



27 April 2015

Senator Glenn Sterle
Committee Secretary
Senate Standing Committees on Rural
and Regional Affairs and Transport
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator Sterle

**FUTURE ROLE AND CONTRIBUTION OF REGIONAL CAPITALS TO AUSTRALIA
STATE REGIONAL CAPITALS INQUIRY GREATER SHEPPARTON CITY COUNCIL
SUBMISSION TO THE RURAL AND REGIONAL AFFAIRS AND TRANSPORT
REFERENCES COMMITTEE**

It is with much enthusiasm that Greater Shepparton City Council provides a submission into the *Future Role and Contribution of Regional Capitals to Australia State Regional Capitals inquiry*.

Shepparton is the largest regional city in northern Victoria supporting several municipalities, and is nationally recognised as a key part of the Food Bowl of Australia. Despite this level of importance, Council has for some time been of the view that the critically important strategic role of Greater Shepparton as the economic base serving a large regional catchment is not fully understood across government. Council therefore commends the Australian Senate in initiating this inquiry into the importance of regional capitals now and into the future.

Greater Shepparton will play a significant role in the future growth and development of northern Victoria in terms of providing future employment, health, education, aged care, migrant, training and retail services as the regional population expands and demand for a range of services accelerates through demographic change factors. However, for a long time Shepparton was not categorised as a major regional centre which has had long-term implications in terms of priorities and focus of State Government investment over recent years, and has led to a situation where infrastructure and services are not keeping pace with demand.

While Greater Shepparton has the capacity to assist in alleviating the population growth pressures currently being experienced by Melbourne, the city does not currently have the level of appropriate level of infrastructure to support the pending influx of new residents. Greater Shepparton is poised to provide on-going opportunities for growth state-wide, nationally and internationally. However, to fulfil this potential both the State and Federal Governments need to invest in the growth of this region.

As an important regional city and in taking advantage of our central location, Council extends an invitation to the Committee to host a public hearing in Shepparton as part of the senate inquiry.

This will provide the Committee with an ideal opportunity to first-hand experience the challenges, needs and opportunities that are confronting the likes of Greater Shepparton in preparing to meet the increasing and changing demands of the population, economy and physical environment.

Yours sincerely

Gavin Cator
CHIEF EXECUTIVE OFFICER

Future role and contribution of
regional capitals to Australia

Greater Shepparton City Council Submission

**Rural and Regional Affairs and
Transport Reference Committee**

The Senate

April 2015

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Greater Shepparton

Greater Shepparton is a vibrant, diverse community located approximately two hours north of Melbourne in the heart of the Goulburn Valley, the foodbowl of Australia.

Greater Shepparton is the fifth largest regional centre in Victoria extending over 2,421 kilometres. As a growing regional centre with a vibrant cultural mix of people, the community comprises almost 61,740 residents living within over 60 localities. Greater Shepparton's population is almost evenly split between the main urban centres of Shepparton and Mooroopna (53 per cent) and the surrounding rural areas (47 per cent).

Greater Shepparton enjoys a young demographic with growing families, with 2011 census data showing the proportion of couples with children nearly 3 per cent above the regional Victorian average, at 29.7 per cent. Our community is culturally rich with a large proportion of the population born overseas (13 per cent), with many residents immigrating from India, Afghanistan, Sudan, Italy, Iraq, Turkey, New Zealand and the Philippines. Italian, Arabic, Persian/Dari, Turkish, Albanian, Punjabi, Greek, Macedonian, Mandarin and Filipino/Tagalog are the most commonly spoken languages other than English.



Greater Shepparton is also the home to the second largest Aboriginal community outside of Melbourne, making up approximately 10 per cent of the population. The Yorta Yorta is the Nation and the local tribe is Kailtheban. Greater Shepparton boasts a strong Aboriginal cultural, spiritual and historical heritage.

Two hours north of Melbourne, Greater Shepparton's central location is a major advantage and has seen our urban centre emerge as the retail, industry and services hub for central Victoria. Located at the intersection of the Midland and Goulburn Valley Highways Greater Shepparton provides easy access to Adelaide, Sydney, Brisbane and Melbourne.

