



GREATER
SHEPPARTON

8 November 2019

Committee Secretary
Select Committee on Regional Australia
PO Box 6021
Parliament House
CANBERRA ACT 2600

By Email Only: regionalreps@aph.gov.au

Dear Sir/Madam

**SELECT COMMITTEE ON REGIONAL AUSTRALIA –
GREATER SHEPPARTON CITY COUNCIL SUBMISSION**

Greater Shepparton City Council writes this submission to the 'Select Committee on Regional Australia' and is grateful for the opportunity to provide input.

Examining the effectiveness of existing regional service delivery and development programs:

Greater Shepparton forms part of the 'Food Bowl of Australia'. We represent 25 per cent of the total value of Victoria's agricultural production, with our overall gross regional product totalling \$2.54 billion per annum. We are a national centre for dairy and horticulture, exporting 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, with 25 per cent of Victoria's heavy vehicles registered in Greater Shepparton. A significant number of major manufacturers, food processors, dairy operators and other freight generating businesses are located in the Greater Shepparton region and forecasts indicate that the regional freight task will expand at a faster rate than economic and population expansion.

To facilitate the current demand and future growth, we urgently need the funding and construction of Stage 1 of the Goulburn Valley Shepparton Bypass.

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. The Bypass will provide relief for congested intersections in the Shepparton city centre but, more importantly, it will improve freight movements from the Goulburn Valley to domestic and export markets as a result of reduced travel times and transport costs as well as provide a much needed second river crossing.

The Melbourne to Brisbane Inland Rail project would deliver efficient and competitive movement of freight to the Port of Melbourne. Greater Shepparton is the Food Bowl of Victoria, producing fresh food and products for domestic and export markets. The route for the Inland Rail project excludes Shepparton despite 1.757M tonnes of freight volume estimated in year 2025 versus 225,000 tonne on the Albury/Wagga Wagga route.

Greater Shepparton City Council
Locked Bag 1000, Shepparton 3632
90 Welsford Street, Shepparton 3630

Ph: (03) 5832 9700 Fax (03) 5831 1987

www.greatershepparton.com.au

It is vital that investment on the Tocumwal to Shepparton line be undertaken to realise the efficient transport of goods to the Port of Melbourne following the rail study that is currently being undertaken as part of the \$10 million already allocated by the Federal Government.

A third stage of funding is required to deliver nine return VLocity train services between Melbourne and Shepparton daily. Investment in public transport frequency and network connectivity should continually be advocated for to ensure services meet the demands of population growth. This should be in the form of network coverage for buses and timetable frequency for trains and buses. Shepparton and Mooropna stations are not covered by the myki ticketing system, advocating for their inclusion will provide a more efficient service for patrons. Signalling and track upgrades will also enable VLocity trains to travel at up to 130km/h with a 20-minute reduction in travel time.

Greater Shepparton's train services are currently suboptimal and this compromises connectivity and growth.

The above mentioned projects are just some of the examples of infrastructure that will deliver huge potential for our municipality and Council is working collaboratively with various local stakeholders to develop a document that will outline the region's infrastructure priorities which will capture the above mentioned game changing projects.

Examining the contribution and role of regional Australia to our national identity, economy and environment:

Our ability to grow clean and green foods, coupled with manufacturing expertise, not only sees Greater Shepparton as a strong direct contributor to the Australian economy, but also enhances our nation's exporting capability and prospects.

Greater Shepparton contributes 25 per cent towards Victoria's total agricultural output. The local dairy industry also plays a significant role contributing towards 25 per cent of Australia's milk supply. With this, whilst infrastructure is pertinent, the value of water within our municipality places a region like Greater Shepparton in extreme jeopardy if water isn't available in the future.

Our region is connected within the Goulburn Murray Irrigation District (GMID) via a gravity network valued at over \$20 billion which has recently experienced a significant upgrade and rationalisation under the Irrigation Modernisation Project.

