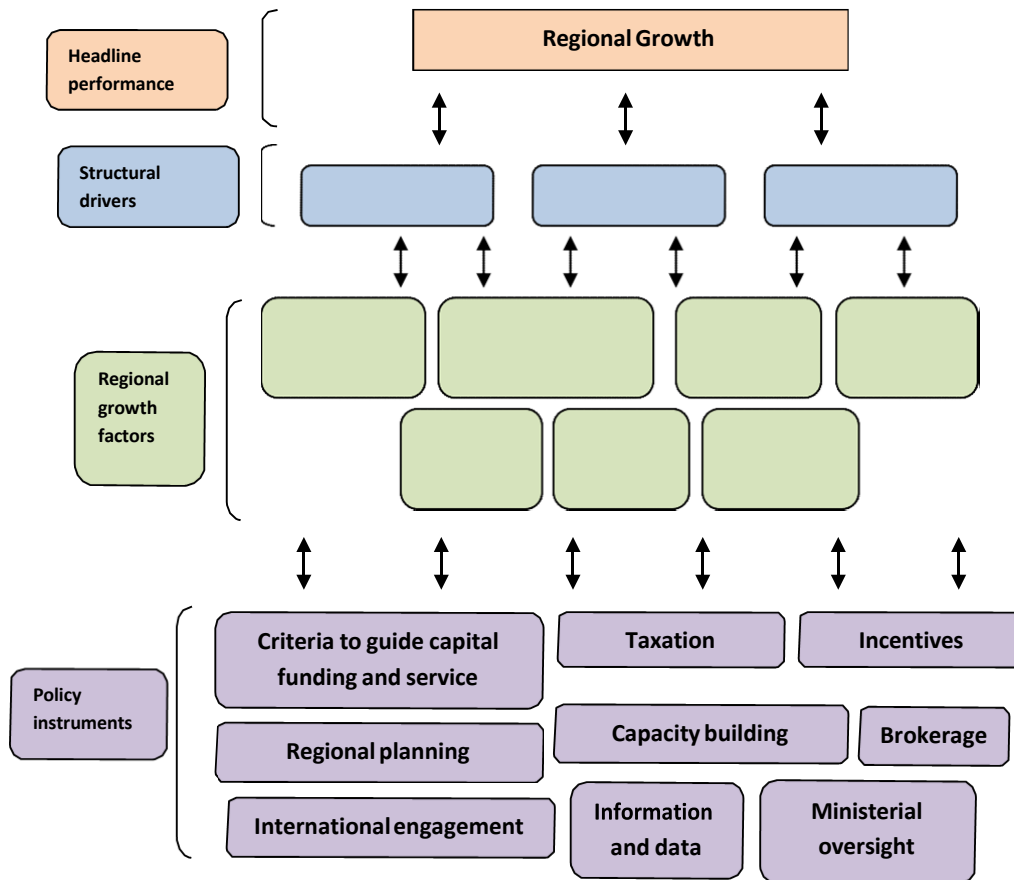
Finally a review was undertaken of the policy levers available at the level of place to influence these regional growth factors. A typology of levers was developed: criteria that guides capital funding and service delivery, information, brokerage, direct incentives to households and firms, taxation, planning, international engagement, capacity building, and Ministerial oversight. This typology was then compared and contrasted thematically with existing policy documents in Victoria and comparable jurisdictions to identify strategies that influence these growth factors at the level of place.

RDV analytical framework and methodology

Analytical framework

The analytical framework for RDV's regional economic analysis and profiling links together these different elements to provide a consistent and transparent means of examining the contribution of different factors to the growth and development of Victoria's cities and regions (Figure 3).

Figure 3: Analytical framework for RDV regional economic analysis and profiling



Methodology and use

The development of each Regional Economic Profile is undertaken using a common methodology that combines quantitative and qualitative techniques and broadly involves:

- Examining historical trends within and between regions and regional cities through techniques such as multi variable analysis, time-series analysis, and growth indexes;
- comparing performance with similar regions, and State and national trends (benchmarking analysis of growth factors, locational quotient and shift share analysis);
- developing and applying forecasts of population, industry and employment at a regional and city scale;
- identifying strategic options for growth that build on identified growth enablers and constraints;

- comparing and contrasting these findings with key documents about the economy of the region/ regional city; and,
- testing these findings with departmental staff working in the region and in specialised positions within Melbourne (which involves testing drafts of the product through workshops and also providing opportunity for written feedback).