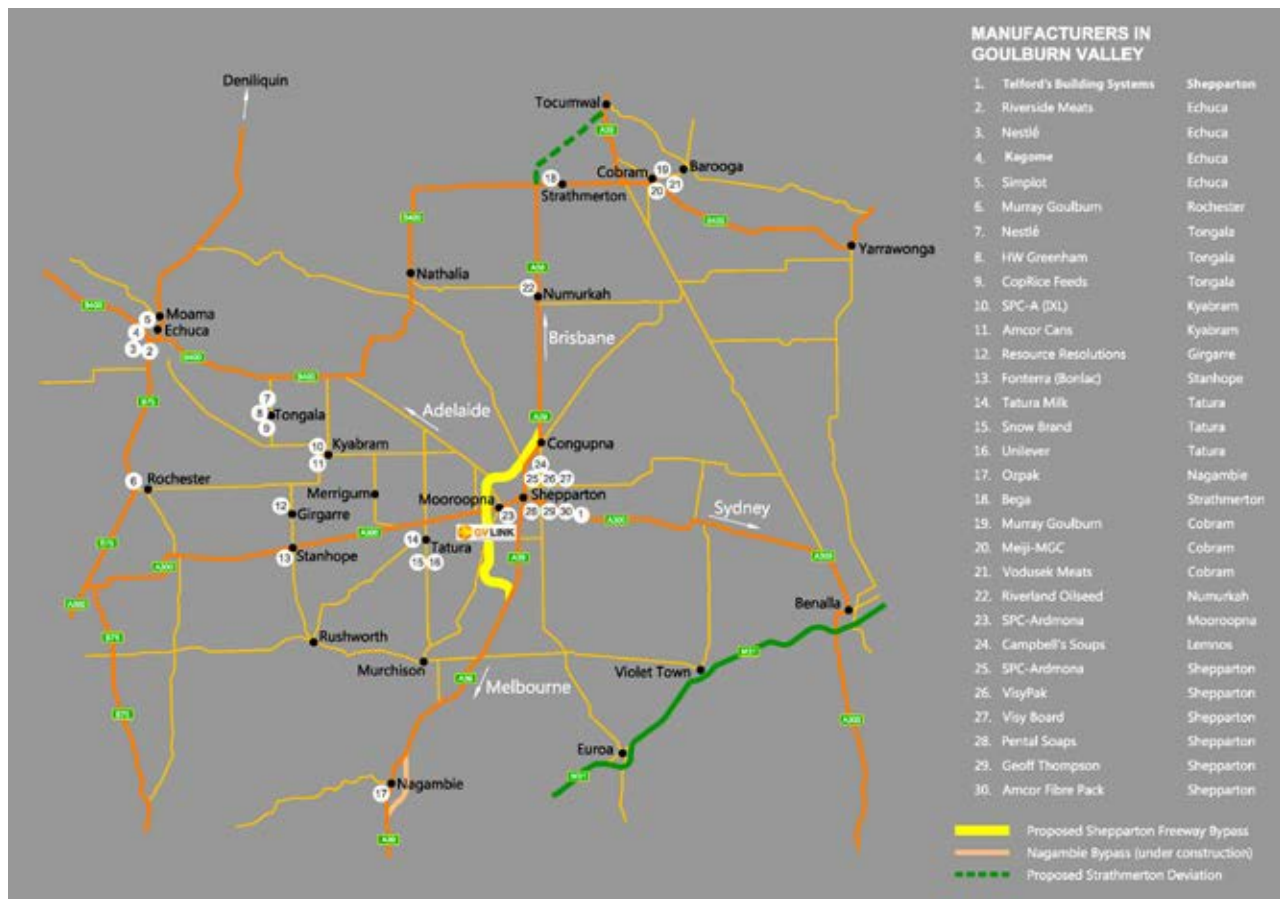
The City of Greater Shepparton acts as a major industrial, employment and service centre for a wide catchment, including many rural settlements within and beyond its municipal boundaries, with its gross regional product totalling \$2.54 billion per annum.

