

CHAPTER 13: REGIONAL AND RURAL OUTCOMES

Key findings of the Committee:

- 13.1 The population of regional Victoria is projected to grow by 477,000 people in the next 30 years. The increasing proportion of older people will have implications for the provision of health, housing and transport services.
- 13.2 Investment and Workforce programs will be vital to the continuing economic and social development of rural and regional Victoria.
- 13.3 Implementation of the *Future Farming* strategy has commenced. However, implementation has been affected by emergencies and unforeseen events. The Committee has recommended that reporting on progress should identify any changes to project milestones and explain action which is being taken to ensure full project delivery over a longer time frame.
- 13.4 The Department of Primary Industries received additional funding for drought assistance programs and provided the Committee with further details on the outcomes of the programs.
- 13.5 1,956 new jobs in regional Victoria were created under the *Moving Forward: Making Provincial Victoria the Best Place to Live, Work and Invest* plan in 2008-09, against a target of 1,000 jobs.
- 13.6 Small Towns Development Fund grants totalling \$15.6 million were approved for 103 projects, exceeding by 43 the target of 60 projects.
- 13.7 With *Moving Forward: Making Provincial Victoria the Best Place to Live, Work and Invest* now in its final stages, the Committee recommends reviewing its performance measures to guide the development of future strategies.
- 13.8 Arts Victoria supported 20 touring projects to 39 regional destinations. Increased costs of touring and the impact of the bushfires on regional venues reduced the overall number of grants approved.
- 13.9 The Department of Health increased the number of doctors by funding an extra 45 intern places across Victoria. Funding was also provided for 57 rural-based medical specialist trainees with training and incentive payments through the *Strengthening Medical Specialist Training* program.
- 13.10 The Department should undertake long-term planning on recruitment and retention of doctors, nurses and other health workers for rural Victoria.

13.1. Background

Between the 2001 and 2006 Censuses, almost half the growth in regional Victoria was in three local government areas: the City of Greater Geelong, the City of Ballarat and the City of Greater Bendigo. At the same time, rural areas which have had a long history of population decreases, including some dry land farming areas in parts of Western Victoria, continued to experience declining population.

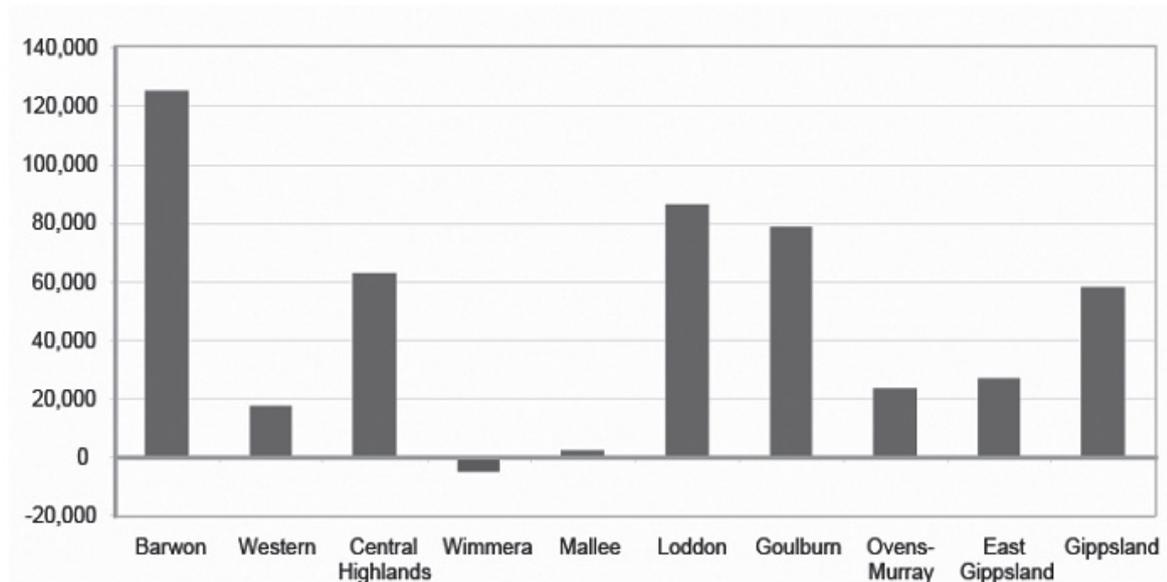
In December 2008, the Government released *Victoria in Future 2008*, its official population and household projections covering the period 2006 to 2036.³⁰⁹

According to the new projections, regional Victoria will grow by 477,000 people in the next 30 years, compared with 320,000 in the previous 30 years. Most of this growth is projected to come from net migration from Melbourne.

Strong population growth is expected in:

- regional centres, which have diverse employment opportunities and services;
- coastal areas, which are popular locations for sea changers such as young families and retirees; and
- tree change and other ‘lifestyle’ locations such as rural areas around Melbourne and the regional centres as well as the Alpine areas and the Murray River.

