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## Access Economics



## Regional Cities Victoria

### Liveability Index

15 December 2017

*Image sources: City of Ballarat, City of Shepparton, City of Wodonga, Rural City of Horsham, Rural City of Wangaratta*

# Background

Regional Cities Victoria (RCV) is an alliance of the 10 largest regional Councils in Victoria. It is dedicated to “building a sustainable Victoria through regional growth”, via policy development and implementation in partnership with State and Federal Governments. Comprising of mayors and CEOs from the largest Councils in regional Victoria, RCV is recognised as an advocacy organisation for development in regional Victoria.

Regional cities are the heart of regional Victoria, with in excess of half a million residents across the ten largest cities that form RCV. As focal points of economic and social activity, regional cities provide residents with access to higher order amenities, services and jobs.

The continued ability of regional cities to attract and retain residents can only happen if they are desirable places to live in/near, or in other words, when they score highly on liveability.

The objective of this project is to develop a data-driven index of “liveability” – a brief inspired by initial work done for the City of Bendigo in November 2014. The thinking, outlined overleaf, takes into account the Bendigo study, previous work by Deloitte on liveability, and consultations with various member Councils as part of this brief.

It is anticipated that an objective liveability index, spanning multiple relevant criteria, can be used by member councils to highlight the strengths of each of the 10 member cities, to attract and retain residents to live, work and play there. It may also be used to identify and understand potential opportunities for member cities to improve on existing liveability performance.

# Developing an index of liveability

Liveability of a “place” is a multidimensional measure covering various themes which matter to individuals and communities. This concept is subjective, and there is no one set definition of what liveability is, or how it can be measured. Common across various frameworks (see for example the EIU’s Quality of Life Index, Mercer’s Quality of Living Survey, or Deloitte’s Liveable Melbourne and Sydney studies), is an attempt to measure the availability of features valued by residents.

In developing an index of liveability that is robust across Victoria, this research attempts to measure aspects of liveability that are relevant across all localities.

The framework is broadly structured as follows:

- A full range of **indicators** are considered, looking at aspects that contribute to a place-based measure of liveability. Selected indicators are subjected to our data selection criteria, overleaf, and those that do not pass are excluded from the Index. Building on our previous work and workshops, 24 indicators are selected.
- Indicators are grouped into 7 **themes**, encompassing the key aspects of liveability. These include for example “Physical Capital” and “Local Amenities”.
- Themes comprise between one and six indicators. For example, the theme “Physical Capital” encompasses physical (rail, road, air) and digital (mobile, broadband) infrastructure.
- A **metric** is developed for each indicator – or in other words, how each indicator was measured. Each metric is underpinned by one (or more) publicly available datasets, available across the 10 RCV Local Government Areas (LGAs), Greater Melbourne (or the LGAs that comprise it), and Victoria.

Data is collected for each of the 10 Councils that comprise RCV, and results are summarised by theme and assessed relative to Greater Melbourne as a benchmark. The performance of each LGA for each indicator is also ranked, and assessed relative to Greater Melbourne.

# Data selection criteria

To ensure consistency and robustness of the underlying datasets and metrics, a set of data selection criteria are applied as a yardstick for inclusion in the Index. These are:



## Data availability and quality

In order for a metric to satisfy **data availability and quality**, the data set needs to be:

- **Current/timely** – Relatively recent (broadly within the last 5 years).
- **Granular** – Data is available at LGA level or smaller.
- **Complete** – Coverage across a minimum of the 10 RCV LGAs, Greater Melbourne and Victoria, and ideally covering all 79 LGAs in Victoria.
- **Fit-for purpose** – Appropriate to inform the indicator which is to be measured.
- **Malleable** – Raw data can be adapted/transformed if required.



## Place, not person

Ideally the metric should be **place-centric**, focusing on the attributes of each LGA as they contribute to each locality's desirability as a good place to live. Also included are measures of societal cohesion (e.g. under the social capital theme), as these relate to the aggregate attitudes of each local community.