Greater Shepparton forms part of the 'Food Bowl of Australia', which accounts for 25 per cent of the total value of Victoria's agricultural production. We are a national centre for dairy and horticulture, exporting reliable premium quality fresh and value added produce via innovative practices and a world class irrigation system. Shepparton is also often referred to as the transport hub of regional Victoria due to its extensive road transport industry.



Major industries for the region include manufacturing, retail trade, health care and social assistance, agriculture and construction, with Greater Shepparton being home to several multinational and iconic companies such as Campbell's Soups, SPC, Tatura Milk Industries (Bega), Unilever, Visy, Pental Soaps and Pactum Dairy (Australian Consolidated Milk). Several multinational companies also reside just outside of the Greater Shepparton municipal boundary, such as Nestle, Murray Goulburn and Bega. These companies utilise Shepparton as their major hub and is home to their transport and logistics operations (refer to figure 1).

Figure 1: Goulburn Valley Manufacturers Map



The Greater Shepparton economy is vulnerable to external pressures and will need to transition a range of sectors to more productive, higher-value or niche activities in the coming years in order to remain competitive. Greater Shepparton's unemployment rate of 6.3 per cent is in line with the state average of 6.4 per cent; however Greater Shepparton has an excessively high youth unemployment rate at 17.2 per cent.

High youth unemployment is compounded by low educational attainment levels within Greater Shepparton with only 32.9 per cent of residents having completed Year 12 and only 10 per cent going onto higher education. Lack of aspiration, public transport and educational options discourage the completion of secondary and tertiary education. Greater Shepparton is also confronted with a changing labour force. With advancements in manufacturing technology, there has been a growth in the number of white collar roles and less demand for blue collar workers. Current localised educational providers are yet to transition and respond to meeting the changing nature of the local workforce, such as the growth in skilled and middle management roles that require tertiary education.

Strategic Importance

Shepparton is the largest regional city in northern Victoria supporting the livelihood and prosperity of many surrounding municipalities.

Shepparton is the largest regional city in northern Victoria. Council has for some time been of the view that the critically important strategic role of Greater Shepparton as the economic base serving a large regional catchment is not fully understood across government.

Our municipality receives a relatively low share of government assistance to support infrastructure, services, industry development, planning initiatives and so on. This is especially apparent when compared with the level of financial assistance allocated to places such as Ballarat, Bendigo and the Latrobe Valley, even though Shepparton is required to provide the same level of services

In advocating for greater policy and funding support, Council has highlighted Greater Shepparton's important regional role as well as compare social and economic indicators and service provision levels associated with other large regional Victorian centres.

Greater Shepparton will play a significant role in the future growth and development of northern Victoria in terms of providing future employment, health, education, aged care, migrant, training and retail services as the regional population expands and demand for a range of services accelerates through demographic change factors.

For a long time Shepparton was not categorised as a major regional centre which has had long-term implications in terms of priorities and focus of State Government investment over recent years, and has led to a situation where infrastructure and services are not keeping pace with requirements.

While Greater Shepparton has been recently elevated to “regional city status”, a review of recent State Budgets (and subsequent post-budget announcements) demonstrates that Shepparton has received minimal direct funding (i.e., identifiable allocated expenditure) for key infrastructure in the current budget cycle. This contrasts with Bendigo, Ballarat, Warrnambool, La Trobe and Mildura.