The regional economic profiles are currently being utilised in a number of ways within RDV. This includes informing:

- Speeches and presentations by Ministers, Secretary and Senior Executives².
- Policy analysis for Budget Information Paper No.1 – Rural and Regional Victoria.
- Updates/ refresh of Regional Strategic Plans.
- Economic analysis and forecasts for Regional Growth Plans currently under development.
- Contribution to Standing Council of Regional Australia work plan on an agreed framework for regional economic development.

Alignment with the RASC Framework for Regional Economic Development

RDV is a strong supporter and participant in the national approach to regional economic development through the Regional Australia Standing Council (RASC). As part of an inter-governmental working group, RDV assisted in developing content for the framework for regional economic development. The RASC framework draws on a similar body of research and evidence about regional economic development. As a result there is strong alignment between the RASC framework and Victoria’s approach to regional economic analysis and profiling (Table 5).

Table 5: Alignment between the RASC determinants and Victoria’s framework

Key determinants	Alignment with the Victorian framework and measures
Human capital – particularly education and skills	<ul style="list-style-type: none"> ✓ Headline performance – workforce participation ✓ Human capital – skills gaps, educational attainment, and unemployment
Sustainable communities and population change	<ul style="list-style-type: none"> ✓ Headline performance – population growth and age structure ✓ Quality of life – indicators of community strength, employment in creative services, housing affordability ✓ Physical capital – residential construction, building approvals, and residential land supply
Access to markets	<ul style="list-style-type: none"> ✓ Physical capital – infrastructure density, transport services, telecommunications coverage, economic flows (commodities) ✓ Human capital – workforce catchments (functional economic areas) ✓ Agglomeration – accessibility to Melbourne
Comparative advantage and business	<ul style="list-style-type: none"> ✓ Natural capital – land productivity, minerals, rainfall and climate ✓ Innovation – patents, qualifications in science and technology,

² See - <http://www.rdv.vic.gov.au/news/the-case-for-growing-regions-up-close-and-interactive>

competitiveness	<p>industry share of high technology manufacturing and services</p> <ul style="list-style-type: none"> ✓ Physical capital – industrial land supply, non-residential construction ✓ Structural change/ industry – industry and employment specialisation, exports and economic diversity
Effective partnerships and integrated planning	<ul style="list-style-type: none"> ✓ This is considered as part of the Regional Strategic Plans, Regional Development Australia Committees, and our integrated regional delivery model (which have been reviewed and the team has engaged with in preparing the profiles).

Attached to each RDA Regional Plan template will be a regional economic profile covering the relevant non-metropolitan Regional Strategic Planning area:

- Barwon South-West: G21 and Great South Coast
- Grampians: Central highlands, and Wimmera Southern-Mallee
- Loddon Mallee: Loddon Mallee South, and Loddon Mallee North
- Hume: Hume
- Gippsland: Gippsland.

Each regional economic profile has the same elements (outlined in the table of contents), and the alignment between specific sections of the Regional Economic Profiles and the RASC determinants is outlined below (Table 6).

Table 6: Alignment between RASC determinants and relevant sections of the Regional Economic Profile