On this measure, indicators/metrics such as "demographic diversity" are not included.



## Reflects preferences of the majority

A selected metric should **reflect the preferences of the majority**. Specifically, it should be valued by the majority of individuals, and there should be broad agreement on whether the metric is good or bad for liveability.

For example – a general consensus exists around the accessibility of a place – e.g. higher accessibility, or lower travel times between where residents' live/work/play is unarguably a preference of residents.

Conversely, items such as substantial rainfall may be positive for some residents, but negative for others.



## Sufficient variation

As the Index is aimed at illustrating differences between LGAs, and broader Victoria, each metric should be underpinned by datasets which have **sufficient variation**. That is, data in each selected dataset needs to vary sufficiently across LGAs in order for its inclusion to be meaningful.

For example, while "political stability" is arguably important to liveability, we do not expect sufficient variation in this indicator across Victoria (or indeed, Australia), and hence exclude this indicator from the Index.

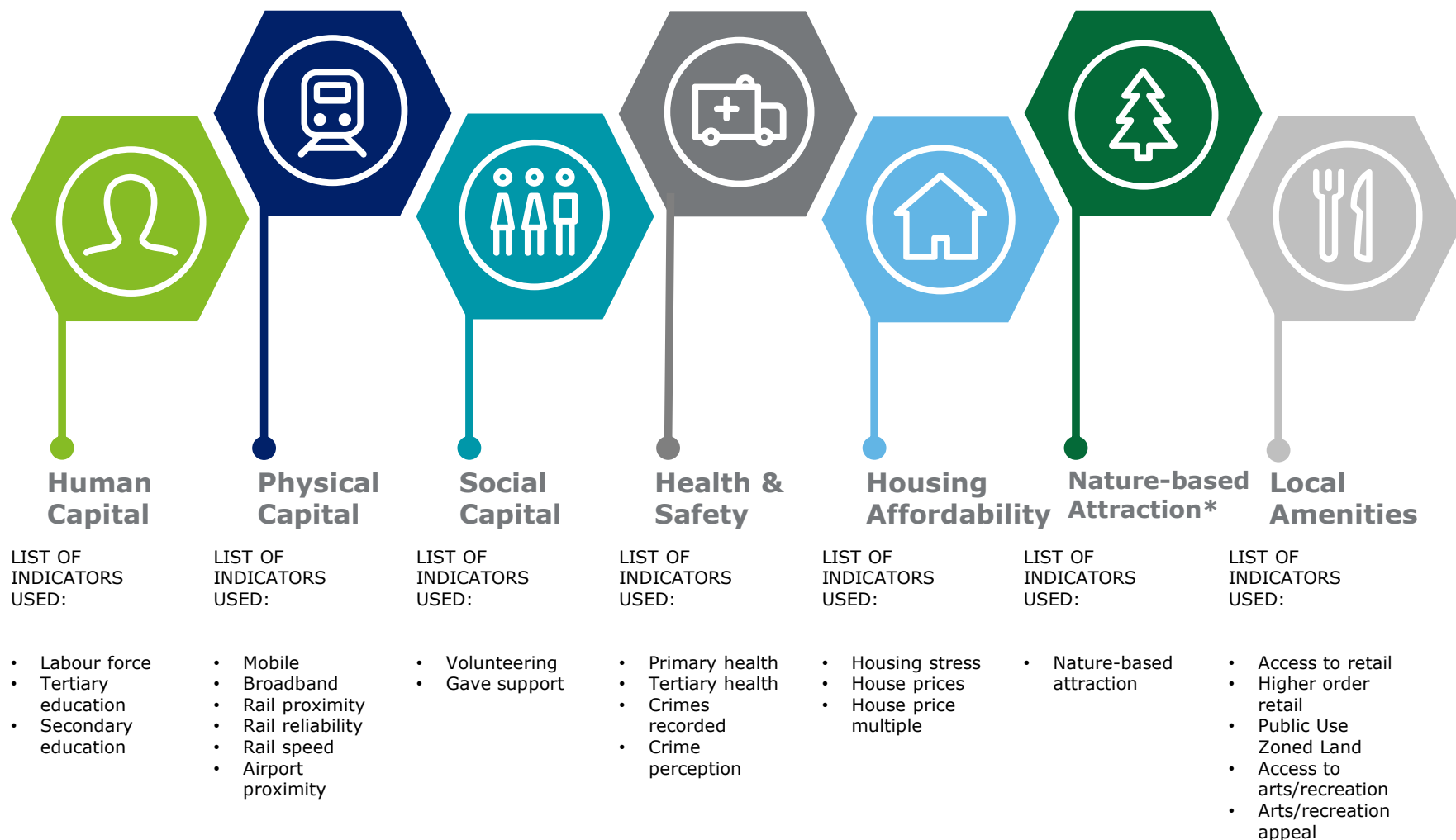
# Indicators considered but not included