Table 1: State Government Capital Funding 2012/2013 Budget

	Greater Shepparton	Ballarat	Greater Bendigo	La Trobe	Mildura	Warrnambool
Education (schools, TAFE)	\$0	\$31.7m	\$29.5m	\$0	\$0	\$0
Hospital/Healthcare	\$0	\$121.4m	\$630m	\$0	\$5m	\$31.2m
Transport (roads, rail)	\$0	\$101.3m	\$0.5m	\$35m	\$0	\$10.0m
Early Childhood/ Kindergarten	\$0	\$1.5m	\$0	\$0	\$0.3m	\$0.3m
Public Libraries	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$255.9m	\$660m	\$35m	\$5.3m	\$41.5m

Table 2: State Government Capital Funding 2013/2014 Budget

Greater Shepparton	Ballarat	Greater Bendigo	La Trobe	Mildura	Warrnambool
\$42.5m	\$680m	\$610m	\$225m	\$15m	\$61m

(Source: Greater Shepparton Economic Benchmarking Study Update – 2013)

Table 3: State Government Capital Funding 2014/2015 Budget

	Greater Shepparton	Ballarat	Greater Bendigo	La Trobe/ Gippsland	Mildura	Warrnambool
Transport						
Rail Investment	x	\$14.1m	x	x	\$220m	\$10m
VLocity Trains	x	✓	✓	✓	x	x
Regional Connectivity Program - \$39.7m	x	✓	✓	✓	x	x
Dedicated Regional Tracks	x	✓	✓	x	x	x
Roads	\$7.5m	x	x	\$405m (Princes Highway)	x	\$50m (Great Ocean Road)
Airport/Aerodrome	\$250,000 (feasibility study)	x	x	x	\$5.3m	x
Health Services						
Hospital/Healthcare	x	\$119m	\$630m	\$73m+	\$9.6m	\$9.6m
Emergency services (including Ambulance Helicopters)	x	\$8.4m	✓	✓	x	✓
Economic Development						
Regional events investment	x	x	✓	x	x	\$4.8m
Regional business investment	\$23.6m	\$60.5m	x	\$6.1m	\$11m	x
Other Infrastructure						
Community Facilities	\$73m	x	\$15m	x	x	\$4.8m
Public Libraries	\$433,000	x	\$2m	x	x	x
Housing	x	x	\$4m	x	x	x
Education (schools, TAFE)	\$5m	\$10.8m	x	\$9.6m	x	x
Utilities Upgrade	x	x	x	\$2.5m	\$10m	x
	\$88.4m	\$212.8m	\$651m	\$496.2m	\$255.9m	\$79.2m

Greater Shepparton is an important regional centre, particularly with regard to agriculture and horticulture production and in providing services to the broader region, however, apart from investment for irrigation modernisation (which benefits the broader north of Victoria), funding to modernise the municipality has not over recent times received State funding (especially in the areas of transport and health) commensurate with its strategic regional role and population growth outlook.

While Greater Shepparton has the capacity to assist in alleviating the population growth pressures currently being experienced by Melbourne, the city does not have the appropriate level of infrastructure to support the pending influx of new residents. With an annual population growth of 1.06 per cent, the City of Greater Shepparton population is forecast to grow to 77,800 by 2031 (Hume Regional Growth Plan, 2013, pg. 15).

The central location of Greater Shepparton well positions our municipality in assisting government in the decentralisation of their services. As an example, Tatura is already the home of the Horticultural Centre for Excellence. Underpinned by the latest market intelligence, deep industry networks and science excellence, it makes good business sense for the Department of Environment and Primary Industries (DEPI) to relocate key water and agriculture related services to this facility.

Greater Shepparton is poised to provide on-going opportunities for growth state-wide, nationally and internationally. However to fulfil this potential both the State and Federal Governments need to invest in the growth of this region.



Investment Challenges & Opportunities

Transformational infrastructure is required to unlock our potential as a regional city. There are five key infrastructure projects that will assist Greater Shepparton in meeting the current and future needs of our community and the state. Funding these projects will assist in cementing Greater Shepparton as a significant regional centre for the Goulburn Valley and southern New South Wales.