Figure 13.1 Projected population change 2006-2036

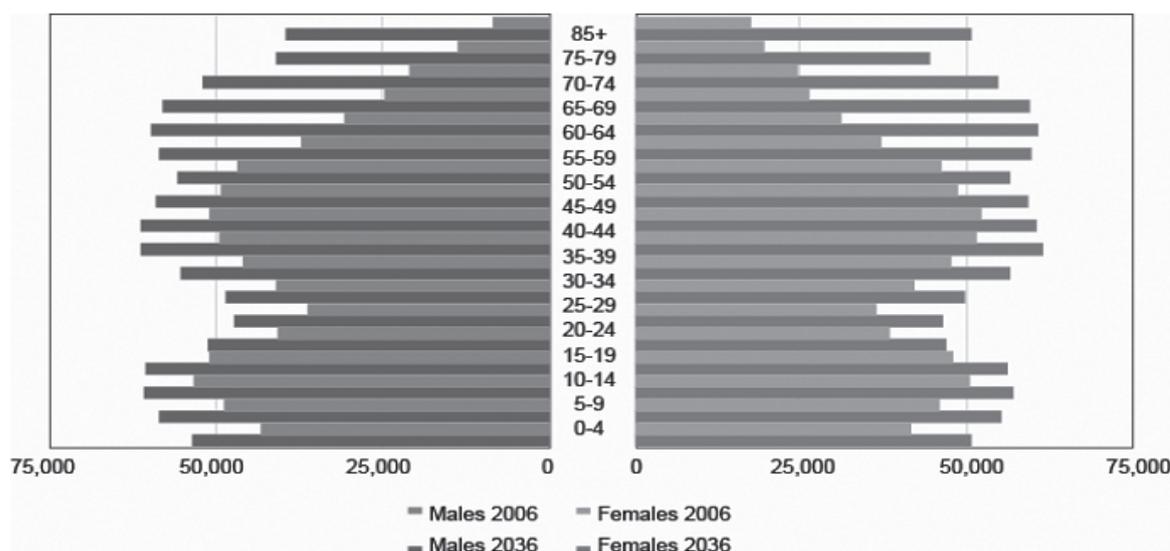


Source: Department of Planning and Community Development, *Victoria in Future 2008: Victorian State Government Population and Household Projections 2006-2036, Second release September 2009, Presentation on Regional Victoria*

309 Department of Planning and Community Development, *Victoria in Future 2008 : Victorian State Government Population and Household Projections 2006-2036, Second release September 2009, p4*

The population of regional and rural Victoria is ageing. Forecasts indicate the proportion of older people in regional and rural Victoria will increase at a faster rate than in metropolitan Melbourne. By 2018, the age group of 70 years or older will increase to 14 per cent of the rural population, compared with 11 per cent in the metropolitan area.³¹⁰

Figure 13.2 Population distribution by age and sex: Regional Victoria 2006 and 2036



Source: Department of Planning and Community Development, *Victoria in Future 2008: Victorian State Government Population and Household Projections 2006-2036*, Second release September 2009, Presentation on Regional Victoria

Population growth and changes in settlement patterns will present significant opportunities and challenges for the future of regional and rural Victoria.

In 2009, the Government established a Ministerial taskforce to develop a long-term blueprint for the sustainable growth of regional Victoria. The blueprint will assist government and communities in planning for the next stage of growth, including land use and settlement planning and the provision of infrastructure and services. It will also consider the key drivers of change and issues including drought and climate change, the ageing population, short and long term movements in international economic conditions, skills and housing shortages and the increased risk of natural disaster.³¹¹

The *Blueprint for Regional Victoria* will be released in 2010 and will be supported by long-term strategic plans for each of Victoria's regions. The blueprint will effectively succeed the Government's 2005 regional development statement, *Moving Forward – Making Provincial Victoria the Best Place to Live, Work and Invest*, and *Moving Forward Update* (2008) as the centrepiece of regional development policy in Victoria.

310 Department of Health, *Rural directions—for a stronger healthier Victoria*, 2009, p8

311 Business Victoria, What is Regional Strategic Planning? webpage (http://www.business.vic.gov.au/BUSVIC/ARTICLE/PC_63049.html), accessed 4 May 2010

In 2008-09 Victoria experienced its worst natural disaster with the 7 February 2009 bushfires. An estimated 50 local communities in 15 local government areas in rural and regional Victoria were directly affected by the bushfires.³¹²

During the year, the effects of one of the worst droughts in Victoria's history, now into its thirteenth year, continued to impact adversely on farmers and rural industries.

These difficult conditions were exacerbated by the economic consequences of the Global Financial Crisis.

Some of these issues, such as the bushfires, the environmental impact of the drought and the wider implications of the Global Financial Crisis are covered elsewhere in this report.

In this chapter, the Committee has chosen to cover the following issues:

- supporting farmers;
- economic development initiatives;
- access to cultural programs;
- transport; and
- health services.

Some of these issues are new, others have been examined in previous years, for example, the outcomes of the *Moving Forward: Making Provincial Victoria the Best Place to Live, Work and Invest* plan and strategies to increase the rural health workforce.

The Committee considers investment and workforce programs to be vital to the continuing economic and social development of rural and regional Victoria, and believes they warrant ongoing scrutiny to ensure the best possible outcomes are being achieved.

13.2. Supporting farmers

13.2.1 Future Farming Strategy

In April 2008, the Government launched the *Future Farming* strategy to improve the productivity, competitiveness and sustainability of farm businesses. The \$205 million strategy has seven broad Action Areas, which the Department described as follows:³¹³

- ***Boosting productivity through new technology and changes in farming practices***

Major new investment of \$103.5 million to expand agricultural research, development and practice change services in Victoria, including the development of new generations of drought, cold and salt resistant crops, improved plant and animal disease control, and new technologies to lift productivity.

312 Department of Innovation, Industry and Regional Development, *2008-09 Annual Report*, October 2009, p.85

313 Department of Primary Industries, *Future Farming: Productive, Competitive and Sustainable*, 2008, p.3

- ***Building skills and attracting young people to farming***

... [Measures to] boost regional education and training opportunities related to farming and its support industries, including new trade wings at secondary colleges for trades that are in short supply in primary industries. ...

- ***Understanding and managing climate change***

New support of \$11.5 million to help farm businesses to plan for climate change and to provide farmers in key industries with new technologies and strategies to adapt their farming systems to future climate conditions.

- ***Strengthening land and water management***

Additional investment of \$24 million for managing weeds and pests, as well as new actions to assist farm businesses to strengthen land and water management.

- ***Helping farm families to secure their futures***

A \$12 million boost for services to support farmers and rural communities in securing their future and adjusting to change, including a new National Centre for Farmer Health to improve the health and wellbeing of farmers, farm workers and their families.