The criteria outlined on the previous page underpin the Index. Some examples of indicators which were considered but not included are outlined below.

- “Receive support”, or the percentage of residents aged 18 and above who felt like they could receive support from non-family members in times of crisis. This indicator failed the fourth test, “sufficient variation”, where values for all Councils ranged between 94% and 96%.
- “Proximity to highway” – which fails the third test “reflects preferences of the majority”. In principle closer proximity is better, if it facilitates shorter travel times, however some residents may prefer a highway that bypasses their town.
- “Perennial water body”, the percentage of the Local Government Area (LGA) which is a perennial water body. This failed the first test – “Data availability and quality”, where some sense checking of the results revealed potential data gaps for key perennial lakes and rivers.
- “Proximity to national park”, which fails the third test “sufficient variation”. Although this distinguishes RCV from many Melbourne councils, most RCV Councils are proximate to national parks, and this measure was not considered instructive.
- “Presence of major stadia” was initially considered and quantified, but ultimately deemed to fail the tests of data quality and sufficient variation.
- “Provision of key cultural facilities” was initially considered, reflecting the provision of key cultural facilities (e.g. museum, theatre, cultural centre) on a per capita basis. Data was not available, hence this metric was not pursued.

# Themes and underlying indicators

7 themes, 24 indicators

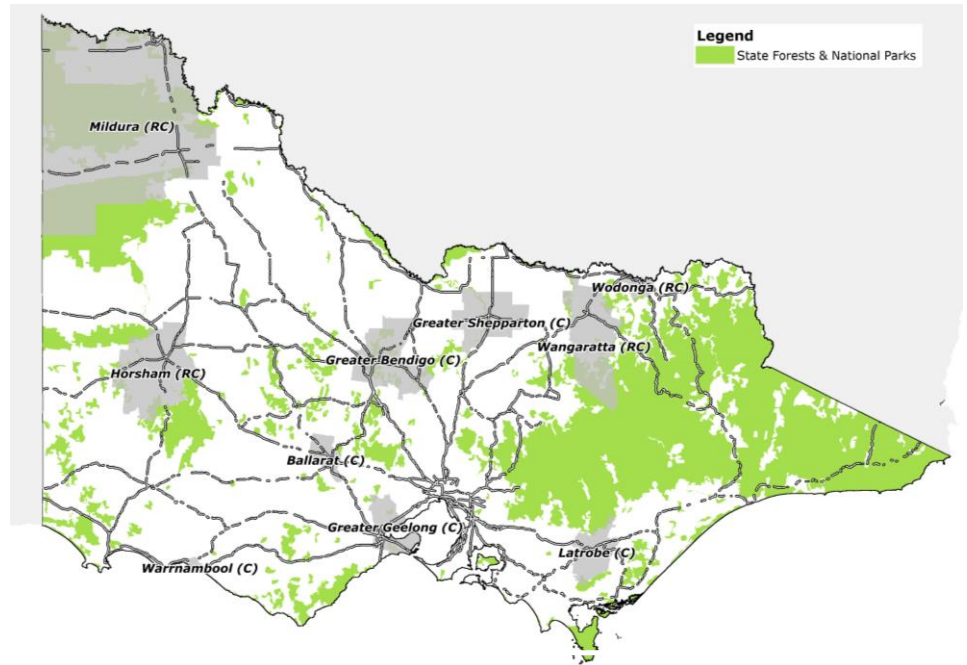


\*Includes tourists who visit because of outdoor/nature, active outdoor/sporting participation (e.g. surfing and skiing), and for local attractions including wineries.