These priority projects are:

1. Goulburn Valley Shepparton Bypass Construction
2. Increased and improved passenger rail services between Shepparton and Melbourne
3. Goulburn Valley Health Redevelopment
4. Shepparton CBD Revitalisation
5. A new Shepparton Art Museum

1. Construction of the Goulburn Valley Highway Shepparton Bypass

The Goulburn Valley Highway is an integral transport route. It connects the Goulburn Valley region with Melbourne and forms a vital link in the national highway system between Melbourne and Brisbane. The Goulburn Valley Highway also joins Melbourne and central Victoria with inland New South Wales and Queensland.

Sections of the Goulburn Valley Highway in and around Greater Shepparton can no longer adequately cater for the large and rising traffic volumes that use the highway daily.

A solution to address the inadequacies of the highway has been proposed since 1995, however the necessary funding has yet to be secured. Funding from both the State and Federal Governments is required for this project to be completed.

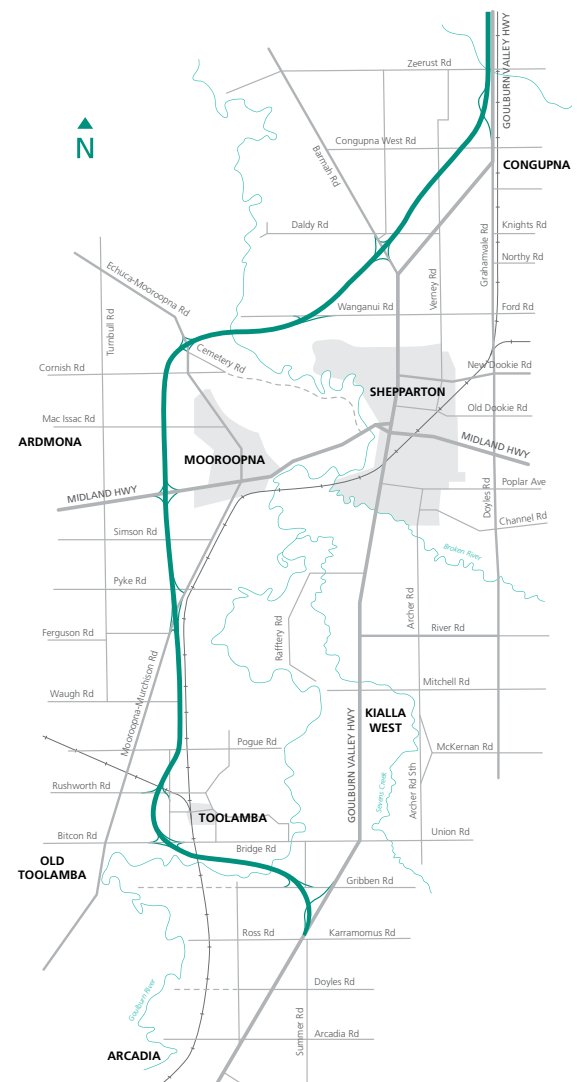
The full 36km two lane Shepparton Bypass is estimated to cost just under \$1 billion. The Federal and Victorian Governments have provided advice that the project needs to be divided into affordable stages for government consideration.

We are therefore seeking initial investment in funding stage 1a and 1b of the project.

Stage 1a – Echuca-Mooroopna Road to Goulburn Valley highway (length – 5.05km)

Stage 1b – Echuca-Mooroopna Road to Midland Highway (length 5.0km)

Stage 1a will provide a second river crossing between Shepparton and Mooroopna and will also involve road improvements leading to the east of Shepparton.



For stage 1a to occur the following work and funding is required:

- Preliminary investigation and initial works - \$20 million
 - Planning approvals pathway
 - Environmental impact assessments/approvals
 - Cultural heritage impact assessments/approvals
 - Concept design of alignment
 - Planning approvals
 - Environmental/Cultural heritage offset/protection works
 - Land acquisition (commence)
 - Service relocation works (commence)
 - Detailed design
 - Commence construction of intersections and connections
 - Land acquisition
 - Service relocation works