- ***Developing new products and securing new markets***

An \$11 million package of initiatives to help farm businesses capture new domestic and international market opportunities. This includes enhancing Victoria's biosecurity preparedness and identifying new investment opportunities and alliances.

- ***Transporting products to market***

A \$43 million investment in country rail freight lines serving the grains industry to ensure the rail system can continue to deliver future crops to market. Other major investments are the deepening of the Port Phillip Bay channel and the development of a new wholesale market at Epping.

In its annual report, the Department of Primary Industries indicated that the timelines for the *Future Farming* strategy had been adjusted.³¹⁴ The Committee requested the Department provide additional information as to:

- (a) how much the timelines have been adjusted;
- (b) why this has occurred;
- (c) the impact of the adjustments on outcomes; and
- (d) what measures the Department has put in place to reduce the risk of future adjustments to the timelines being required.

In relation to the above questions, the Department informed the Committee that:³¹⁵

(a) *Budget and timelines were adjusted from 2008-09 to the 2009-10 and 2010-11 financial years for the following actions under the Future Farming Strategy:*

- *delivering better services to farmers; and*
- *new action on weeds and pests.*

(b) *This was a result of:*

- *re-deployment of staff to the biosecurity response for Mexican Feathergrass;*
- *re-deployment of resources to the bushfire emergency response and recovery including contribution to the fire fighting effort in partnership with the Department of Sustainability and Environment (DSE) and assisting rural landholders and communities during recovery; and*
- *an initial delay in project commencement due in-part to above-mentioned resourcing issues and some greater complexity in the implementation planning phase than originally anticipated.*

(c) *There will not be any impact on the long term outcomes of these initiatives. Project milestones have been amended to ensure projects are delivered on time and within budget in the longer term.*

(d) *The re-phasing has allowed funding to match the expected project delivery plans to ensure that all deliverables are met.*

The Committee accepts that emergencies and unforeseeable events will pose challenges to the implementation schedule of programs being undertaken in rural Victoria. It recommends that in addition to describing the achievements of the *Future Farming* strategy³¹⁶, the Department of Primary Industries also provide an explanation of any changes to original project milestones, and the action it is taking to ensure that projects are delivered in line with their planned scope and budget over a longer time frame.

Recommendation 31: In reporting on progress in implementing the Future Farming strategy, the Department of Primary Industries should identify any changes to original project milestones and explain the action which is being taken to ensure full project delivery over a longer time frame.

315 Department of Primary Industries, response to the Committee's 2008-09 Financial and Performance Outcomes Questionnaire – Part Two, received 4 February 2010, pp.7-9

316 Department of Primary Industries, *2008-09 Annual Report*, October 2009, p20

13.2.1 Drought assistance

The Committee noted that in the Department of Primary Industries' 2008-09 Financial Statements, the total output cost in 2008-09 for the Sustainable Practice Change output increased from the target of \$142.8 million to an actual cost of \$232.9 million. The Department explained that the increase in actual expenditure against published budget largely reflected additional funding received for drought assistance programs and Commonwealth and State Exceptional Circumstances Interest Rate Subsidy (EC IRS) assistance. The purchase of land for the Melbourne Market relocation project also contributed to the variance.³¹⁷

The Committee requested the Department provide further details of drought assistance programs and EC IRS assistance.

The Department informed the Committee that the cost breakdown was as follows:³¹⁸

- Drought extension support – \$1.1 million;
- Extending the case management approach to supporting farmers through drought and adjustment – \$0.5 million;
- On-farm productivity grants – \$6 million;
- Municipal rate subsidies – \$13.5 million;
- EC IRS – State component – \$6.6 million; and
- EC IRS – Commonwealth component – \$59.8 million.

The Department explained that the drought assistance programs are designed to deliver immediate relief to families and communities affected by drought and low water availability and to support farmers and rural business owners to adapt to adverse climatic conditions.

The Department advised that the outcomes of drought assistance programs were as follows:³¹⁹

1. Drought Extension Support

Grants totalling \$500,000 were allocated to 18 industry organisations to continue to deliver support services to farm businesses, families and communities affected by drought.

Funding for extension support services was provided to seven DPI extension projects, with a focus on dairy and horticulture, to ensure sufficient access for businesses to technical, financial and social support.

2. Extending the Case Management Approach

Funding was provided to train Rural Financial Counsellors in a case management approach to assist with the adoption of Enterprise Action Plans (EAPs) by clients.

317 Department of Primary Industries, *Financial Statements and Appendices 2008-09*, June 2009, p.51

318 Department of Primary Industries, response to the Committee's 2008-09 Financial and Performance Outcomes Questionnaire – Part Two, received 4 February 2010, p.7

319 *ibid.*

3. On-Farm Productivity Improvement Grants

On-Farm Productivity Improvement Grants were provided to 1,029 applicants. These grants were used by farm businesses to invest in infrastructure to improve drought preparedness.

4. Municipal Rate Subsidies

Municipal Rate Subsidies were granted to 7,500 Exceptional Circumstances Relief Payment recipients across 56 Shire and Rural City Councils.

5. Exceptional Circumstances Interest Rate Subsidies (EC IRS)

At 30 June 2009, 13,142 applications for the EC IRS had been granted.

13.1. Economic development initiatives

Moving Forward: Making Provincial Victoria the Best Place to Live, Work and Invest is the Government's current plan to develop, grow and strengthen regional Victoria. The plan formally concludes in June 2010. The *Blueprint for Regional Victoria*, discussed at the beginning of this chapter, will identify future strategies for regional economic development.