# RCV average

The ten cities that form Regional Cities Victoria (RCV) are the largest ten regional Councils, and they account for around half of Victoria's regional population.

**Overall, the RCV councils outperform Melbourne Councils on half the themes.**



RCV Councils are particularly strong in Housing Affordability due to lower house prices. Nature-based Attraction is also strong, reflecting regional cities' substantial endowments of national parks.

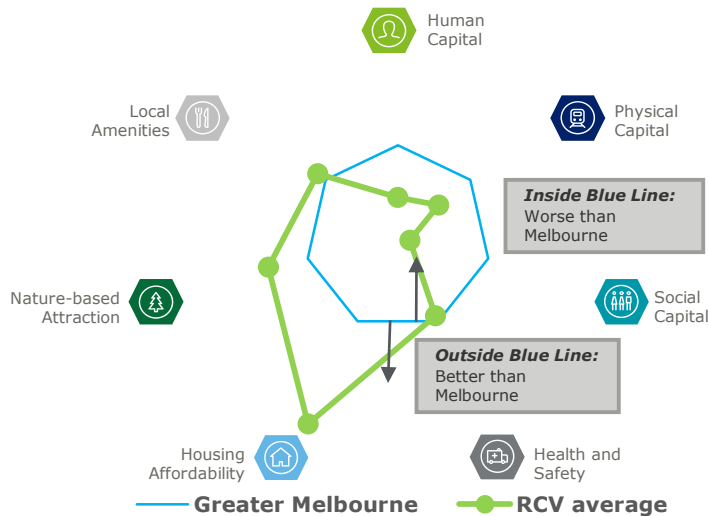
Typically the service hub for a broader population, regional Victorian cities generally have good per capita provision of primary and tertiary health services. However, crime levels per capita are, in the majority of cities, higher than Melbourne as an average.

Local Amenities are a relative strength for the RCV Councils. Most have a substantial provision of parks and recreational space, more than the metropolitan Melbourne average.

There are opportunities for improvement across the Human Capital theme, driven by lower tertiary education participation rates compared to the Melbourne average.

Under the Physical Capital theme, rail reliability across Councils is generally poorer than in Melbourne, and while mobile and broadband services on average compare favourably to Melbourne, there is significant variability between cities.




Social Capital is mixed – the rate of volunteering in regional cities is generally higher than in metropolitan Melbourne. However, regional city residents are less likely to offer support to non-immediate family members.



Estimated resident population (ERP, 2016)	Population density (ERP/LGA sq.km)	% urban population
770,227	18.8	88.7%

# Comparison of RCV and Greater Melbourne averages

The following table gives an overview of the performance of RCV compared to Greater Melbourne for the Human Capital, Physical Capital and Social Capital themes. The indicators in which RCV performs better than Melbourne are shaded in green.

