

TRANSCRIPT

LEGISLATIVE ASSEMBLY ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into Commonwealth support for Victoria

Melbourne—Wednesday, 15 December 2021

MEMBERS

Mr John Eren—Chair

Mr Gary Blackwood—Deputy Chair

Ms Juliana Addison

Ms Christine Couzens

Ms Steph Ryan

Ms Kat Theophanous

Mr Nick Wakeling

WITNESS (*via videoconference*)

Ms Win Scott, Chair, Mallee Regional Partnership.

The CHAIR: Welcome, Win, to the hearings for the Legislative Assembly Economy and Infrastructure Committee's Inquiry into Commonwealth support for Victoria. All mobile telephones should now be turned to silent.

All evidence taken by this Committee is protected by parliamentary privilege. Therefore you are protected against any action for what you say here today, but if you repeat the same things outside this hearing, including on social media, those comments may not be protected by this privilege.

All evidence given today is being recorded by Hansard. You will be provided with a proof version of the transcript for you to check. Transcripts will ultimately be made public and posted on the Committee's website.

Could I please remind members and witnesses to mute their microphones when not speaking, to minimise interference. My internet connection is not that well, so on occasions I might turn my camera off, and if I go offline, Gary Blackwood, the Deputy Chair, will take over.

Win, I invite you to make a brief 5- to 10-minute opening statement to the Committee, which will be followed by questions accordingly. Thank you for being with us today.

Ms SCOTT: Thank you, Chair. I thought I would begin by explaining that the slides I sent in advance were developed by the Regional Development Advisory Committee, and that is a committee that is made up of the chairs of regional partnerships. It is a very brief presentation, as you will have noted, but it just shows the cross-cutting issues across the state for all of the nine regional partnerships. One of the things that we have found since regional partnerships have been formed is how many issues we do have in common across the state. My focus today will be on the fact that any reduction in revenue from the Commonwealth to Victoria would have a negative impact on the regions, so I will not talk specifically about GST, but I will talk about regions and the situation that we are in at the moment.

I think regions are in transition. You know, there are a lot of issues that mean that we are transitioning, for instance, in agriculture and horticulture. Climate change will have an impact on crops, on dairy, and so that is an example of how we are transitioning. There is a real impetus for us to value-add to our agriculture and horticulture industries through secondary industries, because at the moment we export so much as primary produce and it would be good to develop in Victoria a secondary economy. Water is obviously an ongoing issue. Skills shortages are right across the state. In energy, the growth in renewables and the move from a coal-powered economy is another example of how we are transitioning.

One of the interesting things is that population has been in decline since the 1950s in regions, but in fact now we are starting to see a slight return of population, and that has particularly been brought about through COVID, with people from metropolitan regions seeing the attractiveness of the regions. That is a very welcome thing, but of course it then puts pressure on us in other ways. For instance, we already have housing shortages, particularly for workers and also social housing. Any increase in population will put additional pressure on housing. We have connectivity issues and people who are moving from metropolitan regions do not expect that because they are used to having excellent connectivity, so that is still an issue and it is obviously one that has a lot of influence from the Commonwealth. There are pressures on infrastructure if we have increased population.

The thing that underlies all of that, though, in the regions, particularly in the Mallee where I am from, is entrenched disadvantage. You know, on the one hand we have skills shortages; on the other hand we have people who are long-term unemployed and perhaps generational unemployment and we need increased investment rather than less to try and get those people into work. I will give you an example. The Commonwealth has a program called Stronger Places, Stronger People, and Mildura is a pilot site. It is an excellent program. We would like to see more investment in other places across the state because in our region, in the Mallee, we have four LGAs. They all have higher levels of disadvantage and social problems than other regions in Victoria. That is the argument for wanting to see increased rather than decreased investment.

On the positive side, there are some signs of the states and Commonwealth working together better, or the states working together better. To give you an example, the appointment of the cross-border commissioner was very timely with COVID. He has been able to really make an impact in the couple of years since his appointment. I think also, particularly in the Mallee, we have very close collaboration between the RDA committee, the Loddon Mallee RDA, and the two regional partnerships, the Mallee and the Loddon Campaspe,

and we find that by collaborating we are able to get better value for our investment dollars across the three levels of government.

Really, that is all I wanted to say, because I thought perhaps it would be better for me now to close and to be available for questions.

The CHAIR: Thank you very much, Win. I might kick it off just in relation to some of the challenges. What are the main challenges to financial sustainability in Victoria's regions and how can they be addressed?