Moving Forward contains 15 major actions. In its *Report on 2006-07 Financial and Performance Outcomes*, the Committee examined *Moving Forward* expenditure, focusing on two major funds, the *Provincial Victoria Growth Fund* and the *Regional Infrastructure Development Fund* which accounted for two of the 15 actions.³²⁰ The Committee had recommended that Regional Development Victoria should include in its annual report a detailed breakdown of expenditure on each of the initiatives and more detailed analysis of performance against the actions.³²¹ The Government accepted this recommendation in part, agreeing that Regional Development Victoria would improve clarity around information in future annual reports that relates to *Moving Forward* initiatives, but noting that the annual report was only one source of information on the operations of Regional Development Victoria. Additional information was provided through the Regional Development Victoria website, the Regional Development Victoria Newsletter (*Moving Forward*) and other publications that were released from time to time.³²²

In its report the following year, the Committee examined the progress made to date on addressing the 15 actions in *Moving Forward*.³²³ The Committee recommended that the Department of Innovation, Industry and Regional Development and Regional Development Victoria develop a clear, useful and concise means for reporting financial information associated with the plan.³²⁴ The Government accepted the recommendation in principle, and advised that Regional Development Victoria would review whether presentation of information in the annual report can be enhanced.³²⁵

320 Public Accounts and Estimates Committee, *Report on 2006-07 Financial and Performance Outcomes*, May 2008, pp.455-7

321 *ibid.*, p.457

322 Victorian Government, response to the Committee's *Report on the 2006-07 Financial and Performance Outcomes*, November 2008, p.37

323 Public Accounts and Estimates Committee, *Report on 2007-08 Financial and Performance Outcomes*, May 2009, pp.291-6

324 *ibid.*, p.291

325 Victorian Government, response to the Committee's *Report on the 2006-07 Financial and Performance Outcomes*, November 2008, p.21

The Committee acknowledges that a list of all grants provided under *Moving Forward* is included in both the Department of Innovation, Industry and Regional Development's and Regional Development Victoria's annual reports. However, it is the Committee's view that there remains scope for improved reporting on performance. The Committee has noted that in 2008-09, there were significant variations between the target output and the actual output in many of the performance measures related to *Moving Forward*. The Committee requested further information from the Department of Innovation, Industry and Regional Development about these performance measure variations, and asked the Department about the assumptions behind the targets and the appropriateness of the performance indicators.

Table 13.1 Regional Development – Regional Economic Development, Investment and Promotion

Performance measure	Unit of measure	Target 2008-09	Actual 2008-09	Explanations for variance greater than 10 per cent
Output cost	\$ million	48.7	37.7	<p>Question: The Annual Report explains that this variation occurred largely as a result of under-expenditure in grant programs. Please provide details of the grant programs with under-expenditure, a detailed explanation for the under-expenditure and what effects the under-expenditure and any delays incurred has had on regional Victoria.</p> <p>Response: The majority of the cost variance for the Regional Economic Development, Investment and Promotion Output in 2008-09 actually represents the payment of grants to Tourism Victoria which is reflected in an increase in expenditure against the Tourism Output rather than the Regional Economic Development, Investment and Promotion Output. Hence, this has no impact on service delivery.</p> <p>The main program variance is attributable to the Geelong Investment and Innovation Fund. Variance represents commitments made in 2008-09 that are expected to be paid in 2009-10 on completion of agreed milestones and therefore no impacts are anticipated.</p>
Companies in regional Victoria provided with assistance from growth opportunities	number	160	200	<p>Question: These results exceeded the target by a considerable margin. Please outline the major factors that enabled these results to be achieved and comment on the veracity of the assumptions behind the establishment of the original targets or forecasts.</p> <p>Response: Results for <i>Companies in regional Victoria provided with assistance for growth opportunities</i> reflect both strong interest in Regional Development and Small Business Programs by regional businesses and funding availability during 2008-09 under <i>Moving Forward</i>.</p>
Jobs created in regional Victoria	number	1,000	1,956	<p>The good results for <i>Jobs created and New investments facilitated in regional Victoria</i> reflect specific initiative and project outcomes, including outcomes of projects supported through the Geelong Investment and Innovation Fund.</p>
New investments facilitated in regional Victoria	\$ million	750	1,589	

Performance measure	Unit of measure	Target 2008-09	Actual 2008-09	Explanations for variance greater than 10 per cent
Provincial Economic Partnerships – projects supported	number	25	34	The <i>Provincial Economic Partnerships – projects supported</i> result reflects a change in funding criteria, budget availability under <i>Moving Forward</i> and significant interest by local Government in the initiative.
Provincial Events held with RDV support	number	55	95	Regional Development Victoria (RDV) supported a large number of additional events as a result of the February 2009 Bushfires. These additional events, which were in response to a specific need and could not have been forecast, are the main reason for exceeding the <i>Provincial Events held with RDV support</i> target. The Department reviews each target and measure on an annual basis and revises them from time to time based on factors including budget changes, changes to funding criteria, and knowledge of external conditions. Nonetheless, many of the measures are based on interaction with external stakeholders and clients, or can be impacted by external events (such as a Bushfire or economic conditions), and are therefore subject to some volatility.
Enquiries to provincial councils about living, working and/or investing in their region	number	500	246	Question: Please provide a detailed explanation for this variation. Given that the amount of investment was significantly higher than estimated, despite the low numbers of enquiries to provincial councils, does this indicate that people are substantially using other means for gaining information about regional Victoria? If so, would a different performance indicator be more appropriate in future years? Response: The <i>Enquiries to provincial councils about living, working and/or investing in their region</i> is based on the number of queries directly received by local government through the Make it Happen in Provincial Victoria Website. Due to the bushfires and challenging economic conditions, the Department directed funding toward direct recovery and assistance programs rather than broader promotion activities associated with the Make it Happen in Provincial Victoria Campaign and associated Website. Queries fell in 2008-09 as a result.

Source: Department of Innovation, Industry and Regional Development, response to the Committee's 2008-09 Financial and Performance Outcomes Questionnaire – Part Two, received 8 February 2010, pp.7–9

The Committee notes that the response to its questions focused mainly on the circumstantial reasons why the actual output was different from the target. The Department should review performance indicators and associated targets on a regular basis to ensure their currency and consistency.