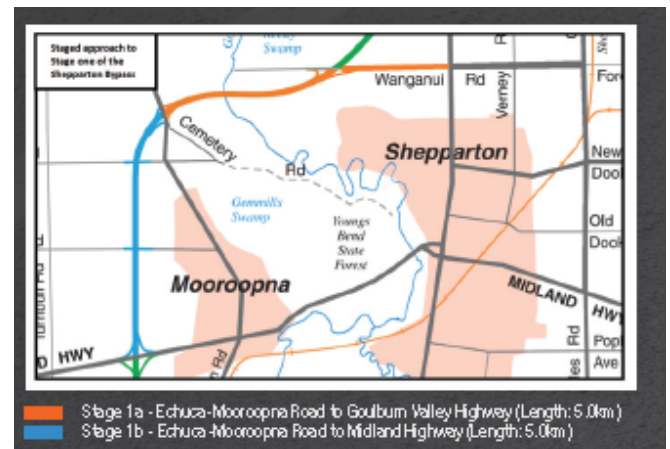


Diagram 2: Bypass Stage 1a and 1b

- Construction - \$140 million (stage 1a only)

Construction of the First Stage of the Goulburn Valley Highway Shepparton Bypass will:

- Provide an additional east-west crossing of the Goulburn River, reducing the impact of heavy vehicles on Shepparton's CBD, and providing an additional crossing between Shepparton and Mooroopna should the Ross Edwards Cause Way be closed.
- Provide relief for congested intersections in the Shepparton city centre.
- Strengthen the supply chain of the Goulburn Valley's food processing and manufacturing enterprises.
- Cater for the region's long term traffic growth.
- Improve the level of service for commercial traffic in the region.
- Improve safety and accessibility for both local and national traffic.
- Reduce accidents, particularly those involving heavy vehicles.
- Provide certainty for future land use development.
- Improve freight movements from the Goulburn Valley to domestic and export markets as a result of reduced travel times and transport costs.
- Accommodate for increased use of the highway by freight companies in servicing the likes of Tatura Milk Industries, SPC, Unilever, and Pactum Dairy (ACM). As an example Pactum Dairy is planning for 1,000 TEU of export per month by the end of year. A truck for every container will be required by Pactum which will mean more trucks on our local roads. This is a similar scenario for Bega with their increased production and exportation of cream cheese.
- Provide the first step on the full duplication of the Goulburn Valley Highway from Shepparton to Melbourne.



2. Increased and improved passenger rail services between Shepparton and Melbourne

Shepparton currently has only five passenger rail services to and from Melbourne each weekday and two services on weekends. Whilst V/Line operates a further three bus services to and from Melbourne each weekday, all connecting with trains at Seymour, the bus services are grossly inadequate.

The lack of passenger rail services and poor timetabling also prevents Greater Shepparton from relieving the increasing population density issues in Melbourne. If Greater Shepparton is to attract people to relocate to the region in order to relieve pressure on metropolitan infrastructure, then more regular passenger rail services to and from Melbourne, and more convenient timetabling, are essential.

The residents of Greater Shepparton are not the only ones affected by the lack of passenger rail services between Shepparton and Melbourne and the poor timetabling of these services. The residents of surrounding regions including the Moira, Campaspe, Strathbogie and southern New South Wales municipalities who connect with the rail services between Shepparton and Melbourne, are also impacted.

Council used survey research to collect data from people in Shepparton and surrounding communities regarding their use of the current V/Line passenger rail services between Shepparton and Melbourne, their opinions towards the current services and their preferred service times. The survey was conducted over a five week period between 14 March and 18 April 2014 to a sample of 2,127 people, using a combination of convenience and volunteer sampling.