Ms SCOTT: Well, as you know, quite a few of the small rural councils are having difficulty with sustainability, and they are looking for support from the Commonwealth. That might be in terms of infrastructure, transport, roads. Roads are a particular problem for rural areas, and there is a lot of pressure on investment. Rail, freight—all of these things have an impact, particularly when things are put on hold, like the Murray Basin rail project, for example.

The CHAIR: Thank you. Gary, do you have a question?

Mr BLACKWOOD: Yes. Thanks, John, and thanks, Win. Win, you touched on the population growth in some of the regions that we are seeing now, which is a good thing, but I guess that brings with it demand for infrastructure and other services to the regions. How do you think the Commonwealth can improve its support for delivering on those needs into our regions?

Ms SCOTT: Well, two of the areas that the Commonwealth does have a lot of influence on are connectivity—so the programs that the Commonwealth invests in to improve digital connectivity particularly as well as freight—but also infrastructure for energy, because once again that is a Commonwealth issue. We are moving to renewable energy, and particularly in the Mallee. In Gannawarra shire they have got \$3 billion of approvals, in solar particularly. If they all come off, that will make a difference of \$3 million a year in rate revenue. Now, you know, for a very small council that is already struggling, that would be fantastic. It would make a difference between sustainability and not.

Mr BLACKWOOD: Sure. Thanks, Win.

The CHAIR: Excellent. Chris Couzens.

Ms COUZENS: Thanks, Chair. Thank you, Win, for your time and contribution today. We appreciate it. How will lower GST revenue affect businesses in regional Victoria?

Ms SCOTT: A lot of businesses are struggling after COVID. You know, it is hard to get back on your feet. During that time people have become much more used to buying things online, and that is not necessarily within their own region, as you would know. So they are already under pressure. So any withdrawal of funding will have an impact on any part of the population is really the argument that we are putting forward, and regional businesses and rural businesses need all of the support that they can get.

Ms COUZENS: Thank you.

The CHAIR: Thank you. Nick.

Mr WAKELING: Thanks, John. Win, thank you very much for your presentation. Following up on some of the previous points, particularly regarding the impact of the pandemic and its impact particularly in regional Victoria—and you will have regional issues which are different to metropolitan Melbourne—I am just interested to see what you think the Federal Government and obviously the State Government can be doing to help your communities deal with the impact of COVID but more importantly help to ensure that you come out of it better than you went into it.

Ms SCOTT: Yes. Well, we have talked a little about the potential to increase population in regional Victoria, and in places like Bendigo and Ballarat that is already happening and they have got very good infrastructure, whether you are talking about digital or buildings or anything really—schools. But in the more rural towns and cities like Echuca, Mildura, Swan Hill, they have got the potential for growth because they have got industries, they have got skills shortages, but they still need support in terms of connectivity—digital

connectivity, transport. They are all big issues for those regions—and skills of course because the Commonwealth and state invest in skills.

Mr WAKELING: Thanks, Win.

The CHAIR: Thank you. Any further questions or comments? Yes, Kat.

Ms THEOPHANOUS: Thank you, Chair. Thank you, Win. I am looking at your presentation at the moment and you have got a good chart here around enablers for growth and recovery in regional Victoria. I just wanted you to elucidate a little bit more on how you think that those enablers for growth might be impacted if Victoria ends up with less GST revenue to work with.

Ms SCOTT: Yes. I think we are really seeing, and I have alluded to this, the impact that we have from local, state and Federal governments working together, particularly when it comes to those programs for entrenched disadvantage. You know, in a place like Mildura, which has got so much potential for growth economically, the entrenched disadvantage is terrible. It is holding Mildura back, it is unfortunate for the people involved, it is a really difficult problem. Sometimes those problems are too difficult to tackle. The job networks have that expression of parking people, you know, when they are too difficult to place. So I think that is one of the things that we really need the investment in across the board, and we are at risk there, at risk of not being able to fill jobs, at risk of seeing people go off the rails, because mental health is also an increasing problem. I think that is one of the things that I worry most about, the entrenched disadvantage in our region certainly.

Ms THEOPHANOUS: Thank you.

The CHAIR: Thank you. Any further questions or comments? Would you like to make further comments, Win?

Ms SCOTT: I do not think so. I think I have made the points I wanted to make. I am sure there are things that I wanted to talk about that I haven't, but I hope I have given a picture of regional Victoria.

The CHAIR: Feel free to write to us if you can over the next few days, just so that we have some of those in writing. That would be great for us. We really appreciate the time that you have committed today. Thank you for your presentation.

Ms SCOTT: Thank you. Thanks for having me.

The CHAIR: Thank you. Have a great day.

Committee adjourned.