Infrastructure continues to be a priority for the growth of our region however the immense value of water and its future availability to a region such as Greater Shepparton must not be underestimated as water can ultimately undermine our future and impact the life of various sectors/ industries within the municipality.

In 2016, the GMID Water Leadership Group commissioned the development of an analysis that would delve into the socio-economic impacts experienced thus far (within the GMID) as a result of the implementation of the Murray Darling Basin Plan (MDBP). The report was developed by RMCG who highlighted the following impacts:

- The GMID would be \$4.4 billion worse off under the basin plan from 2012 to 2020, outweighing the \$3.15 billion the district had received in funding under the MDBP.
- There has been \$550 million in lost production in the Goulburn and Murray Valleys of Victoria every year since 2012.

- An estimated 1,000 jobs have been lost.
- Irrigators in the region are paying \$20 million more per year for temporary water.
- Dairy in the region has declined by 20 percent.

The Murray Darling Basin Plan has caused a significant change in the economic viability of agriculture for our region and if any more water were to be recovered the results could be devastating.

Climate change is, and will continue to have, a significant impact on the community, their businesses and our natural environment. The Victorian Government in their most recent release of Victorian Climate Projections 2019 reinforces the evidence that the climate of Greater Shepparton will most closely resemble that of Griffith in NSW by 2050. Like the rest of the nation and globally, we have experienced record breaking heat during summer and eight of the last 10 years were the warmest on record. It is now accepted that the average global temperature has risen by 1°C in line with climate model predictions.

Given that much of our native vegetation is on private land, incentives and a whole of government approach to future development should ensure the natural environment doesn't continue to degrade. Sustainable agriculture and our clean green image are strongly dependent on this, and what sets us apart from the rest of the world. The provision of incentives for farmers to continue to act as custodians of these assets is a gap that we seek support from the government to address.

Energy stress is also negatively affecting our business and industry and in particular our vital agricultural industry where many operators are suffering hardship due to the dry conditions as a result of climate change. Renewable energy is a crucial element of our energy future to address the welfare of our community, to ensure energy pricing justice for those that can't afford it and provide resilience for our industry and community under a different and highly variable climate.

While Greater Shepparton is identified as being ideally placed for large scale solar installations, there are opportunities to expand energy production to include hydrogen and agricultural feedstock for bioenergy. Primary production in the Shepparton region represents 11 per cent of Victoria's organic waste. As mentioned previously, around 25 per cent of Victoria's truck registrations occur within our region making it ideally placed for investment towards hydrogen fuel.

Promoting the development of regional centres, cities, towns and districts including promoting master planning of regional communities:

Various regional centres and cities have been in receipt of a Regional City Deal and Council strongly encourages the same opportunity be afforded to Greater Shepparton which would facilitate game changing growth for the municipality and facilitate the support required to cater to the region's culturally diverse community.

Greater Shepparton also plays a significant role in the growth and development of northern Victoria by providing future employment, health, education, aged care, training, professional and retail services.

Goulburn Valley Health (GV Health) provides regional health services for 250,000 residents including southern NSW. Inability to meet growing regional demands is placing pressure on service delivery. GV Health is committed to the provision of the best possible health care facilities and services to its community.

The current hospital site contains several different buildings constructed across a number of decades as limited funding became available. The current ad hoc site is spread across a vast space with many buildings that are no longer fit for purpose. The Victorian Government has committed \$229 million towards stage 1 of this project and redevelopment works are now underway, due to be completed by 2020. An additional \$2 million has been committed towards planning for future stages with GV Health commencing the Locality Plan (Service Plan), Masterplan and then feasibility study.

Over the last 10 years, La Trobe Shepparton Campus has attracted a 160% increase in student numbers and following the addition of four popular new courses in 2017 further rapid growth is expected. Established in 1994, La Trobe University's Shepparton campus plays a vital economic, educational, social and cultural role in our community. The campus graduates around 100 students per year, including 2 PhDs conferred in 2019, with over 70% commencing work in regional Victoria.