Theme	Indicator	Metric	RCV Average (Equal Weighting)	Greater Melbourne Average
 Human Capital	1.1 Labour Force	Smoothed unemployment rate at end of FY16/17	5.7%	6.1%
	1.2 Tertiary Education	% of residents currently in Tertiary education (including TAFE), Census 2016	4.5%	7.8%
	1.3 Secondary Education	Population weighted average distance from each meshblock to closest secondary school (km)	5.79	2.40
 Physical Capital	2.1 Mobile coverage	50% quality and 50% coverage, aggregated up from Exchange to LGA. Higher is better. Constructed metric*.	30.40	53.02
	2.2 Broadband Coverage	50% quality and 50% coverage, aggregated up from Exchange to LGA. Higher is better. Constructed metric.	37.74	51.28
	2.3 Rail Proximity	Population weighted average distance from each meshblock to closest railway station (km)	5.02	7.39
	2.4 Rail Reliability	% of rail services delivered on-time, 12 month average to April 2017	80.7%	92.0%
	2.5 Rail Speed	Average speed of rail services from Southern Cross Station to Regional City Station as at November 2017 (km/h)	75.09	N/a**
	2.6 Airport Proximity	Distance from region's business centre to nearest commercial airport (km)	76.68	15.04
 Social Capital	3.1 Volunteering	Percentage of people aged 18 years and over who did unpaid voluntary work in the last 12 months through an organisation (2014)	36.3%	29.4%
	3.2 Gave Support	Percentage of people aged 18 years and over (or their partner) who provide support to other relatives living outside the household (2014)	28.0%	30.4%





\*Constructed metrics have been developed based on publically available data for some indicators, where Council level information is not available, but where more granular information can be publically sourced. The estimated values under each constructed indicator do not, in themselves, provide any insight; however they have been constructed such that the order and magnitude provide insight into its provision – and as such can be ranked.

\*\*Average rail speed for Melbourne is 36.99kmph, however not comparable to Regional Victoria as trains stop significantly more.