The Committee also asked more detailed questions about the following performance indicators.

13.1.1 Jobs created in regional Victoria

In its 2008-09 Annual Report, the Department of Innovation, Industry and Regional Development advised that, under its support programs, 1,956 new jobs had been created in regional Victoria, almost twice its target number of 1,000 jobs.³²⁶

The Committee asked the Department to clarify the following points:

- Of those jobs created by the Department, how many are full-time and how many part-time?
- Were the new jobs created by Departmental activities in different industries from those in which the job losses are occurring? Is there a connection between the jobs created and Departmental programs (e.g. *Skill Up*)? If so, how does the Department establish this connection?
- Are the new jobs in different locations to where the job losses are occurring? If so, has there been an increase in out-migration from particular areas and are there any programs to assist these areas with the consequences of out-migration?

In response, the Department advised that the 1,956 new jobs were Full Time Equivalent positions and that:³²⁷

The new jobs were created in a range of industries, some of which ABS data showed had declined in overall employment numbers. Many of the jobs facilitated were in the food and related industries sector, which grew in a number of regions with increases in agriculture, forestry and fishing.

Job targets and outcomes reported in the Annual Report and Budget Papers are associated with Departmental programs and associated activities. This includes direct grants and other facilitation services.

Jobs have been facilitated in regions the ABS data indicates have been experiencing both growth and decline.

A number of the jobs facilitated were in the Hume region, which according to the ABS data quoted in the question experienced a decline in employment.

A proportion of the jobs created also relate to intervention in response to specific, identified job losses. For example, the Geelong Investment and Innovation Fund facilitated new jobs in Geelong in the wake of the announcement of Ford's Geelong engine plant closure and the proposed loss of about 600 jobs by 2010.

Another program, the Rural Skills Connect Program, is designed to use the transferable skills of the farm related sector to meet rural industry skill gaps.

326 Department of Innovation, Industry and Regional Development, 2008-09 Annual Report, October 2009, p.239

327 Department of Innovation, Industry and Regional Development, response to the Committee's 2008-09 Financial and Performance Outcomes Questionnaire – Part Two, received 8 February 2010, p.36

13.1.2 Regional Infrastructure Development Fund

In reporting on its outcome targets and performance, the Department of Innovation, Industry and Regional Development advised that additional funding received for the Small Towns Development Fund and Victorian Transport Plan enabled a significant increase in Regional Infrastructure Development Fund and Small Towns Development Fund projects.³²⁸ The Committee asked the Department to provide further details on:

- the selection process;
- the location in Victoria of the funded projects (with the help of a spreadsheet and maps); and
- measures to ensure that the funding is achieving valuable outcomes and contributing to the *Growing Victoria Together* vision.

Regional Infrastructure Development Fund (RIDF) and Victorian Transport Plan (VTP)

The Department of Innovation, Industry and Regional Development informed the Committee that:³²⁹

The Government announced \$7.5 million of funding for the Local Roads to Market Program (LRMP), \$20 million for the Regional Aviation Fund (RAF) and \$10 million for the Provincial Pathways Program (PPP) in the Victorian Transport Plan (VTP) in December 2008. The funding was provided through the Regional Infrastructure Development Fund (RIDF).

All RIDF projects are assessed and evaluated on their merits against established criteria (which are publicly available) prior to approval. Project proposals are required to meet a significant number of the following criteria:

- *Economic;*
- *Socio-economic;*
- *State and Regional Priority;*
- *Project Feasibility and Delivery;*
- *Victorian Industry Participation Policy (VIPPP); and*
- *Financial.*

328 Department of Innovation, Industry and Regional Development, *2008-09 Annual Report*, October 2009, pp.238, 242

329 Department of Innovation, Industry and Regional Development, response to the Committee's 2008-09 Financial and Performance Outcomes Questionnaire – Part Two, received 8 February 2010, pp.32-4

Projects considered for funding under RIDF sub-programs may also be evaluated against program specific eligibility criteria, including the following for VTP initiatives:

Local Roads to Market Program (LRMP)

LRMP projects must comply with the published RIDF guidelines in the first instance. LRMP projects are evaluated against a separate set of eligibility criteria devised specifically for LRMP outcomes. The objective of the LRMP is to improve the efficiency and competitiveness of agricultural and horticultural producers and related industries through the strategic upgrade of local roads for B-double access.

Regional Aviation Fund (RAF)

RAF projects must comply with the published RIDF guidelines in the first instance. Projects are also subjected to evaluation against a separate set of eligibility criteria devised specifically for RAF outcomes. The RAF program recognises the potential for regional airports to boost economic development in regional Victoria by catering for increased tourism and business visitation, and providing infrastructure that facilitates easier and more efficient transportation access to and from Victoria's regional communities.

Provincial Pathways Program (PPP)

PPP projects must comply with the published RIDF guidelines in the first instance. The PPP provides funding assistance for the development of pathways/trail networks to generate economic, social and recreational benefits. Specifically the PPP seeks to:

- stimulate tourism and other economic activity by attracting more people, jobs and investment to regional Victoria;*
- deliver the right balance of skills and industry needed to drive future growth; and*
- promote sustainable development and better land management.*

Following assessment by Regional Development Victoria (RDV), all RIDF projects are reviewed and recommendations made by an Interdepartmental Committee (RIDC). The RIDC is chaired by RDV and includes representatives from the Departments of Premier and Cabinet, Treasury and Finance, and Transport. Recommendations are then made to the Minister for Regional and Rural Development.

Under the third round of LRMP funding, project recommendations are now being considered by the Minister for Regional and Rural Development for the funding of 54 road infrastructure projects across 32 regional and rural Councils.