Research shows that each graduate contributes approximately \$104,000 to gross regional product in their first year after graduation. Degree courses offered at Shepparton campus reflect the professional workforce needs of our region, including Nursing, Social Work, Allied Health, Early Childhood and Primary Education, Arts, Accounting and Business and Agribusiness.

These are key ingredients for any viable regional city to continue to prosper and meet the needs of its community. If the State and Federal Governments are serious about the importance of regional cities to the future of Australia, then these types of projects need to be further funded.

Promoting private investment in regional centres and regional infrastructure:

It is imperative that both State and Federal Government continue to support regional centres in regards to assisting businesses with substantial grants to support significant investment. Regional Development Victoria at a State level acts as a strong platform to facilitate these investment opportunities to fruition and needs to be resourced and funded appropriately by the Victorian Government to encourage sustainability, ongoing growth and new business development.

Greater Shepparton is a region of significant potential and continues to witness positive growth in various industries. Just recently, medicinal cannabis company 'Cannatrek Limited' confirmed that it will build a \$160 million production facility within our municipality demonstrating continued diversification, whilst the largest apple and pear packer in Australia Jeftomson has received a \$15 million grant from the Federal Government for its FRUITCo project which will see the introduction of state of the art equipment that will enable the Australian fruit industry to increase their competitiveness in the international market creating more than \$50 million in additional exports and creating an expected 52 new jobs in the facility and over 350 new jobs in orchards.

The above mentioned investments are just some of the private sector projects that continue to support ongoing sustainability and job creation in our region.

There is also a significant opportunity for both State and Federal Government to financially support renewable energy projects that are heavily reliant on funding to ensure that they are viable. The financial set up costs associated with renewable energy initiatives often compromise progression in the field of renewables.

Examine the key drivers for unlocking decentralisation opportunities for both the private and public sectors:

There are numerous examples of successful decentralisation – the Traffic Accident Commission (TAC) to Geelong in 2009, the State Revenue Office into Ballarat in 2001 and the State Trustees to Bendigo.

The TAC example of decentralisation demonstrates the following – as per a report commissioned by Council and developed by Essential Economics:

- At the time of the TAC relocation, some 650 staff were to relocate to Geelong.
- 400 of the 650 relocated to Geelong with the balance sourced from the Geelong labour force.
- Only 40 or so of the original staff (or 10%) left the TAC after one year when the relocation package ceased.
- The number of staff at the TAC office in Geelong in 2015/16 totalled 836 persons in terms of Full-Time Equivalent (FTE) positions. It should be noted that the number of FTE staff varies annually, and for the Economic Impact, Essential Economics have taken the average of approximately 820 FTE staff (2013 to 2016), for calculations of local economic benefit.
- These 820 direct jobs introduced into the Geelong economy are estimated to have led to the creation of a further 740 indirect (or flow-on) jobs.
- Total new job creation in Geelong associated with the relocation of the TAC would involve a rounded total of 895 FTE positions.
- The 895 jobs supported by the TAC directly or indirectly in Geelong involve an estimated total of \$63 million per year in wages injected into the Geelong economy, allowing for an average wage of \$70,000 per employed person in Geelong.
- The total population in Geelong directly and indirectly associated with the TAC would total an estimated 2,505 persons.
- For an average retail spend of \$14,000 per person (source: MarketInfo retail model), total available retail expenditures would be in the order of \$35 million per year.
- \$35 million of total expenditure would support an estimated 195 ongoing direct jobs in Geelong's retail sector and a further 175 indirect or flow-on jobs in the wider Geelong, state and national economies.

The TAC example is a clear demonstration of how decentralisation can support a region centre economically. It is pertinent to add that the TAC location in Geelong has a far more significant impact on the local economy with its 233,000 residents compared with the situation that would have prevailed if the TAC had remained in metropolitan Melbourne with its 4,440,000 residents. In addition to the above economic benefits, operational costs such as rent would also be considerably less in a regional area compared to a metropolitan location.