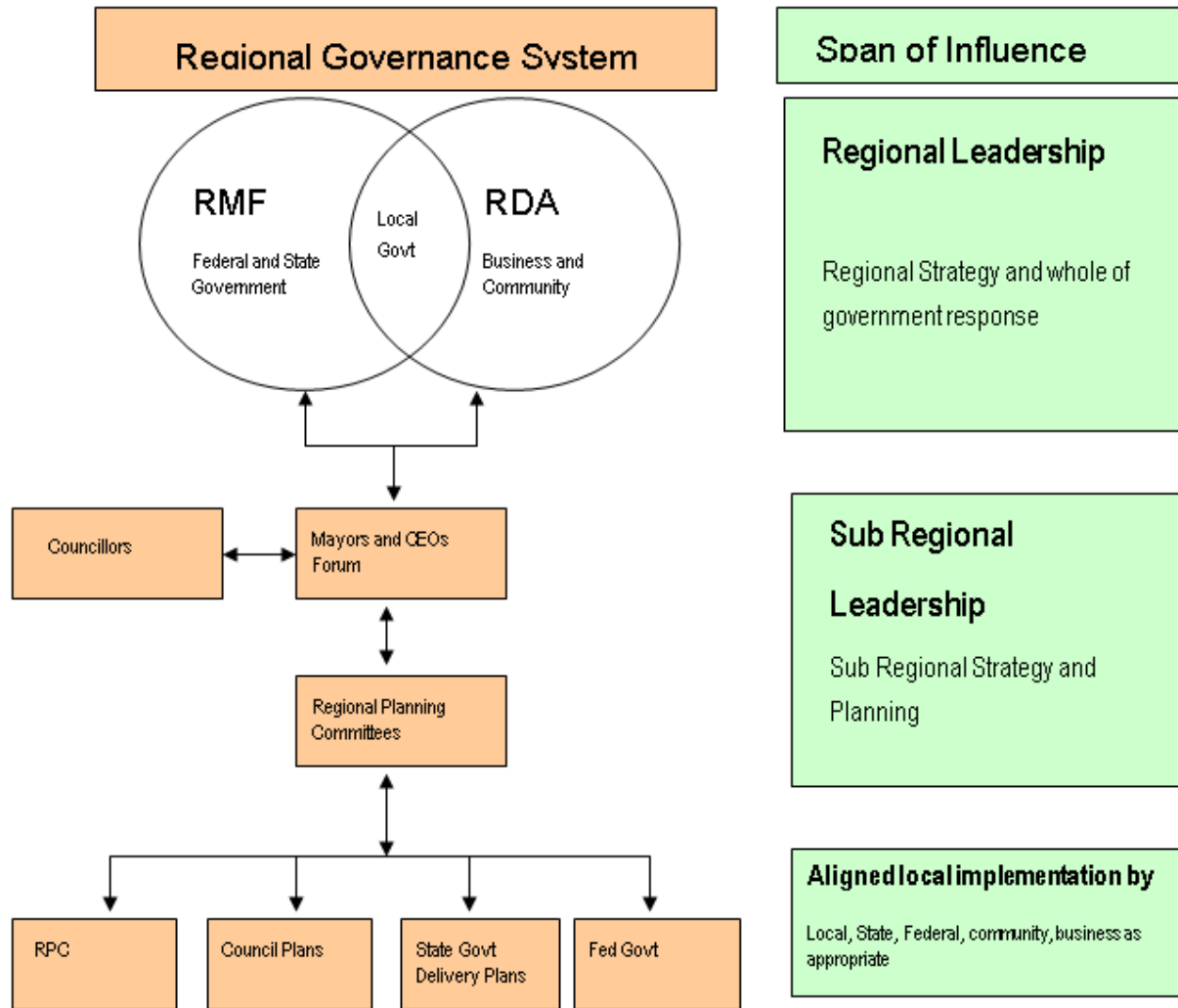
Key determinants	Relevant section in the Regional Economic Profile
Human capital – particularly education and skills	<ul style="list-style-type: none"> ✓ Section 3.2: Contemporary growth trends (labour force) ✓ Section 4.5: Journey to work patterns (also see appendix 2) ✓ Appendix 4: Human capital, Quality of life
Sustainable communities and population change	<ul style="list-style-type: none"> ✓ Section 3.2: Contemporary growth trends (population) ✓ Section 4.4: Train passenger traffic ✓ Section 5.2: Population forecast
Access to markets	<ul style="list-style-type: none"> ✓ Section 4.1: Exports and imports ✓ Section 4.2: Commodity flows ✓ Section 4.3: Road traffic flows ✓ Appendix 4: Physical capital and Agglomeration
Comparative advantage and business competitiveness	<ul style="list-style-type: none"> ✓ Section 3.1: Historical overview ✓ Section 3.3: Growth decomposition (regional productivity) ✓ Section 3.4: Industry and employment structure ✓ Section 3.5: Sectoral contribution to regional growth and change ✓ Section 5.1: Regional economic and employment forecasts (also see appendix 3) ✓ Section 6: Growth factors for long term development ✓ Appendix 4: Innovation, Economic diversity, and Natural

	capital
Effective partnerships and integrated planning	✓ Section 2.2: Regional economic policy directions (also see Appendix 5 and 6)

For any further queries and background information on these matters please contact:

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Attachment 2- Inter-governmental partnerships



The implementation and governance arrangements for the development of the Grampians Regional Strategic Plan (RSP) involved collaboration and coordination between all levels of government and related advisory bodies.