Since the announcement of the VTP funding (December 2008), the following RAF projects have been announced by the Government:

Table 13.1: RIDF RAF (VTP) projects announced (as at 11 January 2010)

Project Name	Location	RIDF Funding (\$)
Mildura Airport Upgrade	Mildura	5,720,000
Ballarat Airport Investment Attraction	Ballarat	3,434,784
Portland Airport Upgrade	Portland	1,350,000
Warrnambool Airport Stage 2	Warrnambool	492,000
Total		10,996,784

Source: Department of Innovation, Industry and Regional Development, response to the Committee's 2008-09 Financial and Performance Outcomes Questionnaire – Part Two, received 8 February 2010, p.33

Since the announcement of the VTP funding (December 2008), the following PPP projects have been announced by the Government:

Table 13.2: RIDF PPP (VTP) projects announced (as at 11 January 2010)

Project Name and Location	Council Area	RIDF Funding (\$)
Great Ocean Walk off road development for sections around 12 Apostles	Corangamite Shire Council	871,970
Tarra Trail (Stage 1) Yarram to Alberton	Wellington Shire Council	200,000
Wangaratta to Everton Loop Trail (link back to the Murray to the Mountain Rail Trail)	Rural City of Wangaratta	400,000
Surf Coast Walk (Torquay to Anglesea)	Surf Coast Shire Council	800,000
East Gippsland Two Short Walks (Marlo and Mallacoota)	East Gippsland Shire Council	1,612,546
Total		3,884,516

Source: Department of Innovation, Industry and Regional Development, response to the Committee's 2008-09 Financial and Performance Outcomes Questionnaire – Part Two, received 8 February 2010, p.34

All funded projects must comply with the RIDF and sub-program specific criteria for outcomes which enhance productivity, liveability and sustainability in regional Victoria:

LRMP and RAF

A specific set of Key Performance Indicators have been created to ensure that the different social and economic benefits derived from projects are captured. Project proponents are required through a legal agreement to report on the project outcomes. This data capture and reporting allows assessment against RIDF objectives and GVT Vision and Goals.

Specific measures align to the initiative specific objectives as identified above.

PPP

All PPP projects are required to report back on the economic, social and recreational benefits of the project over a two year period. Project proponents are required through a legal agreement to report on the project outcomes. Measures include the:

- *Tourism Impact of the project;*
- *impact of increased visitation to the region on local businesses and the success of a marketing strategy to the region;*
- *Economic Impact through new or ongoing investment, employment growth or other benefits that can be attributed to the Project;*
- *Social Outcomes such as the recreational/commuter usage, new programs to encourage local activities, lifestyle enhancement; and*
- *Environmental Impacts that seek to set out details available as to the impact of the completed trail with reference to surrounding land/urban environments.*

Small Towns Development Fund

Delivering greater support for small towns is one of the 15 actions identified in *Moving Forward*. The Small Towns Development Fund (STDF) is one of the initiatives under this action. In 2008-09, STDF grants totalling \$15.6 million were approved, with a total project cost of \$28.8 million.³³⁰ Funding was approved for 103 projects – 43 more than the minimum measure of success of 60.

The Department advised that the STDF is a sub-program of RIDF which:³³¹

...assists communities in Victoria's smaller towns to create new opportunities for growth and develop economic and social infrastructure. As the STDF is a rolling funding program, applications are invited from the 48 regional Councils all year round.

Potential projects are generally identified by Council through their strategic planning process, and normally hold a high priority for Council and Community.

All projects must meet the STDF program objectives to:

- *create new opportunities for economic growth and development;*
- *develop economic and social infrastructure; and*
- *enhance the liveability of rural communities.*

The STDF is aiding the government to achieve the 'Building friendly, confident and safe communities' objective of the Growing Victoria Together vision by developing and improving important social and economic infrastructure.

330 Regional Development Victoria 2008-09 Annual Report, October 2009, p.242

331 Department of Innovation, Industry and Regional Development, response to the Committee's 2008-09 Financial and Performance Outcomes Questionnaire – Part Two, received 8 February 2010, p.35

13.1.3 Evaluating Moving Forward: performance measures

Moving Forward is now in its final stages and the Committee recommends that in evaluating the outcomes of *Moving Forward*, the Department should ensure that the appropriateness of the performance measures and the approach to setting targets are addressed, and recommendations for improvement are sought. In establishing the reporting framework for future regional economic development strategies, the Department of Innovation, Industry and Regional Development should take into account the Committee's recommendations in 2006-07, 2007-08 and the recommendation in this report to ensure that the annual target for each performance measure is a more accurate indication of the actual outcome for that year.

Recommendation 32: **An evaluation of the outcomes of *Moving Forward: Making Provincial Victoria the Best Place to Live, Work and Invest (2005)* and *Moving Forward: Update, The Next Two Years 2008 to 2010 (2008)* should address the appropriateness of the performance measures which were used and the approach to setting the targets for these measures with a view to ensuring improved reporting on the delivery of future programs.**

13.2. Access to cultural programs

Arts Victoria: Touring Victoria program

The *Touring Victoria* program supports, encourages and enables the touring of quality, professional Victorian artistic works to regional and outer-metropolitan communities across the State.

The program aims to:³³²

- *provide regional Victorians with access to a diverse range of artistic and cultural experiences no matter where they live;*
- *support the environment for presentation of quality programming in outer-metropolitan, regional and rural communities; and*
- *build the viability of Victoria's creative industries through developing new markets and audiences for Victorian producers, creators and companies.*

Arts Victoria reported that in 2008-09, the Touring Victoria program had not met its target of 53 destinations, and that the actual number was 32. Arts Victoria advised that increased costs of touring and the impact of the bushfires on regional venues resulted in fewer grants being able to be supported.³³³

332 Arts Victoria, Touring Victoria webpage (http://www.arts.vic.gov.au/content/Public/Funding_Programs/Touring_Victoria.aspx), accessed 4 May 2010

333 Department of Premier and Cabinet, *2008-09 Annual Report*, October 2009, p.129

The Department of Premier and Cabinet advised the Committee that in 2008-09:³³⁴

...the Touring Victoria program supported 20 touring projects, which included touring to 39 regional destinations. This resulted in over 125³³⁵ presentations in regional Victoria.