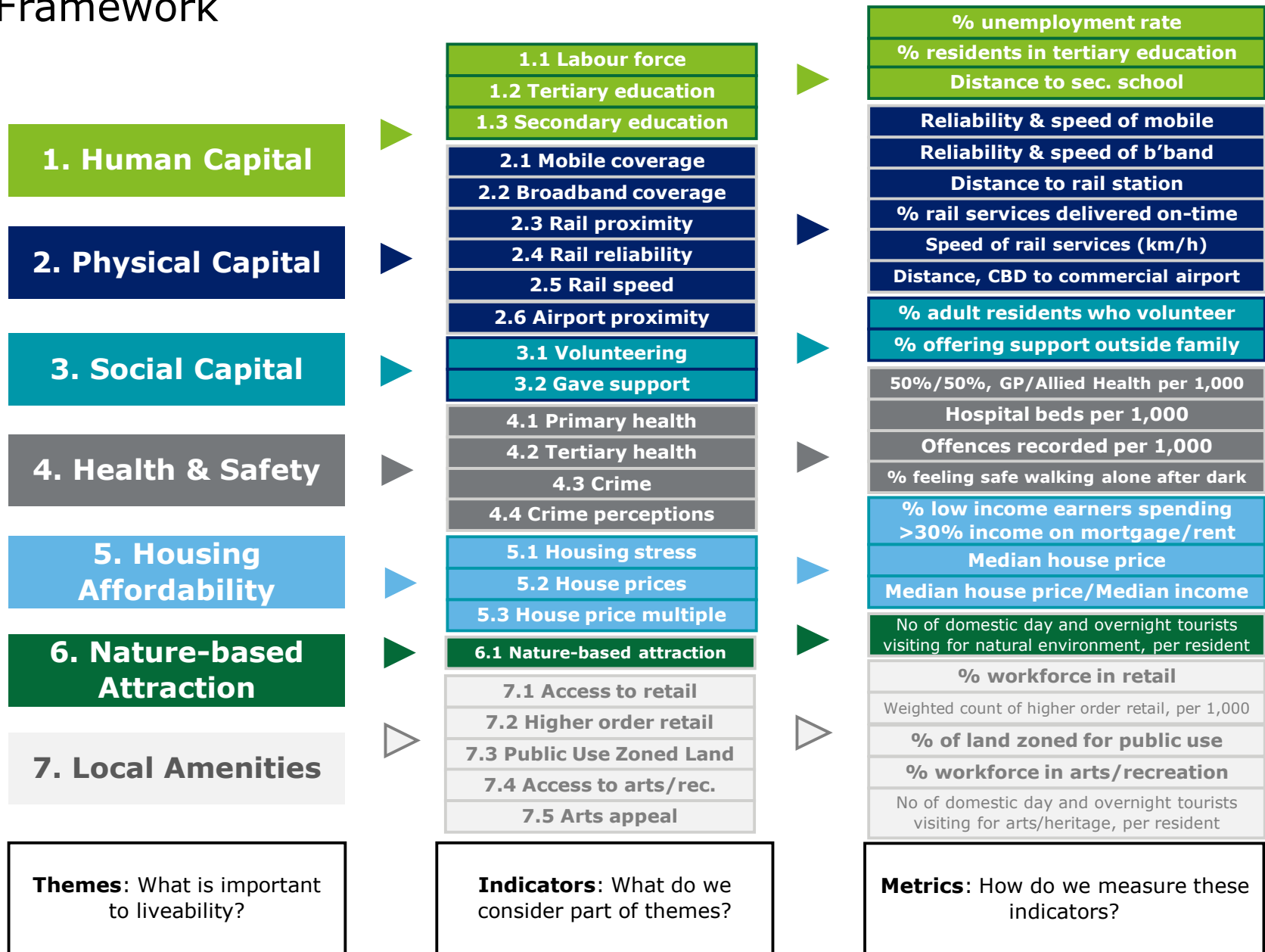


# Comparison of RCV and Greater Melbourne averages

The following table gives an overview of the performance of RCV compared to Greater Melbourne for the Health and Safety, Housing Affordability, Nature-based Attraction and Local Amenities themes. The indicators in which RCV exceeds Melbourne are shaded in green.

Theme	Indicator	Metric	RCV Average (Equal Weighting)	Greater Melbourne Average
 Health and Safety	4.1 Primary Health	50% - 50% weighted average provision of GP and Allied Health service sites, per 1,000 residents.	1.13	1.00
	4.2 Tertiary Health	Hospital beds (private and public) per 1,000 residents	5.24	3.44
	4.3 Crimes Recorded	Offences recorded per 1,000 residents, December 2016	117.58	89.2
	4.4 Crime Perception	Estimated number of people (per 1000) aged 18 years and over who felt very safe/safe walking alone in local area after dark (2014)	49.1%	51.6%
 Housing Affordability	5.1 Housing Stress	50%-50% weighted score of % of Low income households (households in bottom 40% of income distribution) with mortgage stress and rental stress	19.17	18.55
	5.2 House Prices	Suburb population weighted median house prices, 2015	253,488	779,018
	5.3 House Price Multiple	Median house price divided by median income, 2015	5.9	15.9
 Nature-based Attraction	6.1 Nature-based Attraction	Number of domestic daytrip + overnight tourists visiting for the natural environment, per resident	8.5	6.4
 Local Amenities	7.1 Access to Retail	% of resident workforce employed in retail industry (ANZSIC division G), Census 2016	6.28%	5.87%
	7.2 Higher Order Retail	Constructed metric. Weighted count of higher order shopping centres in LGA, per 1,000 residents	0.039	0.053
	7.3 Public Use Zoned Land	% of land zoned for public use within urban area (Public Parks and Recreation Zone)	7.2%	5.8%
	7.4 Access to Arts/Recreation	% of resident workforce employed within arts and recreational industries (ANZSIC Division R), Census 2016	0.7%	1.2%
	7.5 Arts/Recreation Appeal	Number of domestic daytrip + overnight tourists visiting for arts and recreational activities, per resident	2.14	1.21

# Framework



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