It focused on strengthening regional strategic management and implementation, and it built on the Mayors and CEOs Forum with the involvement of key agencies. Identification of effective cross sectoral and intergovernmental partnerships (including place based approaches) and integrated regional planning

There are numerous roles and responsibilities of individual stakeholders in the governance of the plan. These are designed to facilitate the implementation, monitoring, evaluation, review and refinement of the Grampians RSP into the future. The following outlines the key roles and responsibilities and outlines the governance structures established to develop and implement the RSP and its priority actions. The model is collaborative across Government and incorporates community and industry. The high level

of collaboration so far enjoyed in the development of the plan is testament to the approach.

Through the development of this plan it became apparent that local and sub-regional governance and partnerships are well advanced. This is largely due to the region utilising sub-regional planning and advocacy processes as the key mechanism for identification, prioritising and implantation of planned activities. However at the regional level planning and advocacy processes are not as well advanced increasing the likelihood of the region missing opportunities for activities of true regional scale. To improve inter-governmental partnerships in the region enhanced regional governance and processes will be pursued through either altering the scope of an existing group or the creation of a new one. A regional conversation will be commenced as a priority action of this plan with a view of delivering on the roles outlines below.

- ▶ Support the implementation of relevant priorities & participate in regional level leadership and problem solving
- ▶ Collaborate with other regional plan partners to ensure local, sub-regional and regional alignment
- ▶ Contribute to the ongoing monitoring and review of the Regional Strategic Plan
- ▶ Determine regional project priorities
- ▶ Endorse advocacy for projects of regional significance

Approach to the development of this plan has been through building on and incorporation of the activities of the two existing sub-regional plans.

1. The Central Highland Region Regional Strategic Plan
2. The Wimmera Southern Mallee Regional Strategic Plan

The Grampians Regional Management Forum, comprising representatives of local and state government, supported the planning process through a project control group. In addition the State Government facilitated consultation with key strategic partners who provided extensive input into the development of the plans. These partners included Local Government Mayors and CEOs, Grampians State Government officers, water authorities, education and health providers, Industry and employer groups, agricultural organisations and planning associations.

This method integrates place based approaches to planning as it recognises the diversity of geography, history, heritage, industry, climatic conditions, landscape and spatial variations that occur across the Grampians region. A model that did not make this distinction would have difficulty accommodating the extreme differences in these issues that occur across the region. Place based principals were adopted in development of each RSP its governance arrangements and in consideration of its implementation. These plans have been aggregated into what is now the Grampians Regional Strategic Plan.

Key actions and responsibilities have been broken up into these two sub-regions, allowing for improved governance and implementation practices to be adopted. Each sub-region has a Regional Planning Committee (RPC) which leads the development, oversight and implementation of the regional strategic plan and report to a

Mayors and CEOs Forum. Bodies such as the Regional Management Forum (RMF) and Regional Development Australia (RDA) work in partnership with this arrangement.

Effectively, the RPCs work as sub-committees of the Mayors and CEOs forums and comprise representatives from State, Federal and Local Government (through RDA & RMF membership) and other regional community and industry representatives. The role of the RPC is to:

- ▶ Coordinate the regional planning process;
- ▶ Lead the development and review of the RSP;
- ▶ Lead the identification of initiatives and development of proposals into all levels of government;
- ▶ Lead the identification of initiatives and development of proposals for possible private sector investment;
- ▶ Drive and support engagement and consultation through the RDA Grampians and the Grampians RMF.

The **Grampians Regional Management Forum (RMF)** is represented on the RPC and actively participates in regional planning. The Grampians RMF is the State Government's administrative coordination body in the region, linking regional and state-level planning activities. They meet quarterly on matters relevant to the following role:

- ▶ Provide policy advice and input to the development of the plan;
- ▶ Consider and endorse the Grampians RSP for submission to State Government for formal review;
- ▶ Monitor implementation of State Government priorities and contribute to the review of the plan through the RPC;
- ▶ Collaborate with the RDA Grampians to ensure broader regional alignment of key activities against the Plan;
- ▶ Provide leadership, assist in problem solving and actively support the regional planning processes.