Program evaluation from the 2008-09 financial year found that 78% of producers surveyed stated that tours were successful in extending employment for the arts professionals involved. There is also a flow-on effect for workers in the venues receiving shows, including front of house, technical and curatorial staff.

13.3. Transport Accessibility

The Victorian Transport Plan (VTP) released by the Government in December 2008 aims to support the continued growth of regional Victoria through major investment in transport links to support key regional industries, improved safety on the transport network and meeting current demand and future growth.

The VTP includes proposed upgrades of critical roads and continues investment in the Regional Rail Freight Network to ensure the efficient movement of goods around the State and to major export points.

Under the VTP, more frequent public transport connections to Melbourne and more local bus services are planned. This includes more V/Line train carriages and improvements to regional roads.

For smaller regional towns, the VTP aims to support more bus connections and flexible community transport options to improve access to medical and other services, shops and entertainment.

Country passenger rail network

The Department of Transport reported that in 2008-09, it had delivered 80 per cent of planned infrastructure asset renewal/maintenance activities (according to value) associated with the country passenger rail network within project timelines, as against its target of 90 per cent.³³⁶

In response to the Committee's request, the Department provided a list of the top five planned infrastructure asset renewal/maintenance activities (according to value) that were not delivered within project timelines, together with the timelines as to when each project is to be delivered (see table overleaf).

334 Department of Premier and Cabinet, response to the Committee's 2008-09 Financial and Performance Outcomes Questionnaire – Part Two, received 2 February 2010, p.4

335 Based on the number of performances/exhibitions of the touring work, excluding related activities such as workshops and artists talks. Information on multiple presentations is also incomplete, as all acquittal data for 2008/09 is yet to be submitted owing to touring and reporting timelines.

336 Department of Transport, *2008-09 Annual Report*, October 2009, p.171

Table 13.2 Top five asset renewal/maintenance activities (according to value) not completed as at June 2009

No.	Name of the project	Timeline of Delivery
1	Regional Fast Rail (RFR) Bendigo Corridor Station Improvements	See below
2	Tie Renewal (Swan Hill-Piangil, Korong Vale-Quambatook. Mildura-Yelta) - \$2.2m	Completed in Nov 2009
3	Rail Grinding (Seymour-Shepparton and Geelong Corridor) - \$0.7m	Completed in Sept 2009
4	Various Bridge Renewals (Bendigo - Swan Hill) - \$0.5m 2009	Completed in Jul 2009
5	Structural Works (Stratford and Ingleston) - \$0.35m	Completed in Jul 2009 and Nov 2009 respectively.

Source: Department of Transport, response to the Committee's 2008-09 Financial and Performance Outcomes Questionnaire – Part Two, received 25 February 2010, p.6

These following activities were reported as not completed as at June 2009 on account of delays/ changes to planned timelines occurring due to February 2009 bushfires and delivery of sleepers:³³⁷

RFR Bendigo Corridor Under The Station Improvements Project:

Platform Extension

- *Woodend – is expected to be completed by the end of February 2010. The design is currently with Heritage Victoria for review. Other works at Woodend include additional car parks, waiting room, ticket booth and toilet upgrade. Total cost is \$1.1m.*
- *Clarkefield – the package of works includes platform lengthening, Signal redesign, and minor platform works. It is expected to be completed by the end of August 2010. Total cost is \$0.850m.*
- *Riddles Creek – is expected to be completed by the end of August 2010. Total cost is \$0.595m.*
- *Macedon – is expected to be completed by May 2011. Total cost is \$1.224m.*

Sewage Installation

- *Kyneton – tender was put out to market on 23 Dec 2009. A contract will be awarded by the end of January 2010. Construction is expected to be completed by the end of May 2010. Total cost is \$0.385m.*

³³⁷ Department of Transport, response to the Committee's 2008-09 Financial and Performance Outcomes Questionnaire – Part Two, received 25 February 2010, p.6

13.4. Health services

The Department of Health has identified that the ageing population of rural and regional Victoria will seek additional health services as:³³⁸

...older people have greater health needs and are major users of health services at all levels. Older people have a greater prevalence of chronic diseases, including cardiovascular disease, cancer, diabetes, renal disease, chronic obstructive pulmonary disease and musculoskeletal conditions such as arthritis. It is forecast that by 2018-19, people aged 70 years and over will consume 49 per cent of all bed days utilised by rural Victorians...

The Burden of Disease Study³³⁹ identified living in the country as being associated with a decreased life expectancy, which is largely due to cardiovascular disease, cancers, injuries caused by road and machinery accidents, suicide and drowning. This reduced life expectancy for rural populations may be attributable to a combination of socioeconomic factors, health impacts of the long-running drought, access to local services and timely access to life-saving treatment such as resuscitation and surgery.

A study by the Primary Health Care Research and Information Service³⁴⁰ showed lower access to general practitioner services in rural areas. For example, whereas there was one GP for every 1,529 people in the Mallee Division of General Practice in 2006-07, there was one for every 417 in the Melbourne CBD.³⁴¹

In October 2009, the Government updated its policy document *Rural directions for a better state of health*. The new policy *Rural directions - for a stronger healthier Victoria*, continues with the three broad directions of the original policy, but with a revised focus.

The three directions are now:

- improving the health of rural Victorians;
- supporting a contemporary health system; and
- strengthening and sustaining rural health services.

