

## **Hon. Dr Denis Napthine MLA**

### **Minister for Ports, Major Projects, Racing, Regional Cities**

#### **Speech delivered to SEGRA delegates, Tuesday 25 October 2011.**

Could I acknowledge Councillor John Mitchell the Mayor of the City of Greater Geelong and for fear of offending people let me say apart from John, welcome to all the many mayors, councillors, CEOs, directors, representatives of Government and University bodies, it's a pleasure to have you all here.

To the locals, I'm sure that you'll enjoy being in your own community in Geelong, to visitors, welcome to Geelong from other parts of Victoria, and a special welcome to those from interstate and overseas and I hope you enjoy your time here, not only at the conference, but I hope you take the time to enjoy some of the delights of Geelong, the Bellarine Peninsula, the Western Coast, or if you have the opportunity to stay the weekend, don't miss the chance to partake in some of the Spring Racing Carnival here in Melbourne.

I'd like to also acknowledge the traditional custodians of our land and acknowledge elders past and present and recognise the contribution our indigenous communities have made to our great state and our terrific country.

SEGRA is a very important conference as it relates to growing regional and rural Victoria, and SEGRA as Kate said, has a great track record of driving ideas and innovations that flow through into practise on the ground and Kate I don't think you ever should be embarrassed about having your own ideas come back to you two-years later. I think that's the greatest thing that can ever happen, if you can start something off and two years later have someone tell you what you started or pick up on something you started, that is a great way for things to happen because it means it's infiltrated, got community endorsement and is proceeding.

So SEGRA really does have an important role to play and the Victorian Government certainly shares your goal in addressing the issues and strategies to achieve acceptable and sustainable economic growth in our regions and we as a government are very proud and pleased to be providing financial support for this conference because we believe this conference plays an important role in this process.

The Victorian Government makes no bones about our clear vision about growing regional and rural Victoria, we believe there are great opportunities to grow our regional cities, to grow all parts of regional and rural Victoria and we believe that that is in the best interest of the Victorian economy and the quality of life for all Victorians.

We know that Melbourne has been growing, and growing very fast, and that's terrific, we are supporters of population growth. Our government again makes no apology for being supporters of population growth; we think it is terrific for our economy, great for our diversity and quality of life. But what we are determined to do over the next three, five, ten, fifteen years is to set in train processes that perhaps get a better

balance in our population growth rather than have massive growth in Melbourne and perhaps not as much growth in other parts of the state.

So our long term goal is to have faster growth in the regions, particularly in our regional cities and we think that has a win-win outcome. To set the context our Victorian population is predicted to increase from 5.4 million to over 7 million by the 2030's. If this population growth is centred in Melbourne's growth areas, then the cost of increases congestion and liveability in Melbourne's suburbs will become enormous and you'll actually have a situation where you'll actually have higher costs of doing business, costs of congestion and you'll have a reduced quality of life. So what we believe is if a greater share of that population can be directed to our regions and in particular to our regional cities you will alleviate those pressures on Melbourne and you'll have great outcomes for regional and rural Victoria. We believe that significant growth in regional cities and rural townships will produce dividends for better economic growth and better quality of life. You'll have win-wins in the regions and benefits in Melbourne, so we make absolutely no apologies for having a clear policy and a clear program to promote population growth in regional and rural Victoria.

There is ample evidence to show that this is a positive way forward in an economic sense. For example, research undertaken by Regional Cities Victoria through Essential Economics in 2009 showed that the cost of critical infrastructure to support the redistribution of 50,000 people from Melbourne to our regional cities would be in the order of \$1 billion. However, it is estimated that the cost of congestion and infrastructure to accommodate the same 50,000 people in Melbourne was \$3.1 billion. So there is a massive cost saving in having those people live in regional and rural Victoria, there is a massive quality of life for those people that are in regional and rural Victoria. Both the ones who move there and settle there and the ones who already live there are improved in their quality of live by having the extra people, and the people of Melbourne benefit in having less congestion in the city.

While Melbourne is one of the great cities in the world, and I and every Victorian are proud of Melbourne, and it will continue to grow, it will continue to grow. But what we are saying as a Government is we are happy to have Melbourne grow at a steady rate and we'd love to encourage and stimulate a faster population growth in our regional cities and our rural townships.

And the sorts of things we are doing to put in place the policy drivers to assist that are the things like our \$1 billion Regional Growth Fund. And the \$1 billion is over two terms of Government. So there's \$500 million on the table in this term of Government and if we're re-elected there's another \$500 million. This is specifically geared as a Regional Growth Fund available for Regional and Rural Victoria to encourage investment, job growth, population growth and improvements in quality of life. A lot of that funding will be going through local councils because we believe local councils, which are the grassroots of our democracy and our community, are best placed to work with local communities to determine how to get the best outcomes from that funding.