The **Regional Development Australia (RDA) Grampians Committee** is also represented on the RPC and acts as a conduit between regional and state-level activity and the Federal Government. The RDA Grampians Committee comprises business and community leaders and local government representation. The RDA Grampians committee meet monthly and:

- ▶ Contribute to and support the development and implementation of the Plan;
- ▶ Advise governments in relation to the priorities in of Plan;
- ▶ Participate in the RPC's ongoing monitoring and review of the Plan;
- ▶ Collaborate with the RMF to ensure alignment of the Regional Strategic Plan with state wide blueprint.

Local Government Authorities are represented on the RPC, RDA and RMF and play a key leadership and implementation role in regional planning. Local Government:

- ▶ Participate in and support development and implementation of regional planning process;

- ▶ Consider and sign off completed plans for submission to the State Government review process;
- ▶ Implement relevant priorities & participate in regional level leadership and problem solving;
- ▶ Contribute to the ongoing monitoring and review of the plan through the RPC;
- ▶ Collaborate with other regional plan partners to ensure local and regional alignment against Regional Strategic Plan.
- ▶ **Regional Leadership Group (proposed)**

Information collection and stakeholders

There was a range of techniques used to collect information in the preparation of this plan, including:

- ▶ Background research, such as reviewing various national and state datasets, such as ABS data;
- ▶ Economic assessments sourced from a State and Federal Governments, for example the Department of Planning and Community Development;
- ▶ Extensive community consultations;
- ▶ Workshops, including scenario planning workshops;
- ▶ Written submissions to public documentation and papers;
- ▶ One on one structured and semi-structured interviews; and
- ▶ Peer reviewing and comments.

Engagement, consultation and partnership building activities over the previous financial year and outcomes

There have been a number of partnership building activities undertaken over the past 12 months. These activities have been around the development and implementation of the RSP through the considerations of the principal land use planning mechanisms and related considerations that have needed to be undertaken as part of the broader strategic planning process. Major activities undertaken included:

- ▶ A project reference group including representatives of Local and State Government representatives and agencies was formed for each sub-region to develop regional growth plans. This group meet monthly to develop RSP implementation plans (through the growth planning process)
- ▶ Workshops were completed across both sub-regions with Local Government, agencies, business and community to develop future scenarios and consider implications and related matters, including priorities and the development of future land use principals
- ▶ Extensive consultations with local government, state and federal government representatives, agencies, community members and industry of growth plans project priorities and was undertaken across sub-regions.
- ▶ Across both sub-regions priorities and plans were open for period of public consultation and feedback over their development

- ▶ Scheduled meeting of the Grampians RMF have considered regional strategic plan related matters;
- ▶ Scheduled meeting of the Grampians RDA Committee and sub-regional planning committees have considered regional strategic plan related matters

Implementation and review of RSP activities

- ▶ The strategic nature of the RSP work can be summarised in an ongoing cycle of phases built around the preparation leading up to and the release of the Federal, State and Local Government budgets and operational plans. The various governance groups of the region will seek to inform and influence the preparation of these budgets and plans and then analyse the impacts of their implementation (which will inform the next cycle). Therefore:

▶ (Phase -1):	▶ Just prior to the new Financial Year, budgets (State, Federal and Council) and operational plans (State, Federal, Council and other key stakeholders) are released.
▶ Phase 1:	▶ DEVELOP THE EVIDENCE BASE - Using the framework of the 5 Determinants of Regional Economic Growth, understand what is needed for sustainable growth in the Grampians and analysis the budgets and plans of key stakeholders to determine what is being achieved against this framework. Also highlight the gaps.
▶ Phase 2:	▶ IDENTIFY SHARED PRIORITIES THROUGH A RIGOROUS FRAMEWORK - Facilitate a discussion with regional leaders on this analysis and identify short (1 year) and medium (4 year) priority projects.
▶ Phase 3:	▶ IMPLEMENT PRIORITIES – through: <ul style="list-style-type: none"> • advocating back into State and Federal Government; • embedding into regional stakeholders’ operational plans; • seeking to influence the next cycle of budgets/ plans; • collaborating on projects; • Commissioning research to better inform the next cycle.



**Regional
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