Programs to increase the health workforce in rural and regional Victoria

In its *Report on the 2007-08 Financial and Performance Outcomes*, the Committee reviewed strategies for resourcing the rural health workforce. The Committee recommended that:³⁴²

To address the possibility of critical shortages of general practitioners in regional and rural Victoria, the Department of Human Services prepare a progress report and long-term plan which covers the recruitment of an adequate number of doctors to meet the health requirements of rural Victorians into the future.

338 Department of Health, *Rural directions—for a stronger healthier Victoria*, October 2009, p.9

339 Australian Institute of Health and Welfare 2007, *The burden of disease and injury in Australia 2003*, AIHW, Canberra

340 Primary Health Care Research and Information Service. See <www.phcris.org.au>

341 Department of Health, *Rural directions—for a stronger healthier Victoria*, October 2009, p.9

342 Public Accounts and Estimates Committee, *Report on the 2007-08 Financial and Performance Outcomes*, recommendation 33, p.287

The Government accepted the Committee's recommendation and advised that a range of initiatives is being undertaken addressing workforce shortages in regional and rural Victoria. The Government advised that details of these initiatives can be found on the Department of Health's website and a progress report is being prepared for viewing at <http://www.health.vic.gov.au/workforce>.³⁴³

The Government also advised that:³⁴⁴

A number of rural medical workforce recruitment and retention programs are scheduled for evaluation in the coming year.

Recent changes to the Commonwealth's rural workforce programs are currently being reviewed to identify the effect on Victorian health services. A rural Medical Workforce Partnership program will be launched in the coming months. It is intended that this program will support rural health providers and services in workforce planning and in formulating local solutions to workforce shortages.

The establishment of an International Medical Graduates service coordination and support service will give Victoria an edge in recruitment.

In its 2008-09 Annual Report, the Department of Human Services stated that, to improve country Victorians' access to health services, it had increased postgraduate training of rural doctors and provided high quality internship programs for medical graduates in 2008-09. During the year, the Department funded an extra 45 intern places across Victoria, and also funded 57 rural-based medical specialist trainees with training and incentive payments through the Strengthening Medical Specialist Training program.³⁴⁵

The Committee notes that in 2008-09, the Rural Workforce Agency, Victoria (RWAV), which is funded by both the Commonwealth and the Victorian Governments, recruited 68 doctors, 54 of whom commenced work in rural general practice across Victoria. During 2008-09, 182 doctors worked in rural and regional Victoria under RWAV managed schemes.³⁴⁶ In addition:³⁴⁷

RWAV administers the federally funded Medical Specialist Outreach Program (MSOAP). Specialist doctors travel to all parts of Victoria to provide specialist services in clinics and hospitals so that regional and rural patients don't have to travel to major regional and urban centres for treatment.

During 2008-09 the program delivered 4,337 specialist assistance sessions, treating 66,299 patients, including 652 indigenous patients, at 263 specialist services in the State's rural and regional communities.

343 Government Responses to the Recommendations of Public Accounts and Estimates Committee's 87th Report on the 2007-08 Financial and Performance Outcomes, November 2009, p.18

344 *ibid.*

345 Department of Human Services, 2008-09 Annual Report, October 2009, p.21

346 Rural Workforce Agency, Victoria, 2008-09 Annual Report, January 2010, p 18

347 *ibid.*

In its new policy document, *Rural directions—for a stronger healthier Victoria*,³⁴⁸ the Department of Health states that it will support rural health services to maintain a sustainable workforce by improving recruitment and retention and redesigning the workforce to meet changing local needs.

In addition to the specific programs and initiatives currently underway to recruit and retain a health workforce for rural and regional Victoria, the Department will:³⁴⁹

- *provide ongoing support for targeted recruitment packages and incentives for rural training posts*
- *extend skills training for GPs*
- *establish the Strengthening Medical Specialist Training program, to better target specialist training*
- *expand the Medical Clinical Educator program to support health services to improve assessment, upskilling and support of international medical graduates*
- *develop regional training partnerships to support medical education and training for both junior doctors and international medical graduates*
- *develop the rural Allied Health Undergraduate Scholarship program*
- *complete the statewide Best practice clinical learning environment framework, which will have the potential to improve recruitment and retention.*

Initiatives designed to improve retention rates among the existing workforce will be aimed at improving employee satisfaction, reducing the risk of burn-out and dislocation/disorientation within the workplace, and better supporting career pathways for health professionals through enhanced opportunities for further training and upskilling.

In the policy document, the Department notes that:³⁵⁰

Nurses are the major workforce that supports ongoing service provision in local health services. These staff require ongoing education and support to be able to maintain the services to the appropriate level of quality care.

With the challenges faced by rural health services in maintaining access to medical practitioners, services must ensure nurses are well trained and supported by guidelines so that, where appropriate, health care needs of people presenting in an emergency can be met without additional medical support and doctors only called in when necessary.

Service development priorities are to:

- *provide ongoing support for nurse practitioners and other projects that support shared service models for nurses and other staff*
- *encourage relationship building between health services and Ambulance Victoria paramedics*

348 Department of Health, *Rural directions—for a stronger healthier Victoria*, 2009, pp.56–8

349 *ibid.*, p.57

350 *ibid.*, p.58

- *enhance training options at regional and sub-regional health services to support clinical staff in local health services to maintain skills ...*
- *explore flexible models and other options for professional groups*
- *develop a comprehensive strategy that provides an appropriate emergency response in small rural communities*

The Committee welcomes the initiatives being undertaken by the Department of Health and other agencies to address the shortage of health service workers in rural and regional Victoria. However, particularly in view of the ageing of the population in rural Victoria and the demands this will place on local health services, the Committee remains of the opinion that the Department should prepare a long-term plan which covers the recruitment of an adequate number of doctors to meet the future needs of rural Victorians. The Committee considers that the Department should also prepare a long term plan for the recruitment and retention of nurses and other health workers for rural Victoria.

Recommendation 33: The Department of Health should develop a long-term plan for the recruitment and retention of doctors, nurses and other health workers for rural Victoria.