

Saturday 29 May 2010

## **VIC LIBERALS & NATIONALS LAUNCH \$1 BILLION REGIONAL GROWTH FUND**

A Victorian Liberal Nationals Coalition Government will establish a \$1 billion Regional Growth Fund to spearhead a regional resurgence in Victoria that will create new prosperity, more opportunities and better quality of life.

The \$1 billion Regional Growth Fund will be a key plank of the Coalition's plan to establish regional Victoria as a future driver of our state's growth and prosperity.

The \$1 billion Regional Growth Fund will deliver funding over eight years for building and upgrading local services and infrastructure as well as investing in local skills and industries to promote jobs.

Regional Victoria contributes more than \$20 billion through food production and \$3.4 billion in tourism every year to Victoria's economy but under John Brumby regional and rural communities simply haven't received their fair share.

We believe regional cities and country communities are future drivers of growth and prosperity in Victoria, but to achieve this we must provide a strong foundation for growth.

The Regional Growth Fund will promote a grass-roots approach to identify community projects and provide flexible funding through five Regional Development Committees (RDCs) that will help communities fix gaps in services and infrastructure and create job opportunities.

The Regional Growth Fund will be available for projects in regional Victoria which:

- provide better infrastructure, facilities or services,
- strengthen the economic base of communities, or
- create jobs and improve career opportunities for regional Victorians

Funding will be flexible so that it can support projects and initiatives that meet the strategic priorities and needs of regional cities and country communities instead of the priorities of the city-centric Brumby government.

We want to increase capacity in communities so they can grow. This includes assisting communities to improve a range of community services like better early childhood learning facilities and localised healthcare services.

Local and regional infrastructure will be improved through projects like revitalising town centres, strategic road and bridge improvements and industry infrastructure.

The Regional Growth Fund will be established to supplement – not replace – existing provision by government of core services, facilities and infrastructure throughout regional Victoria.

Projects and initiatives will leverage funding and investment from a range of sources such as private enterprise, local government and the commonwealth government.

40 per cent of the fund will be directed to local projects and initiatives that are prioritised by communities with the assistance and support of the RDCs.

The remaining 60 per cent of the fund will be allocated to larger scale, strategic regional infrastructure that is a priority for regional Victoria. The five RDC Chairs will advise the Minister on regional priorities for these projects.

Over the coming months we will be meeting with communities, local government, health and education associations, industry and business groups to discuss local priorities and how the fund could help grow their individual regions.

## **Regional Development Committees**

The current five non-metropolitan RDCs will be strengthened in order to play a key role in working with communities to identify, assess and approve priority local projects from the 40 per cent component of the fund.

The five RDCs of Loddon Mallee, Grampians, Barwon South West, Hume and Gippsland will be structured to ensure they broadly represent communities in their region and are given direct input into the decision-making process.

The RDCs will support rural communities by assisting with strategic planning and processing funding applications to save local councils, community groups and local business groups time and money.

## **Regional Advisory Group**

The Chairs of the five non-metropolitan RDCs will form a high-level regional policy advisory group to make sure regional Victoria had a strong voice on issues that impacted on their regions.

The group will provide advice to the government on policy and scrutinise new legislation and regulations, as well as providing advice to the Minister on priorities for statewide regional projects that incorporate 60 per cent of the Regional Growth Fund.

The \$1 billion fund will be in addition to current local government funding and general regional funding provided across government departments.

The Regional Growth Fund will be additional funding to target key barriers to growth in regional Victoria.

The Coalition will make sure regional cities and rural communities receive their fair share and are placed centre stage in Victoria's future growth.

## **Background**

Victoria's population growth is surging but under the Brumby Government the majority of this population is projected to settle in Melbourne – putting pressure on the city's already overburdened services, housing stock and transport networks.

The Victorian Liberal Nationals Coalition believes that regional Victoria is a key to balancing Victoria's future population growth.

We have a plan to equip regional Victoria with its fair share of funding to improve services, facilities and infrastructure so regional communities are best placed to accommodate the state's population growth.

By growing regional cities and rural communities we can take pressure off Melbourne and create new prosperity and opportunity in regional Victoria.

Over the past 11 years the Brumby Labor Government has failed to invest sufficient funding to assist communities overcome the real barriers to growth, and has ignored future opportunities. Labor's Regional Infrastructure Development Fund (RIDF) has not reached its full potential because its administration and application has been restrictive and cumbersome.

Funding has been determined by the Brumby Government's priorities rather than the priorities and needs of local communities or the strategic needs of regional Victoria. RIDF guidelines state that projects that do not meet the State Government's focus will be a low priority.

Under RIDF there have been unacceptable delays in the allocation of funds and poor public accountability for expenditure. The Auditor-General noted that the government *"cannot effectively measure or report on whether RIDF infrastructure projects are achieving the expected policy outcomes for regional Victoria"*. (Auditor-General, Operation of the Regional Infrastructure Development Fund, October 2005)

# Policy

In addition, RIDF funding is not available for improving community services like healthcare, early childhood learning or training and skills development. It does not provide assistance for regional cities or rural towns to undertake strategic planning so their communities can grow and prosper.

Regional Victoria needs flexible support to break down these barriers, to expand capacity and create new prosperity, more opportunities and better quality of life. The Regional Growth Fund will provide that support.