Greater Shepparton City Council welcomes a similar focus towards decentralisation as experienced by Geelong and other regional centres. As articulated within this submission, infrastructure is pertinent to the future of our municipality and is also required to support the success of decentralisation opportunities.

Promoting the competitive advantages of regional location for businesses:

Greater Shepparton is home to major iconic manufacturers including SPC, Campbell's, Tatura Milk Industries (Bega), Pental and Unilever as well as emerging businesses such as Freedom Foods Group Ltd and Austfresh. These companies have strategically chosen to base themselves in Greater Shepparton.

Council has undertaken a process of exploring design concepts for a redevelopment of Shepparton's Maude Street Mall. The aim of the project is to improve the function and visual amenity of the Mall in maintaining its primacy as the heart of the Shepparton CBD. The Maude Street Mall and CBD have the potential to evolve to become the central focus of daily life within Greater Shepparton through an integrated approach to economic development, structure planning and proactive place activation.

Greater Shepparton continues to apply great effort towards enhancing the region's diverse tourism. The new Shepparton Art Museum will aim to attract visitations from throughout Australia and internationally. The region also presents an enviable major events calendar that offers locals and visitors with the opportunity to experience Greater Shepparton's various major event offerings which includes but isn't limited to sport, art, music, culture, food and history. The region's extensive tourism potential is however currently undermined by a below average passenger rail service.

Council has developed a campaign named 'Great Things Happen Here' which encourages investment and relocation within the municipality. Greater Shepparton offers land and housing affordability, access to quality education including a range of public and private primary and secondary schools and tertiary education facilities, a thriving agricultural industry with a range of supporting businesses and services as well as being a supportive and welcoming location for migrant settlement.

Investigate the development of capital city size regional centres in strategic locations and the benefits this offers regional cities, capital cities, the Australian economy and lifestyle:

Greater Shepparton is strategically positioned to assist with the population growth pressures currently experienced in Melbourne. This could be through the provision of affordable housing, educational opportunities and key services. However, both the State and Federal Government need to make a real commitment, and invest in the ongoing growth of our city, to further enhance our capacity and ensure our success.

Greater Shepparton, like all regional centres has a number of challenges however infrastructure upgrades continue to be a major stumbling block for Greater Shepparton and the local economy. Ultimately, in order for the region to witness significant growth to its full potential, major infrastructure upgrades are required.

Greater Shepparton continues to have a substandard level of passenger rail services to and from Melbourne than other comparable regional cities. Current provision does not fulfill the needs of Greater Shepparton for a timely and regular service direct to Melbourne, nor does it optimise the opportunity to leverage from investment in new infrastructure. It is also vital that investment is made to deliver fast rail to regional cities such as Shepparton. Previous rail improvements in Victoria have been rolled out to individual regional communities disproportionately. The roll out of fast rail should be uniform to all regional areas.

This is another transformational project that requires urgent attention from all levels of government.

Examining ways urbanisation can be re-directed to achieve more balanced regional development; Strategic Planning:

Greater Shepparton offers both rural and urban lifestyles, enhanced by access to natural landscapes, arts and cultural events, unique heritage places, extensive sporting facilities, and community amenities.

As the largest city in northern Victoria, Shepparton and Mooroopna form a regional service hub for a population of approximately 120,000 people. The city also provides essential services for an estimated additional 100,000 people across an area that extends into southern parts of New South Wales.

Visitors are attracted to the city to access health, retail, education, legal and government services. These sectors should be supported and encouraged to expand to continue to meet community needs.

Greater Shepparton City Council is most grateful for this opportunity to provide a submission in relation to 'Select Committee on Regional Australia'. Should you wish to discuss any of the above in greater detail, please do not hesitate to make contact with Director Sustainable Development, Geraldine Christou on [REDACTED]

Yours sincerely

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**Peter Harriott
CHIEF EXECUTIVE OFFICER**

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