Based on the findings of the Shepparton passenger rail services survey it is recommended that:

- the frequency of passenger rail services from Shepparton to Melbourne and vice versa be increased as per the following, with options two and three being the preferred alternatives:

Option	Action	Indicative Cost
Option One	Extend one morning and one afternoon Seymour service to Shepparton.	\$1 million
Option Two	Enable a five train daily return Shepparton service using existing rolling stock. V/Line purchases six additional VLocity diesel rail cars on the existing contract to release an additional loco hauled train.	\$33.44 million
Option Three	Enable a five train daily return Shepparton service with faster VLocity trains. V/Line purchases a further nine VLocity cars. Additional network upgrades are required.	\$87.5 million

Source: *Shepparton Passenger Rail Improvements, November 2013, Compiled by GHD.*



- the timetabling of passenger rail services from Shepparton to Melbourne and vice versa be improved as per the following proposed timetable:

To Melbourne		From Melbourne	
Depart Shepparton	Arrive Melbourne	Depart Melbourne	Arrive Shepparton
Weekdays			
5.15 am	8.00 am	6.20 am	8.45 am
6.30 am	9.10 am	9.50 am	12.20 pm
12.50 pm	3.30 pm	3.30 pm	6.00 pm
3.40 pm	6.20 pm	4.30 pm	7.25 pm
6.40 pm	9.10 pm	6.30 pm	8.55 pm
		Friday Only	
		11.45 am	2.15 am (Next day)
Weekends			
7.00 am	9.30 am	7.50 am	9.20 am
9.50 am	12.10 pm	9.30 am	12.00 noon
1.00 pm	3.30 pm	12.50 pm	3.20 pm
4.00 pm	6.30 pm	3.30 pm	6.00 pm
6.40 pm	9.10 pm	6.30 pm	9.00 pm
		Saturday Only	
		11.55pm	2.25 am (Next day)

(Source: Make Shepparton Greater – Shepparton Passenger Rail Services Survey Report 2014).



3. Goulburn Valley Health Redevelopment

Goulburn Valley Health's (GV Health) Shepparton Campus is a 266 bed acute and extended care facility providing surgical, medical, paediatric, obstetrics, gynaecology, intensive care and psychiatry services. A number of non-admitted / sub-acute services operate from the Shepparton Campus including emergency, outpatients, Hospital Admission Risk Program (HARP) disease management and sub-acute ambulatory care. The Shepparton Campus also provides a range of community programs.

GV Health's Shepparton Campus is a major hub for health care in northern Victoria and without redevelopment will seriously compromise health service delivery capacity in the region. As a Regional Public Health Service, the campus provides services to a broad regional catchment of approximately 230,000 people. The campus serves the health needs of both residents and visitors in Greater Shepparton, as well as those in the surrounding Moira, Campaspe, Strathbogie and southern New South Wales municipalities.

Ageing infrastructure, inefficiencies in site configuration and difficulties meeting customer demand due to capacity constraints, particularly in theatre and emergency, all contribute to the need for a major redevelopment of GV Health's Shepparton Campus in order to provide appropriate services to the community. The proposed redevelopment will address current conditions and configuration of the hospital's clinical care areas, inpatient accommodation and essential infrastructure services.

Redevelopment of GV Health's Shepparton Campus: \$150 million

Redevelopment is proposed in a series of staged works over a five year construction cycle.

Central to these developments is the need for:

- Replacement and upgrade of essential infrastructure such as air conditioning and engineering plant, not only to meet current demand, but to support future demand and growth.
- Upgrade and expansion of information technology infrastructure and information systems to replace end of life systems and support contemporary clinical practice.
- Enhanced capacity for teaching and student placement aligning with GV Health's role as a teaching hospital.



4. Shepparton CBD Revitalisation

Greater Shepparton City Council is calling on the Victorian Government for funding to transform Shepparton's central business district (CBD) into a modern, lively, inviting and desirable retail and lifestyle precinct. To create this environment within the CBD, Council is proposing a coordinated program of improvements known as the Shepparton CBD Revitalisation Project.

The Shepparton CBD Revitalisation Project consists of three major infrastructure projects as follows:

1a. Bus Interchange — Maude and Vaughan Streets

1b. Maude Street — Vaughan Street to High Street Improvements

Council has adopted a concept plan for the Maude Street bus interchange and improvements sub-projects, which will see:

- Creation of a piazza style gathering place.
- A new bus waiting area with weather protection, bike lockers and public amenities including parent's room and adult change facilities.
- Easier access to buses for the disabled and elderly.
- Improvements in the streetscape, parking and general amenity of the area.