There are a number of different streams of that funding that will begin to assist local councils and communities to increase job opportunities, increase economic activities and increase opportunities for people to live and work in these areas.

To give you some of the examples of the sort of things we are doing, not just through the Regional Growth Fund, but across the whole of Government to stimulate growth in regional and rural Victoria I'll look at some of the initiatives we're undertaking in Geelong.

Geelong, being an unashamed cats fan, is still celebrating a great win in the AFL premiership. But football in Geelong is more than just sport. It is really important to the economy and vitality of this community so we are happy as a Government to be investing significant funding in the further development of the Kardinia Park Sporting Complex because that is an investment, not just in the football team, it's an investment in the sporting facilities, the economics, and the quality of life in Geelong. At the same time we are investing in the Library and Cultural Heritage centre in partnership with the local council.

We are also looking into the economic opportunities in Geelong. And as the Minister for Ports, we are looking into the possibility of relocating the import/export trade in cars and vehicles from Webb Dock in Port Melbourne to Geelong which would be a significant shift in economic activity from Melbourne which would help decongest Melbourne, in and around the port area, and a significant shift in economic activity to Geelong which could create 600-1000 jobs locally in the next five to ten years.

Other examples of the sort of things we are investing in across Victoria include, in Ballarat, the Ballarat West Employment Zone. This is an area, obviously to the west of Ballarat, that the city council has identified as a growth opportunity in terms of the next stage of their industrial development, and in terms of the opportunities to grow and develop that city. We are investing in the Ballarat West Link Road which is a major road to facilitate that development. Our Minister for Planning is opening up new land in that area for both industrial land and residential development and that is a multi-million dollar investment in Ballarat that will cater for the opportunities in that area and it is expected that by 2035 an extra 9000 to 10,000 jobs will be created in that Ballarat West Employment Zone.

We have also announced, as a Government, that we'll be fast tracking the Port of Hastings to the western side of Melbourne. In summary we are currently doing 2.4 million TEUs, or twenty-foot equivalent containers, through our international port at Melbourne. It is the largest container port in Melbourne and is growing at a rate of about six per cent a year. By 2035 Victoria will be importing and exporting 8 million TEUs. That simply is not possible at the Port of Melbourne. We need to do some work at the port to expand its current capacity but we also need longer term solutions. We as a Government have made a decision that we will develop a new container facility at Hastings which is currently a smaller break-bulk port. That will create thousands of jobs, a multi-billion investment, which is again, decentralising jobs, decentralising economic activity and creating opportunities.

At the same time we recognise that there is important infrastructure other than economic infrastructure. That's why in Bendigo, we are investing over \$600 million

in a new base hospital and in this western region, at Deakin University and the University of Ballarat, and we are investing with the federal Government many millions of dollars in improving student accommodation. Universities are vital because universities, particularly university accommodation can bring people from Melbourne and interstate to come and study in our regions. Often people who come and study in our regions are people who then stay and live in our regions and it's really important that we work with these universities to invest in those opportunities in terms of accommodation.

One of the other things we are investing in is human capital. We recognise that leadership, particularly in regional areas. We recognise that leadership in regional communities is an area where there have been some deficiencies and some need. And we are investing \$6 million in regional leadership programs. Targeting the 25-40 year olds in those communities to give them the assistance and skills they need to develop their leadership potential so that they can then be the drivers of ideas whether it is in local council, state or federal governments, service clubs or whether it is in business. It's important to invest in these quality of life issues. It's no good saying 'we've got jobs for you, we've got housing at the right price' if we can't attract families because we don't have the appropriate cultural facilities, you can't find a decent restaurant and you can't get a decent cup of coffee. But we can now say in most areas in regional and rural Victoria those issues are now being addressed by private enterprise and we are working with them in terms of regional arts programs, cultural programs and sporting programs to ensure we provide the comprehensive package for regional and rural Victoria.

So in conclusion, let me say with respect to your conference, that your conference is really important to our Government, because we share your views about the future of Victoria and Australia being directly linked to the opportunities in regional and rural Victoria and regional and rural Australia. We believe that we can have a continued population growth, we can continue to have strong economic growth and we can continue to have an improved quality of life if we get the right balance in terms of population distribution. We need a positive program over the next three, five, ten years to grow and develop regional and rural Victoria, regional and rural Australia, increase population growth, increase economic activity and improve quality of life in our regions. So can I wish you well for your conference, can I say that we are proud to be a partner and support your conference, and I hope that the ideas you generate here, that we see them over the next two years, the next six months and also over the next five to ten years delivering really positive outcomes in terms of regional and rural development right across Victoria and Australia. Thank you very much.