

DIRECTION 3

Strengthen links between Melbourne and regional Victoria to increase the competitiveness of the Victorian economy as a whole

Victoria is one of the richest and most productive dairying regions in the world. Value is added to milk – and a host of other farm outputs – at high-tech facilities across the State.



Victoria's compactness and Melbourne's location in the geographical centre of the State have fostered an intimate relationship between the capital and the regions.

The municipalities stretching in an arc from Moorabool to Bass Coast are affected most directly by developments in metropolitan Melbourne, which they immediately adjoin. Many of them are experiencing rapid urbanisation, and strategic planning for Melbourne must take account of this fact.

Slightly further out is the circle of cities whose development has paralleled and in many ways sustained Melbourne's for a century and half – Geelong, Ballarat, Bendigo and the La Trobe Valley. The economic, social and institutional links between these major regional centres and metropolitan Melbourne have tended to multiply rather than diminish with the passage of time – and the advent of freeways, sprinter trains and sophisticated telecommunications. While each of these centres has its own history and its own destiny, they also form part of an increasingly integrated urban system centred on the Port Phillip region.

Beyond this circle lie a dozen other important regional cities and the countless rural communities responsible for producing the State's agricultural and mineral wealth. While sometimes less overt, their commercial, cultural and educational connections with Melbourne are nevertheless strong (see Figure 5).

Regional Victoria is generating its own economic opportunities. For example, Victoria's agrifood resources have significant value added to them before they leave the State, and much of this value is added in regional cities and country towns.

Over the last decade, a wider range of raw materials – milk, horticultural products, wool, timber – have been undergoing more extensive downstream

processing close to their point of origin. The Government has encouraged these developments as part of a long-term strategy to protect local employment and maintain the social fabric of small country towns in the face of the profound structural changes occurring in agriculture. Farm products are still the State's biggest exports, earning us more than \$4 billion annually. Moreover, Victoria's regions are no longer simply in the business of producing and processing agrifood resources. They are increasingly attracting high-technology and knowledge-based activities, and the whole State is the richer for these developments.

The Rural Victoria 2001 program draws together complementary initiatives by all Government departments and agencies to help rural communities build on their competitive strengths in agriculture, food, forestry, mining, manufacturing and technology. In partnership with regional communities, the State Government will position regional Victoria as a vibrant, well-served location for business by:

- encouraging strategic business, tourism and infrastructure investment which builds on regional Victoria's existing and emerging competitive strengths
- improving the efficiency of infrastructure, including port and transport infrastructure, which has an impact on the international competitiveness of industry in both Melbourne and regional Victoria
- encouraging improvements to telecommunications links between regional centres, metropolitan Melbourne and the world.

Encouraging strategic business, tourism and infrastructure investment

Increasing activity and productivity in the manufacturing, agricultural and service industries already established in regional Victoria will stimulate investment in other sectors, including tourism. Investing in Country Victoria, a program to facilitate business expansion and investment in country Victoria, is an important element in the Victorian Government's efforts to further this end. The Government will build on the work it has already done by:

- identifying and promoting regional Victoria's strengths as an investment location
- encouraging industries which add value to regional products
- encouraging information technology and telecommunications investment in regional centres
- supporting research and development in the State's primary industries and the downstream processing of regional products



A vigneron at work. The international success of Victoria's wines has stimulated growth in boutique farming and gourmet food production.



Figure 5 - MELBOURNE AND NEIGHBOURING REGIONAL CENTRES

- Bendigo Colac Regional centre, other major centre
- Melbourne's existing urban area
- Regional links

0 50 100 200
scale of kilometres