Whilst Council is funding the design work for these sub-projects, both Council and government funding is required to complete the construction.

Estimated cost is \$5 million.

Shepparton Railway Station Precinct Development

The Shepparton Railway Station Precinct Development centres on constructing a pedestrian bridge to provide direct access between the Shepparton Railway Station and Vaughan Street in the CBD.

This project also provides an opportunity to redevelop underutilised VicTrack land adjacent to the railway station.

Government funding is required to undertake the initial master plan and feasibility study for this project.

Estimated cost is \$2.5 million (pedestrian bridge only).

Maude Street Mall Redevelopment

Council is currently consulting with stakeholders to determine a suitable plan for revitalisation of the Maude Street Mall.

Estimated cost is \$5 million.

Physically connected through the creation of a direct pedestrian access from the Shepparton Railway

Station to the Vaughan Street and Maude Street shopping precincts and on to the Shepparton court precinct development, these projects all complement each other. Together, they will boost community engagement, increase business and economic prosperity for small to medium businesses in the CBD, enrich appeal and liveability, improve access to public transport and enhance pedestrian connectivity.



5. A new SAM (Shepparton Art Museum)

The Shepparton Art Museum (SAM) is significantly constrained by its location and building. It is not located on a major thoroughfare, and passing trade is minimised as a result. The building is small which limits operational flexibility and the opportunity to present larger exhibitions and provide social and engaging spaces for activity. Demand cannot be met for more interactive experiences, larger exhibitions, functions and events and the existing building cannot be expanded to meet these unmet needs.



A feasibility study was undertaken into a new art museum to investigate a project that would strengthen the economic base for Greater Shepparton, by encouraging a diversification of industry in the region, and significantly growing the desirability of Shepparton as a place in which to live, work, invest and to visit.

The study was undertaken between August and December 2014 and included 300 interviews and 11 workshops with the community as well as an online survey which received 100 different ideas about what a new SAM could be. Market testing of concepts arising from the survey also took place. Community participants have had a significant impact on the resulting business case which clearly outlines a museum designed for the community of Shepparton, for families and children and with arts activity at its centre.



The business case recommends that a new art museum be located adjacent to the Goulburn Valley Highway within the south-eastern corner of Victoria Park. It further recommends that a new SAM:

- Provides popular educational experiences in art education for the young, where a new SAM can provide the first dedicated indoor and outdoor children's art spaces in regional Australia, encouraging exploration, curiosity and learning through the sensory, emotional and intellectual stimulation of children.
- Provides popular educational experiences in Indigenous art.
- For artists to be central to a facility; visible, present and active in the building year round.
- Design to be largely consistent with and add value to the Victoria Lake Precinct Masterplan.
- Be an elevated multi-level building to minimise the loss of public open space and obscuring the view of the lake from the highway.
- Create an architecturally inspiring community piazza, a cultural meeting place, a heart-beat for the city designed for affirming human interaction.

A new SAM could lead to \$58.1 million in economic activity during the two year build equating to 181 jobs across the region, and bring 21 per cent of visitors to the region representing 7,000 visitor nights which would grow 23,500 visitor nights at year 10 of operation and a tourist spend generating from the Art Museum alone of \$3.1 million annually.

\$42.5 million development needs to be funded via three tiers of government at \$10 million each and \$12.6 million by the SAM Foundation.

Currently the business case for a new SAM is out for community consultation with voting due to close on 15 April 2015. Following the consultation process the Greater Shepparton City Council will then make a final decision whether to pursue a new SAM facility. If the business case is supported, it is at this point that government funding will be sought in bringing the project to fruition.

References

Department of Transport, Planning and Local Infrastructure (2013) Hume Regional Growth Plan Background Report.

Essential Economics (2013) Greater Shepparton Economic Benchmarking Study Update.

Greater Shepparton City Council (2014) Make Shepparton Greater – Shepparton Passenger Rail Services Survey Report.